



**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
El Paso County, Colorado

**E**

**RECEIVED**

Office of the State Auditor

November 27, 2018



**ACADEMY DISTRICT TWENTY**  
**1110 Chapel Hills Drive**  
**COLORADO SPRINGS, COLORADO 80920**  
**(719) 234-1200**  
**[www.asd20.org](http://www.asd20.org)**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**PREPARED BY:**  
**FISCAL SERVICES**

**Marita Vogrin**  
**DIRECTOR OF FINANCE**

*The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.*



**ACADEMY SCHOOL DISTRICT TWENTY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**TABLE OF CONTENTS**

Title Page

**I. INTRODUCTORY SECTION**

Superintendent Letter .....	i
Letter of Transmittal .....	iii
List of Principal Officers .....	viii
Organizational Chart .....	ix
District Map .....	x
Certificate of Excellence – Government Finance Officer’s Association .....	xii
Certificate of Excellence – Association of School Business Officials International .....	xiii

**II. FINANCIAL SECTION**

INDEPENDENT AUDITORS’ REPORT.....	1
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	4
BASIC FINANCIAL STATEMENTS .....	15
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	16
Statement of Activities .....	17
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds .....	18
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position .....	19
Statement of Revenues, Expenditures and Changes in	
Fund Balance – Governmental Funds .....	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,	
And Changes in Fund Balance to the Statement of Activities .....	21
Statement of Fiduciary Net Position – Fiduciary Funds .....	22
Statement of Changes in Fiduciary	
Net Position – Fiduciary Funds.....	23
<b>Notes to Financial Statements .....</b>	<b>25</b>

REQUIRED SUPPLEMENTARY INFORMATION

Description of Required Supplementary Information..... 56

General Fund

        Description of Fund ..... 57

        Budgetary Comparison Schedule ..... 58

Note to Required Supplementary Information ..... 60

Schedule of the District’s Proportionate Share of the Net Pension Liability ..... 61

Schedule of the District’s Contributions and Related Ratios ..... 62

Schedule of the District’s Proportionate Share of the Net OPEB Liability ..... 63

Schedule of the District’s Contributions and Related Ratios ..... 64

OTHER SUPPLEMENTARY INFORMATION

OTHER MAJOR GOVERNMENTAL FUNDS

Capital Project Funds

        Description of Fund ..... 66

Building Fund

        Budgetary Comparison Schedule ..... 67

NON-MAJOR GOVERNMENTAL FUNDS

    Description of Funds ..... 69

    Combining Balance Sheet ..... 70

    Combining Statement of Revenues, Expenditures  
    and Changes in Fund Balances ..... 71

Special Revenue Funds

Food Service Fund

            Budgetary Comparison Schedule ..... 72

Designated Purpose Grants Fund

            Budgetary Comparison Schedule ..... 73

Transportation Fund

            Budgetary Comparison Schedule ..... 74

Debt Service Fund

Bond Redemption Fund

            Budgetary Comparison Schedule ..... 75

Capital Project Funds

Capital Reserve Capital Projects Fund

            Budgetary Comparison Schedule ..... 76

Technology Fund

            Budgetary Comparison Schedule ..... 77

FIDUCIARY FUNDS

Trust and Agency Fund

        Description of Fund ..... 78

Pupil Activity Agency Fund

        Statement of Changes in Assets and Liabilities ..... 79

III. STATISTICAL SECTION

FINANCIAL TREND INFORMATION

List of Tables and Graphs ..... 81

Net Position by Component (Table 1) ..... 82

Change in Net Position (Table 2) ..... 83

Fund Balances

    Governmental Funds – Last Nine Years (Table 3.1) ..... 84

    Governmental Funds – Three Fiscal Years (Table 3.2)..... 85

Change in Fund Balances, Governmental Funds (Table 4) ..... 86

Summary of Expenditures by Function and other Financing Uses

    General Fund – Last Ten Years (Table 5) ..... 87

Revenues/Sources vs. Expenditures/Uses (Graph) ..... 88

Fiscal Health Tracking Ratios - Last Ten Years (Table 6.1) ..... 89

    Asset Sufficiency Ratio - Last Ten Years (Table 6.2) ..... 90

    Debt Burden Ratio - Last Ten Years (Table 6.3) ..... 91

    Operating Reserve Ratio - Last Ten Years (Table 6.4) ..... 92

    Operating Margin Ratio - Last Ten Years (Table 6.5) ..... 93

    Deficit Fund Balance Ratio - Last Ten Years (Table 6.6) ..... 94

    Change in Fund Balance Ratio - Last Ten Years (Table 6.7) ..... 95

REVENUE CAPACITY INFORMATION

List of Tables and Graph..... 97

Summary of Revenues by Source and other Financing Sources

    General Fund – Last Ten Years (Table 7) ..... 98

Assessed and Estimated Actual Value of Taxable Property

    Academy School District Boundaries – Last Ten Years (Table 8) ..... 100

Property Tax Rates – Direct and Overlapping Governments

    Last Ten Years (Table 9) ..... 101

Principal Taxpayers (Table 10) ..... 102

Property Tax Levies and Collections

    General Fund - Last Ten Years (Table 11) ..... 104

Property Tax Levy vs. Collections (Graph)..... 105

DEBT CAPACITY INFORMATION

List of Tables ..... 106

Net Bonded Debt - Last Ten Years (Table 12) ..... 107

Computation of Direct and Overlapping Debt  
General Obligation Bonded Debt (Table 13) ..... 108

Computation of Legal Debt Margin (Table 14) ..... 109

Percent of Annual Debt Service for General Bonded Debt  
to General Fund Expenditures – Last Ten Years (Table 15) ..... 110

DEMOGRAPHIC AND ECONOMIC INFORMATION

List of Tables ..... 111

Demographic Data - El Paso County – Last Ten Years (Table 16) ..... 112

El Paso County Property Values and Construction  
Last Ten Years (Table 17) ..... 113

El Paso County Principal Employers (Table 18) ..... 114

OPERATING INFORMATION

List of Tables ..... 115

District Building Information (Table 19) ..... 116

Schedule of Insurance Policies (Table 20) ..... 118

Full-time Equivalent Employees by Functional Program (Table 21) ..... 120

Operating Statistics (Table 22) ..... 121

IV. COMPLIANCE SECTION

Single Audit Section

Independent Auditors' 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..... 123

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance ..... 125

Schedule of Findings and Questioned Costs ..... 127

Schedule of Expenditures of Federal Awards ..... 129

Notes to Schedule of Expenditures of Federal Awards ..... 130

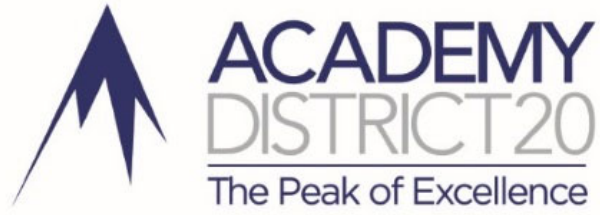
Colorado Department of Education Electronic Data Report

Description of Requirement ..... 131

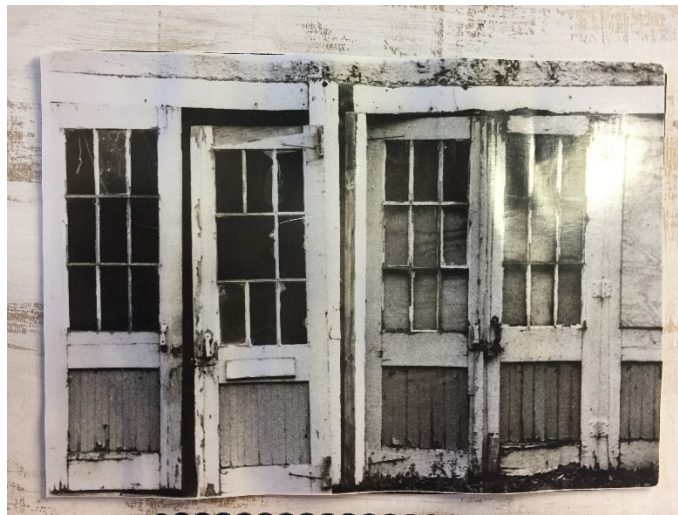
Auditors' Electronic Financial Data Integrity Check Figures Revenues, Expenditures and Fund Balance by Fund ..... 132

Art Students

Art Work Credit ..... 133



# I. Introductory Section





November 1, 2018

Board of Education  
Academy School District Twenty  
1110 Chapel Hills Drive  
Colorado Springs, CO 80920

Dear Members of the Board of Education,

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Academy School District Twenty for the fiscal year ended June 30, 2018.

The CAFR for the fiscal year ended June 30, 2017 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the eighteenth consecutive year. These awards represent acknowledgement from our peers that our District has prepared and presented our fiscal information in a clear, open and user-friendly format for stakeholders that qualifies the report for its' recognition of excellence. I am confident that this year's CAFR will continue to qualify for these prestigious awards.

The Finance Department is to be congratulated for their leadership in moving the District toward the highest standards of financial accountability. The quality and completeness of this report is designed to continue to increase the confidence of all of our stakeholders in the financial operations of our district. A review of this document provides clear evidence of the progress the District has made in achieving its long-range fiscal goals.

I would, also, extend my thanks to the members of the Board of Education for their support and leadership.

Sincerely,

Mark Hatchell  
Superintendent of Schools



**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

*Where dreams take flight...*  
*One student at a time.*



The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.



November 1, 2018

**TO THE CITIZENS AND BOARD OF EDUCATION OF  
ACADEMY SCHOOL DISTRICT TWENTY:**

State law requires that all public school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Academy School District Twenty, El Paso County, Colorado for the fiscal year ended June 30, 2018.

This report consists of management's representations concerning the finances of the District. Consequently, the District's management assumes full responsibility for both the accuracy of the data, based upon a comprehensive framework of internal control that it has established for this purpose, and the completeness and fairness of the presentation, including all disclosures. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds.

The District's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to the annual independent audit of the financial statements, the District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Uniform Grant Guidance. Information related to this single audit, including the independent auditors' reports on the internal control and compliance, with applicable requirements, findings and questioned costs, and the schedule of expenditures of federal awards are presented in the compliance section of this document.

The notes to the financial statements, including a summary of significant accounting policies of the District, are considered to be an integral part of the financial statements and contain certain information not shown on the face of the financial statements that is required to be disclosed under generally accepted accounting principles. Readers of the financial statements are encouraged to thoroughly review the information contained in the notes in connection with their overall review of the financial statements.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement Management's Discussion and Analysis and should be read in conjunction with it. This discussion and analysis can be found immediately following the Report of the Independent Auditors on pages 4-14 of this report.

## **PROFILE OF THE DISTRICT**

The District is located about 5 miles north of downtown Colorado Springs. It covers an area of approximately 130 square miles which includes the United States Air Force Academy. The District provides a full range of traditional and non-traditional educational programs and services. These include preschool, elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of co-curricular and extra-curricular activities; special education programs; gifted and talented programs; and student support services.

During the 2017-18 school year, the district served 25,831 students. These students were housed in 18 elementary schools, 4 middle schools, 4 high schools, an alternative middle school/ high school campus, a home school program, a K-12 campus and one K-12 charter school spread over 3 campuses. The district has grown by 2,712 students (11.7%) since 2010 and is projected to grow by an additional 3,400 students by 2023.

In 2016, district voters approved a \$230 million general obligation bond in the General election to address the district's continued growth and projected need for additional facilities. After a January 2017 issuance of \$160 million (the first issuance in a multi-phase approach), construction began on an elementary school in the southeast portion of the district. That school opened for the beginning of the 2018-2019 school year. Because the average age of the District's other 28 school buildings is 28 years, a significant portion of the bond money has also been allocated to renovate and add capacity to existing buildings. The oldest building (Douglass Valley Elementary, on the Air Force Academy) is 60 years old and the newest (Chinook Trail Elementary, Ranch Creek Elementary and Discovery Canyon Campus High) are 11 years old, opening in August 2007. All schools will receive improvements from bond proceeds.

Academy School District offers an extensive choice program that is open to students throughout the district. Choice schools offer programs or opportunities that may be unique to a particular building. Differences may include the school schedule or its' curricular focus. Current examples of the variety of choices available include: a K-12 technology strand, PK-12 International Baccalaureate strand, an online high school program, a support program for homeschooling families, accelerated school, alternative middle/high school campus, a K-12 charter school, math/science school, and a 4th grade earth/environmental full-year program.

This report includes all funds, organizations and activities for which the Board of Education has significant relationship as further described in Note 1 of the Notes to the Basic Financial Statements.

The sole district charter for 2017-2018SY, The Classical Academy (TCA) meets the criteria for reporting as a Discretely Presented Component Unit, detailed in the accompanying notes to the financial statements. A second district charter was approved by the Board of Education during the 2017-2018SY. It opened to students at the beginning of the 2018-2019SY. The following entities have not met the criteria for component units, and accordingly, are excluded from this report: Pikes Peak Board of Cooperative Education Services (BOCES), Parent/Teacher Organizations, D20 Foundation, and Athletic/Music Booster Groups.

The budget process involves multiple steps which include identification of district goals, creation of a budget calendar, budget projection models, and program utilization data. The Board of Education is required to adopt a budget for each fiscal year prior to the beginning of the fiscal year (July 1st). The adopted budget may be amended by the Board of Education up to December 31. Budgets are prepared annually for all governmental, proprietary, and fiduciary funds of the District.

In addition to the operating budget, a capital budget is prepared based on the District's capital plan in which projects are prioritized on maintenance and safety issues in conjunction with building improvement plans. The impact of capital projects is considered when developing the operating budget.

## **ECONOMIC CONDITION**

### **Local Economy**

The District is located in Northern El Paso County, which is located in the central part of Colorado. El Paso County's estimated 2017 population is 699,232 with a growth rate of 5.12% in the past year according to the most recent United States census data., an increase of 4.0 percent (or 26,779) people from 2015 to 2017. Given this continued growth, it is likely that demand for residential building permits will continue, especially if mortgage rates stay within reach during and after 2018. Several factors contributed to the population increases: the strong state economy, growing key industries, economic development efforts, quality of life, natural beauty of the region, and an educated work force.

According to Southern Colorado economists, El Paso County continues to improve in the areas of employment and income/wages. Colorado is outperforming the nation with a 3.4 percent non-seasonally adjusted unemployment rate in August of 2018, a 3.9 percent rate for the U.S. and a 4.1 percent rate for El Paso County, which is below the "natural" rate of unemployment and has edged up mostly due to increases in the number of people entering or re-entering the labor force. Academy School District 20 has been fortunate to maintain a level of excellence in support for students and staff in the face of state funding difficulties. Through the voter-approved Mill Levy Override in November of 2008 and careful planning and budgeting, the District has been able to mitigate classroom impact, minimize staff layoffs, and provide salary increases to our highly-valued staff.

The military is a major factor in the Colorado Springs area economy. The United States Air Force Academy is within the boundaries of the District and several other military installations are located in El Paso County, including Fort Carson Army Post, Peterson Air Force Base, North American Aerospace Defense Command (NORAD), and Schriever Air Force Base. Military-related jobs in the community have positively impacted the District's economy, but might have peaked in 2008. About 20% of district students are federally connected, either from military families or civilian parents employed on federal property that choose to live within district boundaries.

### **Long-term Financial Planning**

The New Construction component of the bond projects will include another elementary school, a middle school and a Center for Modern Learning. The projects will be completed in three phases, aligning with three issuances over a total of six to eight years, and will accommodate the additional students, which are inevitable as the existing master-planned communities are built out. We realize that as areas of the district population age, these yields will trend downward. The issue remains 'how fast will this happen' and 'how rapidly will it affect the future student yield planning standard'. Demographers predict that, based on today's yield, full build out of all master-planned units will produce an estimated additional 9,500 students in the district over the next 20-25 years.

### **Financial Policies**

Detailed descriptions of the District's accounting policies are contained in Note 1 of the Notes to the Financial Statements on pages 25-55 of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for investments, capital assets, and other significant accounting information.

The District maintains a number of budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered budgets lapse at year-end, except at the school level, where unencumbered budget allocations are available for use in future years and are reported as assignments of fund balance in the current year.

### **Major Initiatives**

Construction in progress at year end includes Legacy Peak, the new PK-5 elementary school, and the Center for Modern Learning in the Wolf Ranch development and ongoing remodels/additions at existing schools. Additionally, the District continues to support district safety and security needs, development of a competitive staff compensation package, resources to accommodate student growth and maintain current class sizes and protecting student programs.

## AWARDS AND ACKNOWLEDGMENTS

Academy School District Twenty received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2017. This award certifies that the CAFR for the fiscal year ended June 30, 2017, substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

The Government Finance Officers Association of the United States and Canada (GFOA) also awarded a Certificate of Achievement of Excellence in Financial Reporting to Academy School District Twenty for its CAFR for the fiscal year ended June 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

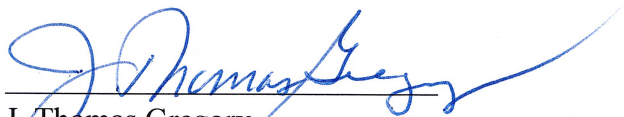
In order to be awarded a Certificate of Excellence or a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The document must satisfy both generally accepted accounting principles and applicable legal requirements.

Certificates from both ASBO and GFOA are valid for a period of one year only. We believe our current report continues to conform to program requirements and we will submit to both associations for review.

We extend special thanks to our independent certified public accountants, and their staff for their professional approach in the performance of the audit, and their assistance in the preparation of the CAFR.

Finally, we would like to offer special thanks to the individuals who are employed in the District's Business Services Department, and whose efforts and contributions made completion of the audit and preparation of this CAFR a success.


Respectfully Submitted,



---

J. Thomas Gregory

Deputy Superintendent/CFO



---

Marita Vogrin

Director of Finance



**ACADEMY SCHOOL DISTRICT TWENTY  
COLORADO SPRINGS, COLORADO**

**BOARD OF EDUCATION**

Mrs. Tracey Johnson, President

Mrs. Karin Reynolds, Vice-President

Mr. Doug Lundberg, Treasurer

Mr. Glenn Strebe, Director

Mr. Thomas LaValley, Director

Col. Troy Harting, USAF Academy Liaison

**CENTRAL OFFICE ADMINISTRATION**

Dr. Mark Hatchell, Superintendent

Mr. Tom Gregory, Deputy Superintendent/Chief Financial Officer

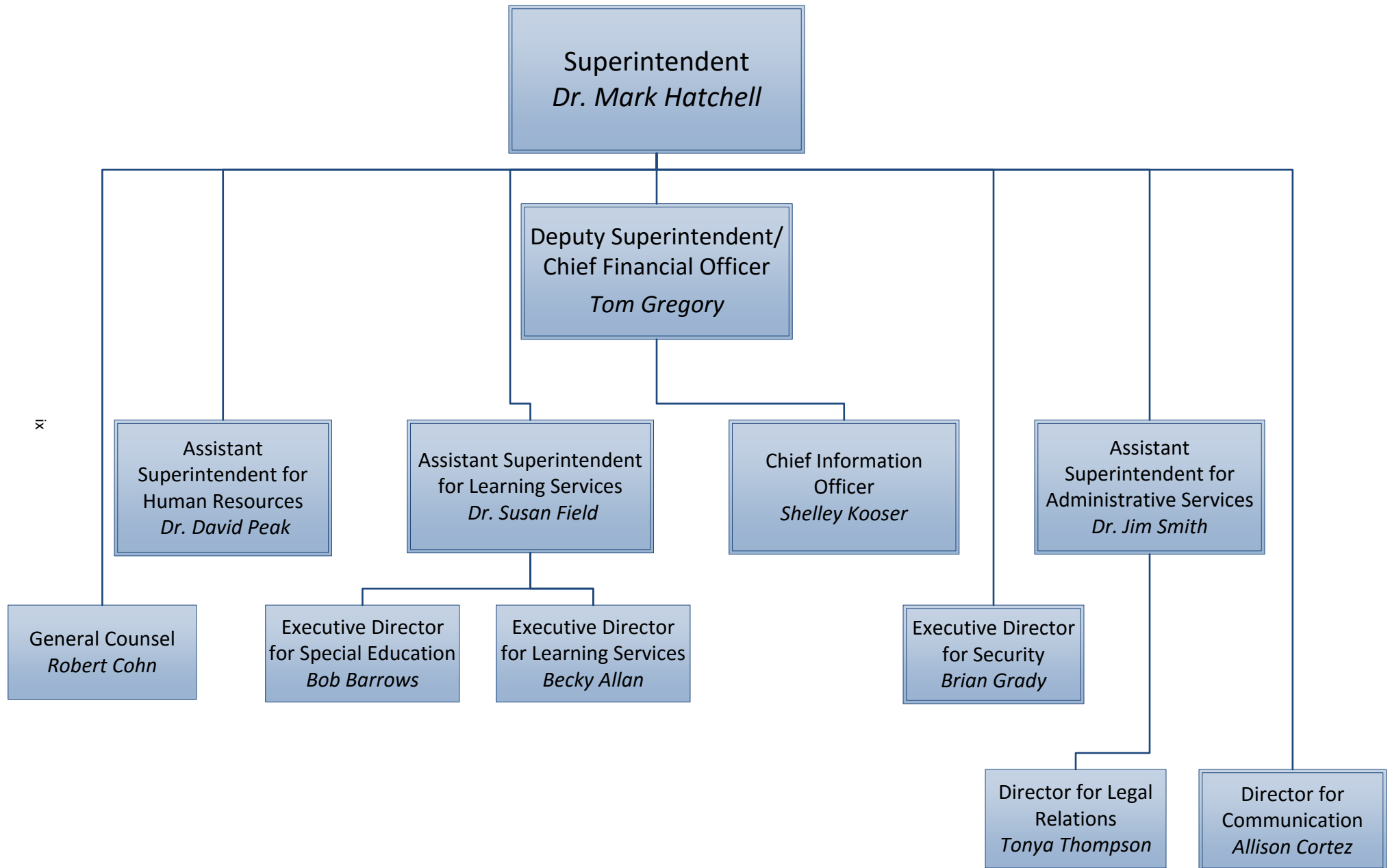
Dr. Susan Field, Assistant Superintendent/Learning Services

Dr. Jim Smith, Assistant Superintendent/Administrative Services

Dr. David Peak, Assistant Superintendent/Human Resources

Mrs. Shelley Kooser, Chief Information Officer

Mrs. Allison Cortez, Director for Communication



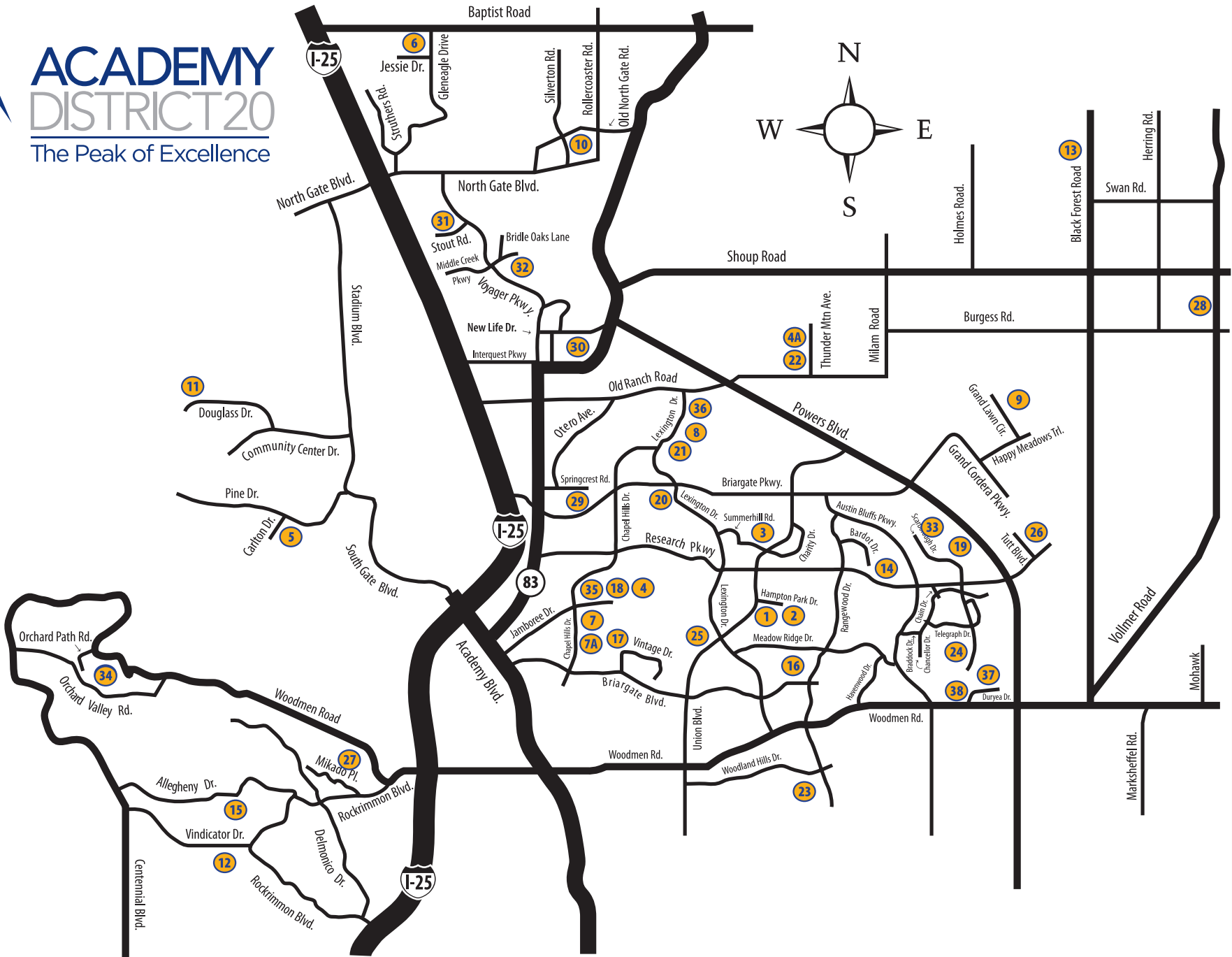
x:



# ACADEMY DISTRICT 20

The Peak of Excellence

x



# Contact Information

- 1 Academy Calvert K-8 Online  
Elizabeth Davis, Principal  
3475 Hampton Park Drive, 80920  
PHONE: 258-1550
- 2 Academy Endeavour Elementary  
Bobbi Harper, Principal  
3475 Hampton Park Drive, 80920  
PHONE: 234-5600 FAX: 234-5699
- 3 Academy International Elementary  
Laura McNally, Principal  
8550 Charity Drive, 80920  
PHONE: 234-4000 FAX: 234-4099
- 4 Academy Online High School  
Nathan Gorsch, Principal  
1110 Chapel Hills Drive, 80920  
PHONE: 234-1670, FAX: 234-1732
- 4A 9th Grade Pilot Program  
Nathan Gorsch, Principal  
10750 Thunder Mountain Ave., 80908  
PHONE: 234-1670, FAX: 234-1732
- 5 Air Academy High School  
Dan Olson, Principal  
6910 Carlton Drive, 80840  
PHONE: 234-2400 FAX: 234-2599
- 6 Antelope Trails Elementary  
Laura Cresap, Principal  
15280 Jessie Drive, 80921  
PHONE: 234-4100 FAX: 234-4199
- 7 Aspen Valley Campus 9-12  
George Stone, Principal  
1450 Chapel Hills, 80920  
PHONE: 234-6000 FAX: 234-6099
- 7A Aspen Valley Campus 7-8  
Randy Thomas, Program Facilitator  
1470 Chapel Hills Drive, 80920  
PHONE: 234-6100
- 8 Challenger Middle School  
Tony Scott, Principal  
10215 Lexington Drive, 80920  
PHONE: 234-3000 FAX: 234-3199
- 9 Chinook Trail Elementary  
Patrick Schumaker, Principal  
11795 Grand Lawn Circle, 80924  
PHONE: 234-5700 FAX: 234-5799
- 10 Discovery Canyon Campus Christina  
Serola, Elementary Principal Mario  
Romero, Middle School Principal Jim  
Bailey, High School Principal  
1810 North Gate Blvd., 80921  
PHONE: 234-1800 FAX: 234-1899
- 11 Douglass Valley Elementary  
Kelly Farmer, Principal  
4610 Douglass Drive, 80840  
PHONE: 234-4200 FAX: 234-4299
- 12 Eagleview Middle School  
John Jamison, Principal  
1325 Vindicator Drive, 80919  
PHONE: 234-3400 FAX: 234-3599
- 13 Edith Wolford Elementary  
Bob Wedel, Principal  
13710 Black Forest Road, 80908  
PHONE: 234-4300 FAX: 234-4399
- 14 Explorer Elementary  
Kay Lynn Waddell, Principal  
4190 Bardot Drive, 80920  
PHONE: 234-4400 FAX: 234-4499
- 15 Foothills Elementary  
Rose Bergles, Principal  
825 Allegheny Drive, 80919  
PHONE: 234-4500 FAX: 234-4599
- 16 Frontier Elementary  
Kelly Garnhart, Principal  
3755 Meadow Ridge Drive, 80920  
PHONE: 234-4600 FAX: 234-4699
- 17 High Plains Elementary  
Tom Andrew, Principal  
2248 Vintage Drive, 80920  
PHONE: 234-4700 FAX: 234-4799
- 18 Home School Academy  
Jolynn Patterson, Administrator  
1110 Chapel Hills Drive, 80920  
PHONE: 234-1473 FAX 234-1749
- 19 Liberty High School  
Alan Thimmig, Principal  
8720 Scarborough Drive, 80920  
PHONE: 234-2200 FAX: 234-2399
- 20 Mountain Ridge Middle School  
Jeff Sterk, Principal  
9150 Lexington Drive, 80920  
PHONE: 234-3200 FAX: 234-3399
- 21 Mountain View Elementary  
Jill Hooper, Principal  
10095 Lexington Drive, 80920  
PHONE: 234-4800 FAX: 234-4899
- 22 Pine Creek High School  
Kolette Back, Principal  
10750 Thunder Mountain Avenue, 80908  
PHONE: 234-2600 FAX: 234-2799
- 23 Pioneer Elementary  
Diane Naghi, Principal  
3663 Woodland Hills Drive, 80918  
PHONE: 234-5000 FAX: 234-5099
- 24 Prairie Hills Elementary  
Vicki Axford, Principal  
8025 Telegraph Drive, 80920  
PHONE: 234-5100 FAX: 234-5199
- 25 Rampart High School  
Peter Alvarez, Principal  
8250 Lexington Drive, 80920  
PHONE: 234-2000 FAX: 234-2199
- 26 Ranch Creek Elementary  
Susan Paulson, Principal  
9155 Tutt Boulevard, 80924  
PHONE: 234-5500 FAX: 234-5599
- 27 Rockrimmon Elementary  
Carre Bonilla, Principal  
195 W. Mikado Drive, 80919  
PHONE: 234-5200 FAX: 234-5299
- 28 School in the Woods  
Bob Wedel, Principal  
12002 Vollmer Road, 80908  
PHONE: 495-1865
- 29 The Classical Academy Central K-6  
Rebecca DeMeyer, Principal  
1655 Springcrest Road, 80920  
PHONE: 265-9766 FAX: 265-1751
- 30 The Classical Academy  
East-K-6, Cottage Program-K-8, College  
Pathways Program-7-12  
Amy Nelson, East K-6 Principal  
Susan Nosal, Cottage K-8 Principal  
12201 Cross Peak View, 80921  
PHONE: 282-1181 FAX: 260-9743  
Steve Wright, College Pathways Principal  
PHONE: 494-0631 FAX: 484-0087
- 31 The Classical Academy, North K-12  
Don Stump, Elementary Principal  
975 Stout Road, 80921  
PHONE: 484-0081 FAX: 484-0078  
Hugh Di Pretore, Jr. High Principal  
PHONE: 484-0091 FAX: 487-2339  
Sean Shields, High School Principal  
PHONE: 484-0091 FAX: 494-0085
- 32 The da Vinci Academy  
Cindy Fesgen, Principal  
1335 Bridle Oaks Lane, 80921  
PHONE: 234-5400 FAX: 234-5499
- 33 Timberview Middle School  
Brett Smith, Principal  
8680 Scarborough Drive, 80920  
PHONE: 234-3600 FAX: 234-3799
- 34 Woodmen-Roberts Elementary  
Jenny Sterk, Principal  
8365 Orchard Path Road, 80919  
PHONE: 234-5300 FAX: 234-5399
- 35 Education and Administration  
Center, Learning Services,  
Preschool at Briargate, Finance,  
Purchasing, Technology  
1110 Chapel Hills Drive, 80920  
PHONE: 234-1200 FAX: 234-1299
- 36 Facilities and Planning  
10221 Lexington Drive, 80920  
PHONE: 234-1500
- 37 Sodexo  
7408 Duryea Drive, 80920  
PHONE: 234-1460
- 38 Transportation  
7408 Duryea Drive, 80920  
PHONE: 234-1410



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Academy School District Twenty  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

## **Academy School District 20**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE  
Executive Director

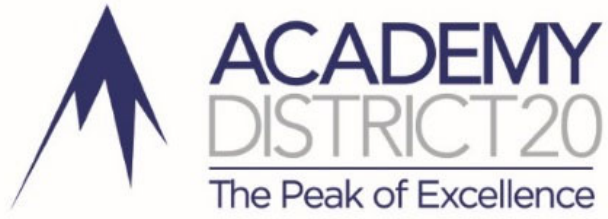


**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

*Where dreams take flight...*  
*One student at a time.*



The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.



## **II. Financial Section**





CliftonLarsonAllen

CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Board of Education  
Academy School District Twenty  
Colorado Springs, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Academy School District Twenty, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the entity'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.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Academy School District Twenty as of June 30, 2018, 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.

**Emphasis of a Matter**

For the year ended June 30, 2018, the Academy School District Twenty adopted the provisions of GASB Statement No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASB Statement No. 75, the Academy School District Twenty reported a restatement for the change in accounting principle as of July 1, 2017. See Note 15 for further information. Our opinions were not modified with respect to the restatement.

**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, GASB required pension schedules, and GASB required 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 the Academy School District Twenty's basic financial statements. The combining and individual nonmajor fund financial statements, 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Academy School District Twenty as of and for the year ended June 30, 2017, and have issued our report thereon dated October 27, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and aggregate remaining fund information of Academy School District Twenty.

The budgetary comparison schedules for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounts and other records used to prepare the 2017 financial statements. The budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounts and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with governmental auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2018, on our consideration of the Academy School District Twenty's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy School District Twenty's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy School District Twenty's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
November 1, 2018

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

---

**Management's discussion and analysis provides a narrative introduction and overview to interpret the basic financial statements. MD&A also provides an analysis of key data presented in the basic financial statements.**

---

## Management's Discussion and Analysis

As management of Academy School District Twenty, "The District", we offer readers of the District's comprehensive annual financial report (CAFR) this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages iii-vii of this report.

### *Financial Highlights*

- The total liabilities and deferred inflows of resources of the Primary Government, including long term bonds payable and net pension liability exceeded its total assets and deferred outflows of resources, including land, buildings and equipment at the close of fiscal year 2017-18 by \$509,305,238 (*deficit net position*). The deficit Unrestricted net position of \$(608,937,387) is the product of the GASB 68 implementation which requires all contributors to PERA to record their share of the net pension liability on the Statement of Net Position. More information on GASB Statement No. 68 can be found in the notes to the financial statements.
- The Primary Government's total net position decreased by \$156,972,603 during fiscal year 17-18.
- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$229,398,705, a decrease of \$40,958,064 from the prior year. The majority of the decrease is recognized in the Building Fund as a result of the spending of a portion of General Obligation bonds Series 2017 proceeds on projects throughout the District (net of issuance of General Obligation bonds Series 2018 in June of 2018).
- The governmental funds reported combined assigned and unassigned fund balance of \$62,714,274 including \$1,602,900 assigned to school carryover in the General Fund.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$32,070,593 or 15.9 percent of the total general fund expenditures.
- At June 30, 2018, \$5,864,000 of the \$46,606,053 fund balance of the General Fund was restricted for the emergency contingency required by Article X, Section 20 of the Colorado Constitution (TABOR).

### *Overview of the Financial Statements*

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements consist 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 the District's finances, in a manner similar to a private-sector business. They consist of two statements:

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including its Charter School (Component Unit), with the difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District.

The Statement of Activities presents information reporting how the District's net position changed during fiscal year 2017-18. 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 expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business, community, and central services, food services, transportation, risk management, and operation and maintenance services.

The government-wide financial statements include not only the District itself (known as the primary government), but also a legally separate entity (Charter School) for which the district is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 16 and 17 of this report.

### ***Fund Financial Statements***

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds 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 revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund and the Building Fund, both of which are considered major funds. Data from the other non-major governmental funds (Capital Reserve Capital Projects, Debt Service, Designated Purpose Grants, Food Service, Technology, and Transportation) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available for the support of the District's own programs. The accounting used for fiduciary funds is on the full accrual basis.

The basic fiduciary fund financial statements can be found on pages 22-23 of this report.

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

The notes to the basic financial statements 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 25-55 of this report.

### ***Other Information***

The District adopts an annual appropriated budget for all funds. As part of the Required Supplemental Information (RSI), a budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and can be found on pages 58-59 of this report, followed by the Note to the RSI on page 60. Due to the implementation of GASB Statement No. 68 during the 2014-15 fiscal year and GASB Statement No. 75 during the 2017-18 fiscal year, four additional RSI schedules are included on pages 61-64.

Other Supplementary Information (OSI), including the combining statements and budget schedules referred to earlier in connection with non-major governmental funds, are presented immediately following the RSI, on pages 66-79 of this report.

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

As noted earlier, *net position* may serve over time as a useful indicator of the District's financial position. In 2017-18, the District's liabilities plus deferred inflows of resources exceeded its assets plus deferred outflows of resources by \$509,305,238 resulting in a deficit net position. The District recognized a decrease in total net position of \$156,972,603 from the 2016-17 ending net position amount of (\$352,332,635).

- A key component of the District's net governmental position is the large net pension liability of \$853,134,880. Prior to the implementation of Statement 68 from the Governmental Accounting Standards Board (GASB), the District was not required as a contributor to PERA to record their share of the net pension liability. Note 13 to the basic financial statements outlines GASB 68.
- An additional portion of the District's net position represents resources that are subject to external restriction on how they may be used. At June 30, 2018 a total net position of \$31,559,706 was restricted for debt service in the amount of \$24,916,918, economic development service contract in the amount of \$149,000, food service in the amount of \$629,788, and TABOR emergency contingency of \$5,864,000.
- The District's ability to finance services in the future can be reflected in the difference of the District's current assets (those that will be converted to cash within a year) and current liabilities (on the following schedule). The District had liquid assets equal to 6.96 times its other liabilities.

**Primary Government Condensed Statement of Net Position**

	<u>2018</u>	<u>2017</u>
	Governmental Activities	Governmental Activities
<b>ASSETS</b>		
Current and other assets	\$ 269,293,049	\$ 299,356,170
Capital assets	<u>200,338,742</u>	<u>167,057,873</u>
Total assets	<u>469,631,791</u>	<u>466,414,043</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Refunding	3,122,526	3,791,585
Related to OPEB	862,321	-
Related to pension	<u>248,532,061</u>	<u>300,757,302</u>
Total deferred outflows of resources	<u>252,516,908</u>	<u>304,548,887</u>
<b>LIABILITIES</b>		
Other liabilities	38,699,643	28,003,162
Long-term debt and other long-term liabilities	<u>1,155,951,239</u>	<u>1,070,433,387</u>
Total liabilities	<u>1,194,650,882</u>	<u>1,098,436,549</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to OPEB	325,929	-
Related to pension	<u>36,477,126</u>	<u>6,192,790</u>
Total deferred inflows of resources	<u>36,803,055</u>	<u>6,192,790</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	68,072,443	64,648,665
Restricted	31,559,706	32,262,949
Unrestricted	<u>(608,937,387)</u>	<u>(430,578,023)</u>
Total net position	\$ <u><u>(509,305,238)</u></u>	\$ <u><u>(333,666,409)</u></u>

**Governmental Activities.** Governmental activities decreased the District’s net position by \$156,972,603. The primary reason for this decrease is the continual effect of the implementation of GASB Statement No. 68 during fiscal year 2014-15 which required the District to record their proportionate share of PERA’s unfunded pension liability. Additional information on GASB Statement No. 68 can be found in the notes to the financial statements. Other key elements of the governmental activities are as follows:

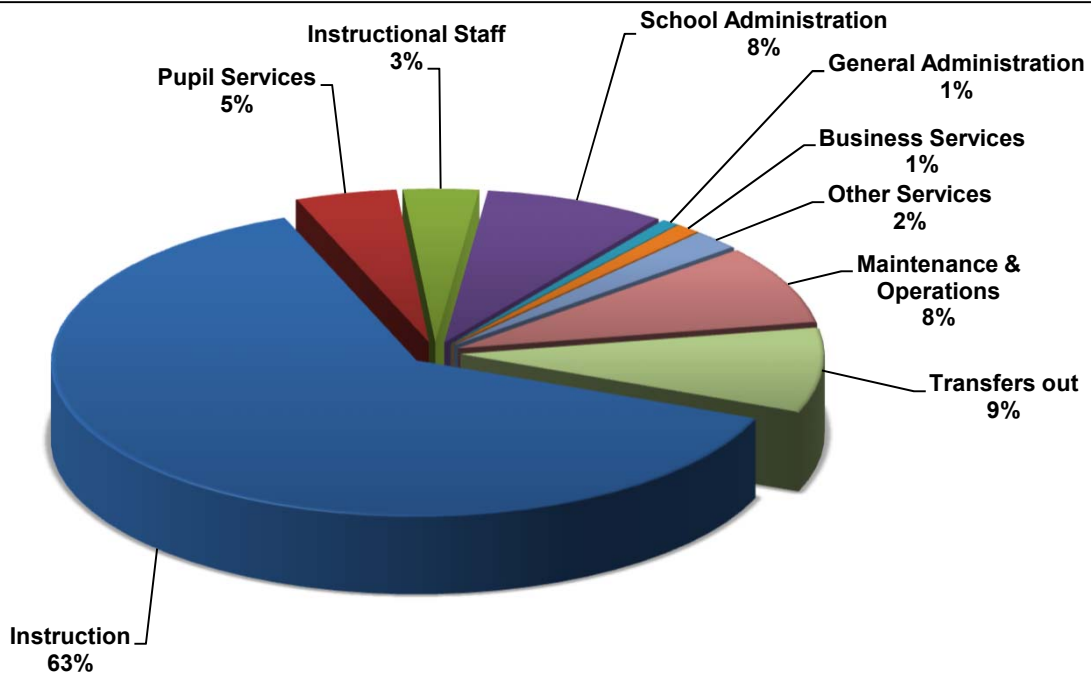
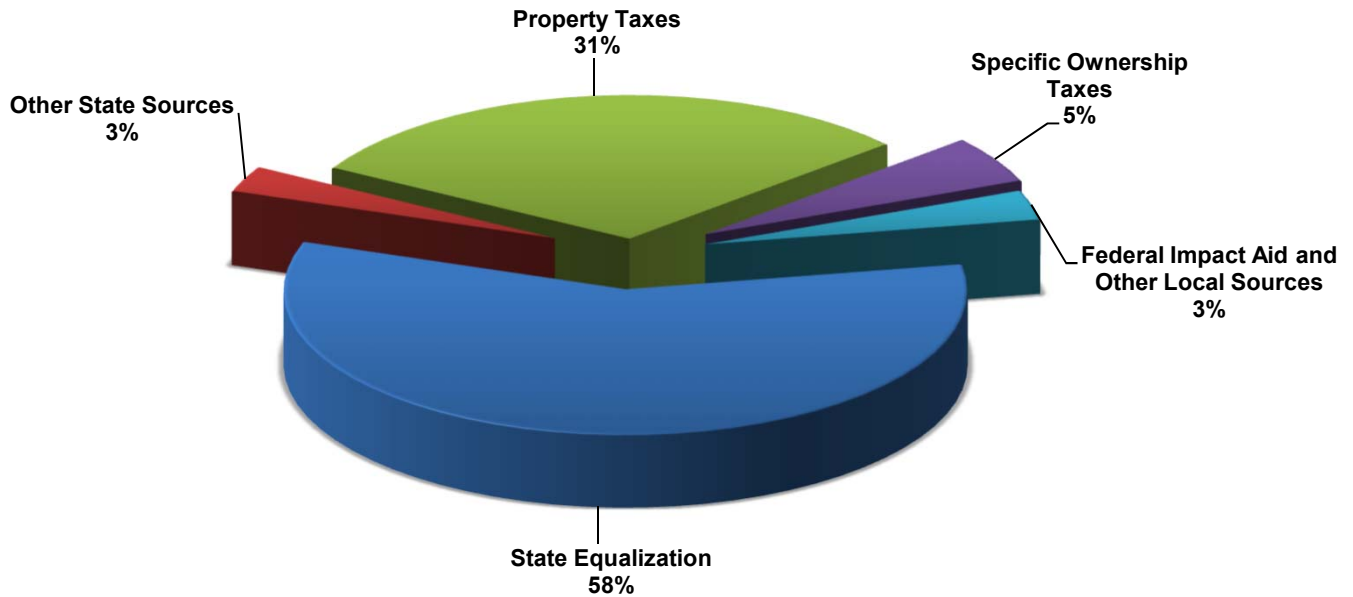
- The cost of all governmental activities for fiscal year 2017-18 was \$422,909,186,
- Users of some of the District’s governmental programs financed \$6,468,409,
- The federal and state governments subsidized certain programs with operating grants and contributions totaling \$21,460,509,
- All of the District’s governmental activities were financed by district and state taxpayers,
- General revenues for governmental activities consists of \$102,276,184 in property taxes, \$130,229,064 of unrestricted state equalization based on the statewide education aid formula, investment earnings of \$3,715,274, and miscellaneous items of \$1,787,143.
- During 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75). As a result, the District has recorded a net OPEB liability of \$19,481,995. Additional information can be found in note 14 of the financial statements.

**Primary Government Condensed Statement of Changes in Net Position**

	<u>2018</u>	<u>2017</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
<b>REVENUES</b>		
Program revenues		
Charges for services	\$ 6,468,409	\$ 6,612,320
Operating grants & contributions	21,460,509	21,158,728
General revenues		
Property taxes	102,276,184	95,615,261
State equalization	130,229,064	126,299,327
Other	<u>5,502,417</u>	<u>2,389,076</u>
<b>Total revenues</b>	<u>265,936,583</u>	<u>252,074,712</u>
<b>EXPENSES</b>		
Instruction	238,114,792	207,197,822
Pupil & instructional services	34,095,625	29,812,809
Administration & business	53,857,878	40,751,904
Maintenance & operations	28,842,761	25,901,690
Transportation	14,335,125	13,067,619
Food services	5,194,688	5,248,280
Central & risk management services	14,973,688	13,696,605
Charter school	24,733,091	24,151,863
Interest charges and other	<u>8,761,538</u>	<u>6,596,613</u>
<b>Total expenses</b>	<u>422,909,186</u>	<u>366,425,205</u>
Excess (deficiency) of revenues over expenses	<u>(156,972,603)</u>	<u>(114,350,493)</u>
<b>Increase (decrease) in net position</b>	<u>(156,972,603)</u>	<u>(114,350,493)</u>
Beginning net position**	<u>(352,332,635)</u>	<u>(219,315,916)</u>
Ending net position	<u><u>\$ (509,305,238)</u></u>	<u><u>\$ (333,666,409)</u></u>

\*\* Beginning net position has been restated due to the implementation of GASB Statement No. 75. The information was not available to restate the balance as of June 30, 2017. See Notes 14 and 15 in the Notes to the Financial Statements for further information.

## Academy School District Twenty General Fund Revenues FY 2017-18



## Academy School District Twenty General Fund Expenditures FY 2017-18

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

**Governmental Funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *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.

### GENERAL FUND

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. Revenues for the General Fund totaled \$224,114,897 in fiscal year 2017-18. The Equalization line item includes the portion of equalization received by the District and passed through to Charter Schools. The following table reflects the amount of revenue from various sources.

<u>Revenues</u>	<u>FY2017-18</u>	<u>FY2016-17</u>	<u>Amount of Change</u>	<u>Percentage of Change</u>
Property taxes	\$ 68,095,697	\$ 66,437,327	\$ 1,658,370	2.5 %
Specific ownership taxes	11,883,278	10,885,843	997,435	9.2
State of Colorado				
Equalization	130,229,064	126,299,327	3,929,737	3.1
Education of handicapped	3,781,961	3,649,965	131,996	3.6
Other state sources	2,686,608	2,673,223	13,385	0.5
Federal	3,241,488	3,247,969	(6,481)	(0.2)
Other sources				
Investment income	996,328	494,563	501,765	101.5
Tuition	1,624,798	1,676,775	(51,977)	(3.1)
Miscellaneous	1,575,675	1,328,024	247,651	18.6
Totals	<u>\$ 224,114,897</u>	<u>\$ 216,693,016</u>	<u>\$ 7,421,881</u>	3.4 %

**Property Taxes.** The 2018 General Fund property tax revenues were based upon a levy of 26.952 applied against an assessed valuation of \$1,545,162,890. The 2017 mill levy was 26.952 mills applied against an assessed valuation of \$1,453,401,060. Although assessed valuation increased from the prior year by 6.3%, there was a lower increase of 2.5% in revenue over the prior year recognized in the General Fund.

**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. The 9.2% increase in specific ownership tax collections was anticipated due to the continuing growth in the local economy and an increase in new vehicle registrations in fiscal year 2017-18.

**State Equalization.** State equalization revenue for kindergarten through 12<sup>th</sup> grade education is the primary revenue source for the General Fund, providing 59% of total revenue. Local property taxpayers provide 31% toward funding public education in the District. Payments are received monthly at generally 1/12th of the annual state estimated revenue. State equalization increased by 3.1% in fiscal year 2017-18 compared to fiscal year 2016-17.

**Education of Handicapped.** The majority of the District's revenue for education of disabled students is received in the fall of each year. Revenue received in fiscal year 2017-18 increased 3.6% mainly due to the increase in the State funding provided for students with significant disabilities.

**Other State Sources.** Other state sources consist of state vocational revenue, gifted and talented grant revenue, and other miscellaneous state revenues received. Revenue received in fiscal year 2017-2018 increased 0.5%.

**Federal Sources.** Federal sources of revenue consist of Federal Impact Aid (PL-874), in lieu of property tax revenues, Medicaid, and other federal sources. Federal Impact Aid revenues fluctuate from year to year based on the number of District students whose parents are associated by residence or employment to federally-owned land. The District recorded \$1,485,530 of Federal Impact Aid revenue and \$1,052,514 of Medicaid reimbursement as General Fund revenue in 2017-18.

**Other Sources.** The increase in other sources of revenue can largely be attributed to higher returns and average balances on our investments with COLOTRUST.

### **Expenditures**

Expenditures in the general fund, including the accrual for teacher salaries and benefits, totaled \$202,799,070 in fiscal year 2017-18. This represents an increase of 3.3% from fiscal year 2016-17 mainly due to increases in instructional and school administration expenditures.

### **Transfers to Other Funds**

During the year, the General Fund transferred \$8,579,244 to the Capital Reserve Capital Projects Fund, \$5,340,230 to the Transportation Fund, and \$5,812,604 to the Technology Fund.

## **OTHER MAJOR FUNDS**

On November 8, 2016, district residents passed a \$230 million bond. The general obligation bonds provide funding for capital projects and identified priorities such as building and improving schools. The first issuance, Series 2017, was in the amount of \$160 million with \$24,531,550 in premium. In June 2018, Issuance 2A, Series 2018, was sold with a par value of \$8,975,000 for a premium of \$1,021,892. The Building Fund's fund balance as of June 30, 2018 was \$135,009,339.

### ***General Fund Budgetary Highlights***

The original fiscal year 2017-18 budgets adopted by the Board of Education for the District as a whole totaled appropriations of \$523.6 million, including General Fund appropriations of \$260.5 million. The adopted budget was modified in January to reflect changes in funding for a final General Fund budget appropriation of \$267.2 million.

The final budget reflected a decrease in budgeted revenues from the original adopted budget of \$0.6 million in total. The majority of this decrease can be attributed to State funding sources.

Fiscal year 2017-18 budgeted state equalization revenues for the General Fund totaled \$130.1 million, with actual state equalization revenues of \$130.2 million compared to the actual revenue of \$126.3 million in 2016-17. The General Fund received all state equalization revenues and transferred the appropriate amount to its charter school.

The final budget reflected an increase from the original adopted budget of \$4.8 million for expenditures and transfers. The majority of the increased appropriation was based on adjustments of the transfer to the Capital Reserve Capital Projects fund.

Fiscal year 2017-18 final budgeted instruction expenditures for the General Fund totaled \$143.0 million, while actual instruction expenditures totaled \$140.1 million (\$135.7 million in 2016-17). Over 60% of the budget variance for instruction expenditures was related to unfilled positions in special education. For supporting services, the actual expenditures totaled \$62.7 million with a final budget of \$65.9 million (\$60.7 million in 2016-17).

During the 2017-18 budget development process, some key components the District planned for are salary and retirement benefit increases for all staff, additional allocation for Special Education, ESL, and TAG programs, and increases in funding to the Capital Reserve Capital Projects, Technology, and Transportation funds. The final budget reflects a \$5,340,230 transfer to the Transportation Fund, a \$5,812,604 transfer to the Technology Fund, and an \$8,579,244 transfer to the Capital Reserve Capital Projects Fund.

### ***Capital Asset and Debt Administration***

***Capital assets.*** The District's investment in capital assets for its governmental activities as of June 30, 2018 amounted to \$200,338,742 (net of accumulated depreciation of \$161,839,920). This investment in capital assets includes land, buildings, improvements, machinery and equipment. During the year, the District invested over \$40 million on various construction projects including a new elementary school, middle school, and a center to house multiple District programs, classroom additions at multiple high schools, and secured entries for multiple elementary schools. Completion of most of these projects is anticipated by the start of the 2018-19 school year.

<b>Capital Assets</b>	2018	2017
Land and improvements	\$ 24,367,551	\$ 22,699,505
Construction in progress	35,744,449	-
Building and improvements	251,745,990	250,858,673
Furniture, fixtures, and equipment	50,320,672	47,067,419
	362,178,662	320,625,597
Less: Accumulated depreciation	(161,839,920)	(153,567,724)
Total Investment in Capital Assets	\$ 200,338,742	\$ 167,057,873

***Long-term debt.*** At the end of the current fiscal year, the District had total long-term debt outstanding of \$283,334,364 including \$14,340,762 due within the next twelve months.

<b>Long-term Debt</b>	2018	2017
General obligation bonds	\$ 249,810,000	\$ 255,415,000
Amounts Related to GO Bonds	30,420,047	32,397,320
	280,230,047	287,812,320
Long-term debt related to capital assets	280,230,047	287,812,320
Compensated absences	3,104,317	3,817,491
	3,104,317	3,817,491
Total Long-term Debt	\$ 283,334,364	\$ 291,629,811

As of June 30, 2018, the District's total principal on general obligation bonded debt decreased to \$249,810,000 compared to the prior year. This includes the issuance of Series 2018 bonds in the amount of \$8.975 million. Principal on general obligation bonds represent 16.2% of the assessed valuation of \$1,545,162,890.

The District maintained an Aa2 rating from Moody's Investor Service.

For more detailed information on capital assets and debt administration, see Notes 5 and 7 in the Notes to the Basic Financial Statements.

### ***Economic Factors Affecting the District's Future***

The El Paso County unemployment rate in June 2018 was 3.6%, an increase of 5.5% from June 2017. Colorado's rate was 3.0% while the national rate was 4.0% for the same time period. Job gains reported in the region were mainly in the health care and social assistance sector as well as the accommodations & food services, construction, professional & technical services, and educational services sectors. As with the prior year, the most significant job losses continued in the information technology area. Notable losses also occurred in retail trade while manufacturing stayed the same.

The Consumer Price Index (CPI) of 262.15 for the Denver/Boulder area increased by 3.7 percent from the 1<sup>st</sup> half of 2017 to May 2018. Higher costs for shelter had the largest upward impact on the index. The current CPI factor of 262.15 means that a market basket of goods and services that cost \$100.00 during the 1982-1984 base period cost \$262.15 in 2018.

Within El Paso County and the City of Colorado Springs area, residential construction decreased slightly from 2016 to 2017 led by a decrease in multi-family permits. However, there was an increase of 6.1 percent in single-family permits during that same time period. Sales on existing homes have continued to increase as the area maintains its affordability and higher employment rates. El Paso County is one of five counties in the state expected to have a large population growth over the next several years. These expected increases in population will have substantial implications on residents, government, and businesses.

Fiscal year 2018-19 original budgeted appropriation for the General Fund is \$278.4 million, an \$11.2 million increase over the previous fiscal year. 100% of the increase in the appropriation is attributed to the District being a minimum funded district for per pupil funding. The fiscal year 2018-19 budgeted pupil count is 25,002. With the increase in budgeted pupil count, the District's state equalization funding increased by \$17.7 million from the 2017-18 level.

### ***Requests for Information***

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, 1110 Chapel Hills Drive, Colorado Springs, CO 80920.

## **BASIC FINANCIAL STATEMENTS**

---

**The following basic financial statements, along with the notes to the basic financial statements, present an overview of the District's financial position at June 30, 2018, and the results of operations for the Governmental and Fiduciary Funds for the year then ended.**

---

**ACADEMY SCHOOL DISTRICT TWENTY**  
**STATEMENT OF NET POSITION**  
**June 30, 2018**

	<b>Primary Government Governmental Activities</b>	<b>TCA Component Unit</b>
<b>ASSETS</b>		
Cash and investments (unrestricted) (Note 2)	\$ 116,277,660	\$ 13,294,867
Receivables (Note 3)	6,566,119	3,195
Inventories and prepaid items	80,886	71,708
Promissory note due from component unit (Note 4)	247,584	-
Restricted investments (Note 2)	146,120,800	4,592,353
Capital assets, not being depreciated (Note 5)	49,573,386	15,566,529
Capital assets, depreciated, net (Note 5)	150,765,356	35,209,634
<b>Total assets</b>	<b>469,631,791</b>	<b>68,738,286</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Refunding	3,122,526	5,309,770
Related to OPEB	862,321	82,511
Related to Pension	248,532,061	28,506,609
<b>Total deferred outflows of resources</b>	<b>252,516,908</b>	<b>33,898,890</b>
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	13,318,194	459,595
Accrued compensation payable (Note 6)	23,738,086	2,075,958
Unearned revenues	1,178,978	-
Accrued interest payable	464,385	343,248
Long-term liabilities:		
Portion due or payable within one year (Note 7)	14,340,762	1,620,014
Portion due or payable after one year (Note 7)	268,993,602	48,682,085
OPEB Liability (Note 14)	19,481,995	2,229,486
Pension Liability (Note 13)	853,134,880	97,650,341
Promissory note due to primary government (Note 4)	-	247,584
Long-term liabilities	1,155,951,239	150,429,510
<b>Total liabilities</b>	<b>1,194,650,882</b>	<b>153,308,311</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to OPEB	325,929	56,229
Related to Pension	36,477,126	4,379,976
<b>Total deferred inflows of resources</b>	<b>36,803,055</b>	<b>4,436,205</b>
<b>NET POSITION</b>		
Net investment in capital assets	68,072,443	9,144,031
Restricted for:		
Debt service	24,916,918	-
Economic development service contract	149,000	-
Food service	629,788	-
Repair and replacement	-	1,184,761
TABOR (Note 8)	5,864,000	895,912
Donor purpose	-	288,472
Unrestricted	(608,937,387)	(66,620,516)
<b>Total net position</b>	<b>\$ (509,305,238)</b>	<b>\$ (55,107,340)</b>

The accompanying notes are an integral part of the basic financial statements



**ACADEMY SCHOOL DISTRICT TWENTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018**

	<u>General</u>	<u>Building Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments (Note 2)	\$ 68,085,268	\$ -	\$ 48,192,392	\$ 116,277,660
Receivables (Note 3)	3,874,505	-	2,691,614	6,566,119
Prepaid items	-	65,417	15,469	80,886
Inter-fund receivable (Note 9)	891,795	-	-	891,795
Investments - restricted (Note 2)	-	146,120,800	-	146,120,800
Promissory note and accrued interest receivable (Note 4)	-	-	247,584	247,584
	<u>\$ 72,851,568</u>	<u>\$ 146,186,217</u>	<u>\$ 51,147,059</u>	<u>\$ 270,184,844</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,608,534	\$ 11,176,878	\$ 532,782	\$ 13,318,194
Accrued compensation (Note 6)	23,112,896	-	625,190	23,738,086
Inter-fund payable (Note 9)	-	-	891,795	891,795
Unearned revenue (Note 10)	477,051	-	701,927	1,178,978
	<u>25,198,481</u>	<u>11,176,878</u>	<u>2,751,694</u>	<u>39,127,053</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes (Note 10)	1,047,034	-	364,468	1,411,502
Unavailable revenue (Note 10)	-	-	247,584	247,584
	<u>1,047,034</u>	<u>-</u>	<u>612,052</u>	<u>1,659,086</u>
<b>FUND BALANCES</b>				
Nonspendable, prepaid items	-	65,417	15,469	80,886
Restricted for				
Capital projects	-	134,943,922	-	134,943,922
Debt service	-	-	25,016,835	25,016,835
Economic development service contract	149,000	-	-	149,000
Food service	-	-	629,788	629,788
TABOR (Note 8)	5,864,000	-	-	5,864,000
Assigned to				
Activity bus replacement	-	-	171,205	171,205
Contractual obligations	247,432	-	-	247,432
Employee benefit programs	368,875	-	-	368,875
Food service future projects	-	-	95,427	95,427
Future projects	-	-	14,623,730	14,623,730
Longevity bonus (Note 7)	1,250,961	-	-	1,250,961
Medicaid	1,108,544	-	-	1,108,544
Risk related activity	3,943,748	-	-	3,943,748
School carryover	1,602,900	-	-	1,602,900
Technology replacement	-	-	7,246,328	7,246,328
Unassigned	32,070,593	-	(15,469)	32,055,124
	<u>46,606,053</u>	<u>135,009,339</u>	<u>47,783,313</u>	<u>229,398,705</u>
Total fund balances	<u>46,606,053</u>	<u>135,009,339</u>	<u>47,783,313</u>	<u>229,398,705</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 72,851,568</u>	<u>\$ 146,186,217</u>	<u>\$ 51,147,059</u>	<u>\$ 270,184,844</u>

The accompanying notes are an integral part of the basic financial statements.

**ACADEMY SCHOOL DISTRICT TWENTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2018**

<b>Total fund balances--governmental funds (page 18)</b>	<b>\$ 229,398,705</b>
Amounts reported for governmental <i>activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$362,178,662 and the accumulated depreciation is \$161,839,920.	200,338,742
Revenue, such as property taxes, not available to pay for current period expenditures and are therefore shown as a deferred inflow of resources in the governmental funds but recorded as general revenues in the statement of net position.	1,411,502
Other long-term assets, such as promissory note receivable, are not available to pay for current period expenditures and are therefore shown as a deferred inflow of resources in the governmental funds but recorded as revenues in the statement of net position.	247,584
Other liabilities associated with long-term debt, such as accrued interest payable, are not recorded in the governmental funds but recorded as a liability in the statement of net position.	(464,385)
Deferred inflows of resources, deferred outflows of resources, and liabilities associated with pension (GASB 68).	(641,079,945)
Deferred inflows of resources, deferred outflows of resources, and liabilities associated with OPEB (GASB 75).	(18,945,603)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
GO Bonds payable	\$ (249,810,000)
Premium	(30,420,047)
Deferred losses on refunding	3,122,526
Longevity bonus payable	(1,705,762)
Compensated absences	(1,398,555)
	(280,211,838)
<b>Total net position--governmental activities (page 16)</b>	<b><u>\$ (509,305,238)</u></b>

The accompanying notes are an integral part of the basic financial statements.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2018**

	<u>General</u>	<u>Building Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes (Note 11)	\$ 79,978,975	\$ -	\$ 24,099,941	\$ 104,078,916
Intergovernmental	139,939,121	-	11,616,329	151,555,450
Investment income	996,328	2,441,729	277,217	3,715,274
Tuition	1,624,798	-	-	1,624,798
Miscellaneous	1,575,675	-	5,252,086	6,827,761
	<u>224,114,897</u>	<u>2,441,729</u>	<u>41,245,573</u>	<u>267,802,199</u>
<b>EXPENDITURES</b>				
Current				
Instruction	140,090,968	-	6,684,962	146,775,930
Supporting Services				
Pupil services	10,037,402	-	-	10,037,402
Instructional staff	7,465,344	-	747,061	8,212,405
General administration	1,695,488	-	-	1,695,488
School administration	17,932,250	-	-	17,932,250
Business administration	2,437,315	-	-	2,437,315
Central services	1,994,917	-	4,466,547	6,461,464
Community services	340,024	-	-	340,024
Operation & maintenance of plant	18,460,826	-	-	18,460,826
Risk management services	2,344,536	-	-	2,344,536
Food services	-	-	5,130,991	5,130,991
Pupil transportation	-	-	7,683,272	7,683,272
Total supporting services	62,708,102	-	18,027,871	80,735,973
Capital outlay	-	57,391,858	8,401,551	65,793,409
Debt service				
Principal retirement	-	-	14,580,000	14,580,000
Interest and fiscal charges	-	-	10,991,429	10,991,429
Other issuance costs	-	103,888	-	103,888
	<u>202,799,070</u>	<u>57,495,746</u>	<u>58,685,813</u>	<u>318,980,629</u>
Excess/(deficiency) of revenues over expenditures	21,315,827	(55,054,017)	(17,440,240)	(51,178,430)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond issuance	-	8,975,000	-	8,975,000
Bond premium	-	1,021,892	-	1,021,892
Proceeds on sale of capital assets	-	-	223,474	223,474
Transfers in	200,000	-	19,732,078	19,932,078
Transfers (out)	(19,732,078)	-	(200,000)	(19,932,078)
Total Other Financing Sources (Uses)	<u>(19,532,078)</u>	<u>9,996,892</u>	<u>19,755,552</u>	<u>10,220,366</u>
Net change in fund balances	1,783,749	(45,057,125)	2,315,312	(40,958,064)
Fund balance, beginning of year	44,822,304	180,066,464	45,468,001	270,356,769
Fund balance, end of year	<u>\$ 46,606,053</u>	<u>\$ 135,009,339</u>	<u>\$ 47,783,313</u>	<u>\$ 229,398,705</u>

The accompanying notes are an integral part of the basic financial statements.

**ACADEMY SCHOOL DISTRICT TWENTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018**

**Total net change in fund balances--governmental funds (page 20)** \$ (40,958,064)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets eligible for capitalization is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the period.

	Capital outlays	\$ 42,023,349	
	Net book value on disposal of assets	(106,007)	
	Depreciation expense	<u>(8,636,473)</u>	33,280,869

Other long-term assets, such as promissory note receivable, are not available to pay for current period expenditures and are therefore shown as a deferred inflow of resources in the governmental funds but recorded as general revenues in the statement of net position. (180,352)

Revenue, such as property taxes, not available to pay for current period expenditures and therefore deferred in the governmental funds but recorded as general revenues in the statement of net position. 375,142

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 14,580,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the net change in interest reported in the statement of activities. 3,672

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long term debt and related items: bonds issued (\$8,975,000), bond premium (\$1,021,892), amortization of bond premiums \$2,999,165 and amortization of loss on bond refunding (\$669,059). (7,666,786)

Net pension liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of pension expense. (156,840,881)

Net OPEB liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of OPEB expense. (279,377)

In the statement of activities, certain operating expenses -- compensated absences (vacation), special termination benefits (longevity)--are measured by the amounts *earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually *paid*). This amount represents the net effect of compensated absences payable on the statement of activities. 713,174

**Change in net position of governmental activities (page 17)** \$ (156,972,603)

The accompanying notes are an integral part of the basic financial statements.

**ACADEMY SCHOOL DISTRICT TWENTY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2018**

	<u>Pupil Activity Agency Fund</u>	<u>Private Purpose Scholarship Trust Fund</u>
<b>ASSETS</b>		
Cash & cash equivalents	<u>\$ 4,438,096</u>	<u>\$ 138,159</u>
Total assets	<u>4,438,096</u>	<u>138,159</u>
<b>LIABILITIES</b>		
Due to student organizations	<u>4,438,096</u>	<u>-</u>
Total liabilities	<u>4,438,096</u>	<u>-</u>
<b>NET POSITION</b>		
Held in trust for scholarship recipients	<u>-</u>	<u>138,159</u>
Total net position	<u><u>\$ -</u></u>	<u><u>\$ 138,159</u></u>

The accompanying notes are an integral part of the basic financial statements.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Year Ended June 30, 2018**

	<u>Private Purpose Scholarship Trust Fund</u>
<b>ADDITIONS</b>	
Fundraising activities	\$ 58,164
Beverage Scholarship Fund	<u>60,000</u>
Total additions	<u>118,164</u>
<b>DEDUCTIONS</b>	
Scholarships awarded	48,000
Payments to suppliers	<u>44,638</u>
Total deductions	<u>92,638</u>
Change in net position	25,526
NET POSITION, beginning of year	<u>112,633</u>
NET POSITION, end of year	<u><u>\$ 138,159</u></u>

The accompanying notes are an integral part of the basic financial statements.



**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

*Where dreams take flight...*  
*One student at a time.*



The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1: SUMMARY OF ACCOUNTING POLICIES**

The financial statements of Academy School District Twenty, Colorado Springs, Colorado (the District) have been prepared in conformity with the Generally Accepted Accounting Principles (GAAP) as established by the Government Accounting Standards Board (GASB). The more significant of the District's accounting policies are described below.

**Description of the District**

The District was established in 1957 and is organized under the Constitution and Revised Statutes of the State of Colorado. Under these statutes, there is no authority for a school district to have a charter or to adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District provides educational services as authorized by Colorado Revised Statutes or further mandated by state and/or federal agencies. The Board controls the District's 35 instructional/support facilities staffed by 3,317 employees providing services and support to 24,195 full-time equivalent students and other community members.

The District serves an area of approximately 130 square miles. It includes most of the northern part of the City of Colorado Springs, Colorado and a large part of northern El Paso County. The United States Air Force Academy encompasses about 18% of the total land mass.

**The Financial Reporting Entity**

For financial reporting purposes, the District includes all entities for which it is financially accountable. Criteria for determining whether the District had the ability to impose its will on organizations are the District's ability to: remove elected members of the organization's governing boards; modify or approve rate or fee changes affecting revenues; veto, overrule, or modify the decisions of the organization's governing board; or hire/reassign, or dismiss those persons responsible for the day-to-day operations of the organization. In determining whether an organization has financial benefit or burden relationship with the District, the following conditions are used: legal entitlement to or access to the organization's resources; the appointment of the governing body; legal obligation or assumption of the obligation to finance the deficits or to provide financial support to the organization; or obligation in some manner for the organization's debt.

These financial statements present the District and its component unit, The Classical Academy (TCA) for which the District is considered to be financially accountable. TCA, a discretely presented component unit, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the District. TCA also has a June 30 fiscal year end.

*Discretely Presented Component Unit.* The Classical Academy (TCA) charter school educates children within the District's jurisdiction. A parent group elects members of its governing board. TCA provides services exclusively to students within the District and is dependent upon the District for the majority of its funding. In addition, the nature and significance of TCA's relationship with the district is such that exclusion would cause the District's financial statements to be incomplete. TCA issues a separate financial report which may be obtained by writing to The Classical Academy, 975 Stout Road, Colorado Springs, CO 80921.

**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 of the non-fiduciary activities of the District and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements; however, inter-fund services provided and used between functions have not been eliminated. *Governmental activities* are primarily supported by taxes and intergovernmental revenues. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the District is financially accountable.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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

**Government-wide and Fund Financial Statements (concluded)**

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

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

**Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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 revenue 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.

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

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Building Fund* accounts for the construction, repair/renovation and technology projects required by the sale of general obligation bonds.

Additionally, the District reports the following fund types:

The *Agency Fund* is used to account for resources used to support each school's student activities. The District holds all resources in a purely custodial capacity.

The *Private Purpose Trust Fund* was created to act as a custodian for funds, such as scholarships, held in trust for the benefit of private individuals or organizations. All resources of the fund, including any earnings on invested resources, may be used to support those private individuals and organizations. There is no requirement that any portion of these resources be preserved as capital.

**Governmental Funds** are used to account for the District's general government activities. Governmental fund types use the flow of *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when they are both measurable and available. Measurable means that the amount of the transaction can be determined and available means collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within 120 days of the current fiscal period for grants.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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

**Measurement Focus, Basis of Accounting and Basis of Presentation (concluded)**

Property taxes are recognized as revenue in the fiscal period for which they are levied, providing the available criteria are met. State equalization monies are recognized as revenue during the period in which they are appropriated.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county treasurer at year-end on behalf of the District are also recognized as revenue. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, subject to the availability criteria.

Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt and compensated absences which are recognized when due. Because governmental fund balance sheets reflect current liabilities, only the current portion of the liability is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources.

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

**Cash and Investments**

Cash on hand, cash in the bank and all highly liquid investments with a maturity of three months or less when purchased or subject to withdrawal, are considered to be cash and cash equivalents.

Under Colorado Revised Statutes and Board of Education policy, the District, its funds and fund types may lawfully invest eligible funds in the following securities:

1. Obligations of the United States, certain U.S. Government agency's securities, and World Bank;
2. Certain international agency securities;
3. General obligation and revenue bonds of U.S. local government entities;
4. Bankers' acceptances of certain banks;
5. Commercial paper which holds the highest credit rating category and with a maturity within 180 days;
6. Local government investment pools;
7. Written repurchase agreements collateralized by certain authorized securities;
8. Certain money market funds;
9. Guaranteed investment contracts.

The District may also deposit funds in Colorado financial institutions that are eligible public depositories under the Colorado Public Deposit Protection Act, PDPA. However, custodial risks for investments are not addressed by state statutes.

Investments are carried at net asset value and amortized cost.

During the course of operations, numerous transactions occur between individual funds for goods provided and services rendered that generally result in cash transactions. At the balance sheet date, these transactions have either produced a source to pooled cash or a use of pooled cash. These sources and uses are classified by fund on the balance sheet as cash and cash equivalents or as inter-fund receivables and payables.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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

**Inventories and 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. The District records prepaid items using the consumption method.

Food Service Fund purchased inventories are stated at cost as determined by the weighted average method. Commodity inventories are stated at USDA's assigned values, which approximate acquisition value. Expenses for food items are recorded when used. The federal government donates surplus commodities to supplement the national school lunch programs. Commodity contributions received by the District are recognized as food expense and a corresponding revenue when consumed.

**Capital Assets**

Capital assets, which include land and improvements, construction in progress, buildings and improvements, and equipment are reported in the district wide financial statements. All purchased capital assets are valued at acquisition cost where historical records are available and at an estimated acquisition cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost. Governmental assets with a per unit cost equal to or greater than \$5,000 are capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of all exhaustible capital assets is charged as an expense against its operations in the government-wide financial statements.

Depreciation has been provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Land and construction in progress are not depreciable assets. Depreciable assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	15-25
Buildings	50
Building improvements	25
Equipment - office	20
Equipment - technology	5
Equipment – vehicles	6-10
Equipment – food services	10-25

**Compensated Absences**

Under the District's policies, eligible classified employees earn vacation pay of up to 15 days per year based on longevity of service or position and may accumulate and carryover unlimited unused vacation indefinitely. All unused/accumulated vacation leave is payable upon resignation, termination, retirement or death. In accordance with the governmental accounting standards, the District has recorded the accrued liability for vacation pay in the accompanying district wide financial statements. In the governmental funds, the liability is recorded when due.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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

**Compensated Absences (concluded)**

Full-time employees accrue 12-15 days of staff leave each year dependent upon their contract or employment basis. Effective July 1, 2011, employees may accrue up to 90 days of current staff leave. Staff leave may be accrued, but shall not exceed a maximum of 90 days. Unused staff leave balances greater than 90 days shall not be paid nor accrued.

Employees who were employed by Academy School District 20 on or before June 30, 1999 will be compensated for accrued staff leave as follows:

- *Protected Leave* – On June 30, 1999, the payout rate and number of accumulated hours for each eligible employee was calculated and recorded in each eligible employee’s file. This leave is called “protected leave”. Upon leaving the district after 15 years or more of continuous full time service, any remaining protected leave of exempt employees will be paid at the June 30, 1999 substitute rate of pay. Non-exempt employees’ protected leave days will be paid at 50% of the maximum hourly rate as of June 30, 1999 that correlates to the employee’s classification.
- *Current Staff Leave* – When an exempt employee retires from the district after 15 years of continuous full time employment, the employee shall receive payment for any unused current staff leave days up to the maximum of 90 days, at 50% of the 2010-2011 designated substitute rate. When a non-exempt employee retires from the district after 15 years or more of continuous full time employment, the employee shall receive payment for any unused current staff leave days at 25% of the maximum hourly rate that correlates to the employee’s grade classification as of June 30, 2011.

The District offers a Longevity Bonus to those employees who meet established guidelines (see Note 7 for further disclosure of this program).

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long term obligations are reported as liabilities within governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method for issuances prior to December 31, 2016. Bond premiums on general obligation bonds issued after January 1, 2017 will be amortized using the effective interest rate method.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the District that is applicable to future reporting period. Both deferred outflows and inflows are reported in the statement of net position but are not reported in the financial statements as revenue or expenditures until the period(s) to which they relate.

The District has three items that qualify for reporting as a deferred outflows of resources. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pension and OPEB have been recorded as of June 30, 2018, which consist of four components: 1) contributions subsequent to measurement date; 2) change in proportionate share of the net liability; 3) changes of assumptions or other inputs; and 4) difference between expected and actual experience. See Notes 13 and 14 for additional information.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1: SUMMARY OF ACCOUNTING POLICIES (Concluded)**

**Deferred Outflows and Inflows of Resources (concluded)**

The District has four items that qualify for reporting as deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected. The long term note receivable due from its component unit is considered a deferred inflow of resources as the full balance is unavailable as it is due over the course of many years. Deferred inflows related to pension and OPEB have been recorded as of June 30, 2018 which consist of three components: 1) changes in investment earnings; 2) changes of assumptions or other inputs; and 3) change in proportionate share of the net liability. See Notes 13 and 14 for additional information.

**Net Position/Fund Balance**

In the government-wide and the fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report commitments of fund balance when the Board commits resources for a specific purpose. Formal Board action in the form of a resolution is required to create or remove committed portions of fund balance. Assigned fund balance is reported when the Board intends to use resources for a specific purpose. By resolution, the Board has authorized the Superintendent to assign fund balances for specific purposes. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted fund balance first, followed by committed, assigned, and unassigned balances.

**Insurance**

The District purchases commercial insurance, including deductibles, to protect against the exposure risks associated with losses related to torts; theft of and damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded the purchased commercial insurance coverage in any of the past three fiscal years.

**Budgetary Information**

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

1. No later than May 31, the Superintendent must submit 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.
2. Public hearings are conducted by the Board of Education to obtain taxpayer comments.
3. Prior to June 30 the budget is adopted and appropriated by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with management. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles.
6. Appropriations for all funds lapse at the end of the fiscal year, with the exception of the Capital Reserve Capital Projects Fund. Total annual appropriations include transfers and ending fund balance.
7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2018, the District had the following cash and investments:

Cash on hand	\$ 1,600
Deposits	6,480,859
Investments	260,492,256
	<u>\$ 266,974,715</u>

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

Primary Government - Cash and investments, unrestricted	\$ 116,277,660
Primary Government - Investments, restricted	146,120,800
Fiduciary funds	4,576,255
	<u>\$ 266,974,715</u>

At June 30, 2018, the District's discretely presented component unit, (TCA), reported the following cash and investments:

Cash deposits and investments, unrestricted	\$ 11,294,867
Restricted cash and investments	4,592,353
Certificate of deposits (non-negotiable)	2,000,000
	<u>\$ 17,887,220</u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that deposits of local governmental entities be at eligible public depositories with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. 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 aggregate uninsured deposits.

**Investments**

At June 30, 2018, the District had the following investments:

Investment	Maturity	Value
Local Government Investment Pool		
COLOTRUST	< 12 months	\$ 185,478,467
CSIP	< 12 months	75,013,789
		<u>\$ 260,492,256</u>

*Local Government Investment Pool* - The District has invested \$185,478,467 in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), 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 the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records investments at fair value and the District records investments in COLOTRUST at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 2: CASH AND INVESTMENTS (Concluded)**

*Local Government Investment Pool (continued)*-As of June 30, 2018, the District invested in the Colorado Statewide Investment Program (CSIP), as 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 CSIP. CSIP operates similarly to a money market fund and each share is equal in value to \$1.00. CSIP is rated AAAM by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

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

*Credit Risk* – State statutes limit investments in money market funds to those that maintain a constant share price, with a maturity in accordance with rule 2a-7, and have either assets of \$1 Billion or the highest rating issued by nationally recognized statistical rating organizations (NRSROs).

*Concentration of Credit Risk* – State statutes generally do not limit the amount the District may invest in one issuer. The District does not have any concentration of credit risk.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2018 consisted of taxes, accounts (rent and fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. A summary of the principal items of receivables follows:

General Fund	
Property taxes - current and delinquent	\$ 2,795,716
Accounts receivable - other	<u>1,078,789</u>
	3,874,505
Non-major Funds	
Debt Service	646,326
Food Services	13,035
Grants receivable	<u>2,032,253</u>
	2,691,614
Total Governmental Activities	<u>6,566,119</u>
Total Primary Government Receivables	<u><u>\$ 6,566,119</u></u>

**NOTE 4: NOTE RECEIVABLE, COMPONENT UNIT**

On January 20, 2004, the District entered into a \$1,900,000 sales contract with TCA Building Corporation for the sale of the Mountain View School property. The District has recorded a promissory note receivable and an offsetting deferred inflow of resources in the governmental fund financial statements because the revenue is not available. Monthly payments began September 1, 2009 and will continue until November 1, 2019 when the note is paid in full. The current principal balance of the note is \$247,584 as detailed in the following table.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 184,913	\$ 4,080	\$ 188,993
2020	<u>62,671</u>	<u>327</u>	<u>62,998</u>
	<u><u>\$ 247,584</u></u>	<u><u>\$ 4,407</u></u>	<u><u>\$ 251,991</u></u>

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

**Governmental activities:**

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018
Non-depreciable assets:				
Land	\$ 12,778,566	\$ 1,050,371	\$ -	\$ 13,828,937
Construction in progress	-	35,744,449	-	35,744,449
Total assets not being depreciated	<u>12,778,566</u>	<u>36,794,820</u>	<u>-</u>	<u>49,573,386</u>
Depreciable assets:				
Land improvements	9,920,939	617,675	-	10,538,614
Building and improvements	250,858,673	1,040,203	(152,886)	251,745,990
Equipment	47,067,419	3,570,651	(317,398)	50,320,672
Total depreciable assets	<u>307,847,031</u>	<u>5,228,529</u>	<u>(470,284)</u>	<u>312,605,276</u>
Accumulated Depreciation:				
Land improvements	(5,809,522)	(474,460)	-	(6,283,982)
Building and improvements	(111,093,354)	(5,704,930)	106,199	(116,692,085)
Equipment	(36,664,848)	(2,457,083)	258,078	(38,863,853)
Total accumulated depreciation	<u>(153,567,724)</u>	<u>(8,636,473)</u>	<u>364,277</u>	<u>(161,839,920)</u>
Total depreciable assets, net	<u>154,279,307</u>	<u>(3,407,944)</u>	<u>(106,007)</u>	<u>150,765,356</u>
Governmental activities assets, net	<u>\$ 167,057,873</u>	<u>\$ 33,386,876</u>	<u>\$ (106,007)</u>	<u>\$ 200,338,742</u>

**Discretely presented component unit (TCA):**

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018
Non-depreciable assets:				
Land	\$ 4,024,412	\$ -	\$ -	\$ 4,024,412
Construction in progress	869,278	11,493,268	(820,429)	11,542,117
Total assets not being depreciated	<u>4,893,690</u>	<u>11,493,268</u>	<u>(820,429)</u>	<u>15,566,529</u>
Depreciable assets:				
Building and improvements	53,259,617	967,343	-	54,226,960
Transportation and facility equipment	77,814	40,252	-	118,066
Less: accumulated depreciation	(17,325,618)	(1,809,774)	-	(19,135,392)
Total assets being depreciated	<u>36,011,813</u>	<u>(802,179)</u>	<u>-</u>	<u>35,209,634</u>
Capital assets, net	<u>\$ 40,905,503</u>	<u>\$ 10,691,089</u>	<u>\$ (820,429)</u>	<u>\$ 50,776,163</u>

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 5: CAPITAL ASSETS (Concluded)**

**Depreciation**

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
Instruction	\$ 5,931,029
Central services	1,365,045
Maintenance and operations	255,879
Pupil transportation	1,018,823
Food services	<u>65,697</u>
Total depreciation - primary government	<u><u>\$ 8,636,473</u></u>

**Net Investment in Capital Assets**

At June 30, 2018, the District reported the following net investment in capital assets:

	<u>2018</u>
Governmental activities capital assets, net	\$ 200,338,742
Less: Long-term debt	
GO Bonds payable	(249,810,000)
Premium	(30,420,047)
Deferred losses on refunding	3,122,526
Retainage Payable-Construction in Progress	(1,279,578)
Unspent bond proceeds	<u>146,120,800</u>
Total Long-term debt	<u>(132,266,299)</u>
Net investment in capital assets	<u><u>\$ 68,072,443</u></u>

**NOTE 6: ACCRUED COMPENSATION**

Salaries and benefits of certain contractually employed personnel are paid over a ten or twelve month period beginning in September, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2018 in the General and Grants Funds are \$23,738,086. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements and is fully funded at year end.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 7: LONG-TERM LIABILITIES**

**Changes in Long-Term Liabilities - District**

The changes in long-term liabilities for the year ended June 30, 2018, for the District, were as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Principal Due within 1 year
General Obligation Bonds					
Series 2006B Refunding	\$ 1,485,000	\$ -	\$ 1,485,000	\$ -	\$ -
Series 2007	930,000	-	930,000	-	-
Series 2010 Refunding	37,540,000	-	6,205,000	31,335,000	6,405,000
Series 2011 Refunding	7,490,000	-	1,130,000	6,360,000	1,170,000
Series 2012 Refunding	24,135,000	-	2,145,000	21,990,000	2,190,000
Series 2014 Refunding	2,980,000	-	565,000	2,415,000	580,000
Series 2015 Refunding	20,855,000	-	230,000	20,625,000	1,125,000
Series 2017	160,000,000	-	1,890,000	158,110,000	790,000
Series 2018	-	8,975,000	-	8,975,000	-
Sub-total Principal on GO Bonds	255,415,000	8,975,000	14,580,000	249,810,000	12,260,000
Premium - Series 2010	2,961,807	-	623,540	2,338,267	-
Premium - Series 2011	627,834	-	114,151	513,683	-
Premium - Series 2012	2,803,041	-	323,428	2,479,613	-
Premium - Series 2014	293,148	-	68,976	224,172	-
Premium - Series 2015	1,846,990	-	174,519	1,672,471	-
Premium - Series 2017	23,864,500	-	1,694,551	22,169,949	-
Premium - Series 2018	-	1,021,892	-	1,021,892	-
Sub-total Other Amounts	32,397,320	1,021,892	2,999,165	30,420,047	-
Sub-total GO Bonds and Other Amounts	287,812,320	9,996,892	17,579,165	280,230,047	12,260,000
Compensated Absences (Vacation)	1,208,688	1,310,840	1,120,973	1,398,555	375,000
Compensated Absences (Longevity)	2,608,803	-	903,041	1,705,762	1,705,762
Total Long-Term Debt	\$ 291,629,811	\$ 11,307,732	\$ 19,603,179	\$ 283,334,364	\$ 14,340,762

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 7: LONG-TERM LIABILITIES (Continued)**

**Changes in Long-Term Liabilities – Component Unit (TCA)**

Long-term debt activity for the District’s discretely presented component unit as of June 30, 2018 is as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Principal Due within 1 year
Compensated absences	\$ 127,692	\$ 110,150	\$ (108,361)	\$ 129,481	\$ 129,481
Building loans	49,090,000	-	(1,335,000)	47,755,000	1,380,000
Premium	2,528,151	-	(110,533)	2,417,618	110,533
Note payable to Primary Government	427,936	-	(180,352)	247,584	184,913
OPEB Liability	2,246,875	-	(17,389)	2,229,486	-
Net Pension Liability	90,775,207	6,875,134	-	97,650,341	-
<b>Total Long-Term Debt</b>	<b>\$ 145,195,861</b>	<b>\$ 6,985,284</b>	<b>\$ (1,751,635)</b>	<b>\$ 150,429,510</b>	<b>\$ 1,804,927</b>

**General Obligation Bonds-District**

The District issues general obligation (G.O.) bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds outstanding as of June 30, 2018, are as follows:

Year Issued	Description	Interest Rate (%)	Final Maturity Date	Original Issue	Outstanding
2010	Series 2010 general obligation refunding bonds	1.00 - 5.00	2024	57,370,000	\$31,335,000
2011	Series 2011 general obligation refunding bonds	1.125 - 4.75	2023	8,230,000	6,360,000
2012	Series 2012 general obligation refunding bonds	0.25 - 4.45	2026	25,050,000	21,990,000
2014	Series 2014 general obligation refunding bonds	2.00 - 4.00	2022	8,140,000	2,415,000
2015	Series 2015 general obligation refunding bonds	2.00 - 4.00	2028	21,405,000	20,625,000
2017	Series 2017 general obligation bonds	4.00 - 5.00	2040	160,000,000	158,110,000
2018	Series 2018 general obligation bonds	2.00 - 5.00	2023	8,975,000	8,975,000
<b>Total general obligation bonds</b>					<b>\$ 249,810,000</b>

Bond payments, to maturity, are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 12,260,000	\$ 10,919,264	\$ 23,179,264
2020	13,305,000	10,441,206	23,746,206
2021	15,805,000	9,856,631	25,661,631
2022	17,975,000	9,134,706	27,109,706
2023	18,750,000	8,307,757	27,057,757
2024 - 2028	60,455,000	31,794,041	92,249,041
2029 - 2033	48,460,000	20,162,025	68,622,025
2034 - 2038	35,695,000	10,055,875	45,750,875
2039 - 2041	27,105,000	1,655,900	28,760,900
	<b>\$ 249,810,000</b>	<b>\$ 112,327,405</b>	<b>\$ 362,137,405</b>

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 7: LONG-TERM LIABILITIES (Continued)**

**General Obligation Bonds-District (concluded)**

**Gain/Loss on Refunding**

Under existing standards, such as GASB 23, in a transaction involving current refundings or advance refundings resulting in defeasance of debt, any difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized to interest expense over a period of time that is the shorter of the remaining life of the old debt or the life of the new debt. Under GASB 65, this difference, referred to as the deferred gain or loss on refunding, will be recognized as a deferred outflow of resources or a deferred inflow of resources and amortized to interest expense in a systematic and rational manner over the same period mentioned above.

Deferred gains and losses on refunding as of June 30, 2018, are as follows:

	Balance <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2018</u>
Series 2006B	\$ (19,295)	\$ -	\$ (19,295)	\$ -
Series 2010	(2,458,829)	-	(508,725)	(1,950,104)
Series 2011	(441,351)	-	(80,246)	(361,105)
Series 2012	(917,141)	-	(105,824)	(811,317)
Series 2015	45,031	-	45,031	-
Total Refunding Gain/(Loss)	<u>\$ (3,791,585)</u>	<u>\$ -</u>	<u>\$ (669,059)</u>	<u>\$ (3,122,526)</u>

**Defeased Debt**

In February, 2015, the District issued \$21,405,000 General Obligation Refunding Bonds, Series 2015 to refund, on an advance refunding basis, a portion of the outstanding General Obligation Bonds, Series 2007. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements. The prior year outstanding balance of \$20,960,000 was redeemed during the fiscal year resulting in a balance of \$0 at June 30, 2018.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 7: LONG-TERM LIABILITIES (Concluded)**

**Longevity Bonus**

The District offers a Longevity Bonus to employees with an effective District 20 hire date prior to July 1, 1999. Hire date is defined as the employee’s first day on the job as a regular employee.

- A. To receive payment, an employee must have completed the equivalent of 15 years of continuous full time employment. Employees eligible for the Longevity Bonus will be scheduled to receive the bonus payment based on the original hire date. Eligible employees will be notified of a scheduled payment by June 30 of the fiscal year prior to the actual payment. The Longevity Bonus shall be in the form of a one-time payment on January 31 of the year following notification.
- B. The bonus shall be a payment of fifty percent (50%) of the June 30, 2011 annualized base pay. Per C.R.S. 24-51-101(42)(a) and (b), the Longevity Bonus payment is not considered Public Employees’ Retirement Association (PERA) includable salary.
- C. Employees scheduled to receive longevity payments in 2011-12 and/or 2012-13 under the former longevity adjustment policy continued to receive scheduled longevity payments through December 31, 2011. A one-time final payment equal to the unpaid balance of the longevity bonus as of December 31, 2011 was paid on January 31, 2012.
- D. Employees retired from the District and scheduled to receive bonus payments in 2011-12 and/or 2012-13, under the former early retirement bonus policy, received a one-time final payment on January 31, 2012 equal to the unpaid balance of the remaining benefit.

The liability for the current Longevity Bonus and payout of the former Longevity and Early Retirement Bonus must be recognized as both the immediate and long-term actuarial responsibility of the District. Longevity Bonus payments are expected to be paid with revenue from the General Fund. 100% of the Longevity Bonus is expected to be paid during fiscal year 2019. The obligation for known number of participants on June 30, 2018, is as follows:

<u>Year Ending June 30</u>	<u>Certified</u>	<u>Classified</u>	<u>Admin/Staff Specialists</u>	<u>Total</u>
2019	\$ 1,183,603	\$ 377,077	\$ 145,082	\$ 1,705,762
	<u>\$ 1,183,603</u>	<u>\$ 377,077</u>	<u>\$ 145,082</u>	<u>\$ 1,705,762</u>

**Compensated Absences**

Compensated Absences are expected to be paid with revenue from the General Fund.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 8: TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer’s Bill of Rights (TABOR), which added Section 20 to Article X to the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments, including school districts.

Each year the District’s financial activity from the previous fiscal year provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and enrollment growth. Subsequent to 1992, revenue in excess of the District’s “spending limit” must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, any tax increase above limits or any new debt.

As a result of the 2000-2001 audit, the District had collected revenue that was in excess of the TABOR revenue limit. The amendment requires voters to determine whether to permit the District to retain the excess collections. The question was put before the District voters on November 5, 2002. Voter approval was granted for the District to keep excess collections from 2000-2001. Permanent exemption from the revenue limit was also approved by voters.

An amount of \$5,864,000 is restricted for emergencies and is recognized in the General Fund and Governmental Activities as required by TABOR.

**NOTE 9: INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Receivables and Payables**

All inter-fund receivables and payables are created in conjunction with the District’s pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice. All balances are expected to be repaid within one year. The District’s inter-fund receivables and payables as of June 30, 2018 are:

<u>Fund</u>	<u>Inter-fund Payable</u>	<u>Inter-fund Receivable</u>
General Fund	-	\$ 891,795
Designated Purpose Grants Fund	\$ 891,795	-

**Transfers**

During the year, the General Fund transferred operating subsidies of \$5,340,230 and \$5,812,604 to the Transportation and Technology Funds, respectively. The Food Services Fund transferred \$200,000 to the General Fund to cover expenditures incurred by the General Fund on its behalf. \$8,579,244 from the General Fund was transferred to the Capital Reserve Capital Projects Fund to cover capital projects during the year.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 10: UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES**

The District’s governmental funds reported the following unearned revenue and deferred inflows of resources at June 30, 2018:

	Unearned Revenue		Deferred Inflows of Resources
General Fund		General Fund	
Miscellaneous	\$ 193,221	Property taxes	\$ 1,047,034
Tuition	283,830		
	477,051	Non-major Funds	
Non-major Funds		Debt Service Fund	
Food Services Fund	288,125	Property taxes	364,468
Designated Purpose Grant Fund		Capital Reserve Fund	
Federal and state grants	413,802	Long term note receivable	247,584
	701,927		612,052
Total unearned revenue	\$ 1,178,978	Total deferred inflows of resources	\$ 1,659,086

**NOTE 11: GENERAL REVENUES**

**Property Taxes**

Mill levy rates are certified by the Board of Education to the county commissioners and treasurer by December 15<sup>th</sup> each year. Property taxes payable are based on the certified mill levies. Property taxes are levied in arrears on January 1. For example, property taxes paid in calendar year 2018 were certified in December 2017 and were available for collection on January 1, 2018 (lien date).

Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. The County bills property owners and collects property taxes for all taxing districts in the County. The property tax receipts collected by the County are generally remitted to the District in the subsequent month.

**Specific Ownership Taxes**

The county treasurer collects specific ownership taxes on motor vehicles and other personal property. The tax receipts collected by the county treasurer are remitted to the District in the subsequent month. Specific ownership taxes are recognized as revenue when collected by the County.

**State Equalization**

The District’s primary revenue component from the state is created by the Colorado School Finance Act. State equalization is received in equal monthly installments on the 25<sup>th</sup> day of each month.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 12: COMMITMENTS AND CONTINGENCIES**

The District has received federal, state and local grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. District management believes non-allowances, if any, will be immaterial.

The District is a defendant in various threatened litigation some of which were settled subsequent to the fiscal year end. Although the outcome of this litigation is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the District.

In July 2011, the District entered into a 15 year performance-based intergovernmental agreement with the City of Colorado Springs for economic development services. Currently, both the City and the District's governing boards have approved only one project; relocation of a Wal-Mart data center to the area. The cost associated with the agreement is 25% of the District's total program levy (currently 26.952 mills) applied to the business personal property, as determined by the El Paso County Assessor. As of June 30, 2018, the District has a restricted fund balance of \$149,000 for the Wal-Mart project. The District does not anticipate considering future projects.

**NOTE 13: RETIREMENT PLAN**

The District and its component unit participate 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 the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, 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. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled Changes between the measurement date of the net pension liability and June 30, 2018.

**General Information about the Pension Plan**

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 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](http://www.copera.org/investments/pera-financial-reports).

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.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 13: RETIREMENT PLAN (Continued)**

**General Information about the Pension Plan (concluded)**

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

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

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

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

As of December 31, 2017 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. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

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 retirement benefit formula 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**

Eligible employees of the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 13: RETIREMENT PLAN (Continued)**

**Contributions (concluded)**

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate <sup>1</sup>	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	5.00%	5.50%
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	18.63%	19.13%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$23,469,817 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$853,134,880 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on its contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was 2.638 percent, which was an increase of 0.023 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized net pension expense of \$157,637,062. At June 30, 2018, 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	\$15,685,556	-
Changes of assumptions or other inputs	\$217,837,030	\$1,382,341
Net difference between projected and actual earnings on pension plan investments	-	\$33,503,418
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$3,056,932	\$1,591,367
Contributions subsequent to the measurement date	\$11,952,543	-
Total	\$248,532,061	\$36,477,126

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 13: RETIREMENT PLAN (Continued)**

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

\$11,952,543 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Amount:
2019	\$134,509,306
2020	76,984,569
2021	1,212,636
2022	(12,604,119)
2023	-
Thereafter	-

**Actuarial Assumptions**

The December 31, 2016 actuarial valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate <sup>1</sup>	5.26 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

<sup>1</sup> The discount rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 4.78% as described below.

Healthy mortality assumptions for active members reflect 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.

Healthy, post-retirement mortality assumptions reflect 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.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 13: RETIREMENT PLAN (Continued)**

**Actuarial Assumptions (concluded)**

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, 2016 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.

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 presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, 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.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

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

**Discount Rate**

The discount rate used to measure the total pension liability was 4.78 percent. The basis for the projection of liabilities and the plan fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2016 and the financial status of the SCHDTF as of the prior measurement date, December 31, 2016. In addition, the following methods and assumptions were used in the projection of cash flows:

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 13: RETIREMENT PLAN (Continued)**

**Discount Rate (continued)**

- 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 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. 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, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, 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. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of December published at the end of each week by The Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 13: RETIREMENT PLAN (Continued)**

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the proportionate share of the District's net pension liability calculated using the discount rate of 4.78 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (3.78 percent) or one percentage-point higher (5.78 percent) than the current rate (expressed in thousands):

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$1,077,654	\$853,135	\$670,177

**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](http://www.copera.org/investments/pera-financial-reports).

**Changes Between the Measurement Date of the Net Pension Liability and June 30, 2018**

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through 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 the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to the plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raised the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 13: RETIREMENT PLAN (Continued)**

**Changes Between the Measurement Date of the Net Pension Liability and June 30, 2018 (continued)**

At June 30, 2018, the District reported a liability of \$853,134,880 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan’s year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District’s proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 19-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25	\$385,438,943

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate the collective net pension liability, approximately \$398,248,691 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Summary of Significant Accounting Policies**

For purposes of measuring the net Postemployment Benefits Other Than Pensions (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees’ Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF’s fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Plan Description**

Eligible employees of the District and the component unit are provided with OPEB through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other post-employment 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. 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](http://www.copera.org/investments/pera-financial-reports).

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Benefits Provided**

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), 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.

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 basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

**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.

The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The District's apportionment to HCTF for the year ending June 30, 2018 was \$1,267,878 equal to the required contribution for the year.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 14: POST EMPLOYMENT 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, 2018, the District reported a liability of \$19,481,995 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF. At December 31, 2017, the District's proportion was 1.4991%, which was an increase of 0.0123% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$305,864. At June 30, 2018, 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	\$92,133	-
Net difference between projected and actual earnings on OPEB plan investments	-	325,929
Changes in proportion and differences between contributions recognized and proportionate share of contributions	132,886	-
Contributions subsequent to the measurement date	637,302	-
Total	\$862,321	\$325,929

\$637,302 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	<u>Amount</u>
2019	\$ (37,274)
2020	(37,274)
2021	(37,274)
2022	(37,244)
2023	44,216
Thereafter	3,940

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2016 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	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.00% for 2017, gradually rising to 4.25% in 2023

The actuarial assumptions used in the December 31, 2016 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. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA Board’s actuary, as needed.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Actuarial Assumptions (continued)**

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.

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

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

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- 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 2017 plan year.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Actuarial Assumptions (concluded)**

- 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.
- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, 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.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
<b>Total</b>	<b>100.00</b>	

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.

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 14: POST EMPLOYMENT 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 projections of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2016 and the financial status of the HCTF as of the prior measurement date, December 31, 2016. 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, 2017, 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 3.50 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. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the HCTF's fiduciary net position 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. There was no change in the discount rate from the prior measurement date.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25 percent) or one percentage-point higher (8.25 percent) than the current discount rate (expressed in thousands):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$21,904	\$19,482	\$17,415

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Concluded)**

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates (expressed in thousands):

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A Trend Rate	3.25%	4.25%	5.25%
Proportionate Share of the Net OPEB Liability	\$ 18,946	\$ 19,482	\$ 20,128

**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](http://www.copera.org/investments/pera-financial-reports).

**NOTE 15: RESTATEMENT OF NET POSITION**

For the year ended June 30, 2018, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF's net OPEB liability.

For the District, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard resulted in a restatement of the prior period net position as shown below.

Net Position, June 30, 2017, as Previously Reported	\$ (333,666,409)
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	<u>( 18,666,226)</u>
Net Position, July 1, 2017, as Restated	<u>\$ (352,332,635)</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

---

**In addition to the basic financial statements, a Budgetary Comparison Schedule is required for the General Fund and each of the District's major special revenue funds.**

**The District does not have a special revenue fund qualified as a major fund as of June 30, 2018.**

**Due to the implementation of GASB Statement No. 68 and GASB Statement No. 75, schedules for the District's Proportionate Share of the Net Pension Liability, Net OPEB Liability, and the District's Contributions and Related Ratios are also included as required supplementary information.**

---

## **General Fund**

---

As the District's major operating fund, the General Fund accounts for ordinary operating expenditures financed by property taxes, state equalization payments, service charges and other sources. The fund includes all resources and expenditures not legally or properly accounted for in other funds. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to Colorado Revised Statutes. It is the most significant fund in relation to the District's overall operation.

---

**ACADEMY SCHOOL DISTRICT TWENTY  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017**

REVENUES	Budget		2018 Actual	% of Actual	Variance with Final Budget Positive (Negative)	% of Final Budget Collected	2017 Actual
	Original	Final					
Local sources							
Property taxes	\$ 67,881,170	\$ 68,395,090	\$ 68,105,730	30.39%	\$ (289,360)	99.58%	\$ 65,977,872
Specific ownership taxes	9,472,081	10,885,843	11,883,278	5.30%	997,435	109.16%	10,885,843
Delinquent taxes and abatement	550,254	150,213	(10,033)	0.00%	(160,246)	-6.68%	459,455
Tuition	1,385,000	1,575,000	1,624,798	0.72%	49,798	103.16%	1,676,775
Other local sources	1,153,620	1,292,060	1,575,675	0.70%	283,615	121.95%	1,328,024
Interest on investments	100,000	250,000	996,328	0.44%	746,328	398.53%	494,563
Total local sources	<u>80,542,125</u>	<u>82,548,206</u>	<u>84,175,776</u>	<u>37.56%</u>	<u>1,627,570</u>	<u>101.97%</u>	<u>80,822,532</u>
State sources							
State equalization	132,888,366	130,144,126	130,229,064	58.11%	84,938	100.07%	126,299,327
Vocational education	1,850,000	1,477,670	1,332,111	0.59%	(145,559)	90.15%	1,373,244
Special education	3,400,000	3,580,000	3,781,961	1.69%	201,961	105.64%	3,649,965
Gifted and talented education	210,000	225,000	237,630	0.11%	12,630	105.61%	230,937
Other state revenue	1,070,541	1,081,575	1,116,867	0.50%	35,292	100.00%	1,069,042
Total state sources	<u>139,418,907</u>	<u>136,508,371</u>	<u>136,697,633</u>	<u>60.99%</u>	<u>189,262</u>	<u>100.14%</u>	<u>132,622,515</u>
Federal sources							
Public law 81-874	1,800,000	1,600,000	1,755,958	0.78%	155,958	109.75%	1,651,732
Other federal sources	1,050,000	1,549,314	1,485,530	0.66%	(63,784)	95.88%	1,596,237
Total federal sources	<u>2,850,000</u>	<u>3,149,314</u>	<u>3,241,488</u>	<u>1.45%</u>	<u>92,174</u>	<u>102.93%</u>	<u>3,247,969</u>
TOTAL REVENUES	<u>\$ 222,811,032</u>	<u>\$ 222,205,891</u>	<u>\$ 224,114,897</u>	<u>100.00%</u>	<u>\$ 1,909,006</u>	<u>100.86%</u>	<u>\$ 216,693,016</u>

**ACADEMY SCHOOL DISTRICT TWENTY  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017  
(continued)**

EXPENDITURES	Budget		2018 Actual	% of Actual	Variance with Final Budget Positive (Negative)	% of Final Budget Used	2017 Actual
	Original	Final					
Instruction							
Regular instruction	\$ 97,808,016	\$ 93,717,988	\$ 92,595,702	45.66%	\$ 1,122,286	98.80%	\$ 89,222,348
Regular instruction - pre-schools	-	-	283,730	0.14%	(283,730)	0.00%	274,781
Regular instruction - charter schools	27,918,409	27,827,316	27,686,375	13.65%	140,941	99.49%	27,102,609
Special education	18,376,890	18,900,764	17,067,586	8.42%	1,833,178	90.30%	16,732,626
Gifted and talented education	2,400,180	2,583,428	2,457,575	1.21%	125,853	95.13%	2,370,245
Total instruction	<u>146,503,495</u>	<u>143,029,496</u>	<u>140,090,968</u>	<u>69.08%</u>	<u>2,938,528</u>	<u>97.95%</u>	<u>135,702,609</u>
Supporting Services							
Pupil services	10,565,925	10,451,438	10,037,402	4.95%	414,036	96.04%	9,207,853
Instructional staff	6,686,745	7,839,355	7,465,344	3.68%	374,011	95.23%	6,799,895
General administration	1,882,085	1,914,473	1,695,488	0.84%	218,985	88.56%	1,674,507
School administration	17,371,509	18,308,626	17,932,250	8.84%	376,376	97.94%	17,424,037
Business administration	2,449,430	2,536,758	2,437,315	1.20%	99,443	96.08%	2,315,769
Central services	1,739,595	2,044,615	1,994,917	0.98%	49,698	97.57%	1,818,148
Community services	535,125	327,485	340,024	0.17%	(12,539)	103.83%	442,019
Operations & maintenance of plant	18,938,090	19,345,601	18,460,826	9.10%	884,775	95.43%	18,224,525
Risk Management Services	3,116,000	3,122,430	2,344,536	1.16%	777,894	75.09%	2,822,781
Total supporting services	<u>63,284,504</u>	<u>65,890,781</u>	<u>62,708,102</u>	<u>30.92%</u>	<u>3,182,679</u>	<u>95.17%</u>	<u>60,729,534</u>
<b>TOTAL EXPENDITURES</b>	<u>209,787,999</u>	<u>208,920,277</u>	<u>202,799,070</u>	<u>100.00%</u>	<u>6,121,207</u>	<u>97.07%</u>	<u>196,432,143</u>
Excess (deficiency) of revenues over expenditures	<u>13,023,033</u>	<u>13,285,614</u>	<u>21,315,827</u>		<u>8,030,213</u>	<u>160.44%</u>	<u>20,260,873</u>
OTHER FINANCING SOURCES (USES)							
Transfer from Food Services Fund	200,000	200,000	200,000		-	100.00%	200,000
Transfer to Capital Projects Fund	(2,777,875)	(8,579,244)	(8,579,244)		-	100.00%	(7,954,039)
Transfer to Transportation Fund	(5,340,230)	(5,340,230)	(5,340,230)		-	100.00%	(5,106,180)
Transfer to Technology Fund	(5,960,925)	(5,812,604)	(5,812,604)		-	100.00%	(5,242,475)
<b>TOTAL OTHER SOURCES (USES)</b>	<u>(13,879,030)</u>	<u>(19,532,078)</u>	<u>(19,532,078)</u>		<u>-</u>	<u>100.00%</u>	<u>(18,102,694)</u>
Net change in fund balance	(855,997)	(6,246,464)	1,783,749		8,030,213	-28.56%	2,158,179
Fund balance, beginning of year	<u>37,515,457</u>	<u>44,822,304</u>	<u>44,822,304</u>		<u>-</u>	<u>100.00%</u>	<u>42,664,125</u>
Fund balance, end of year	<u>\$ 36,659,460</u>	<u>\$ 38,575,840</u>	<u>\$ 46,606,053</u>		<u>\$ 8,030,213</u>	<u>N/A</u>	<u>\$ 44,822,304</u>

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2018**

**NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

1. State law requires annual appropriated budgets for all funds. No later than May 31, the Superintendent must submit 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.
2. Public hearings are conducted by the Board of Education to obtain taxpayer comments.
3. Prior to June 30 the budget is adopted and appropriated by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with management. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles.
6. Appropriations for all funds lapse at the end of the fiscal year, with the exception of the Capital Reserve Capital Projects Fund. Total annual appropriations, as illustrated in the table below, include transfers and ending fund balance.

Fund	2017-18 APPROPRIATION			Total Appropriation	ACTUAL	
	Expenditures	Transfers & Other Uses	Ending Fund Balance		Expenditures & Uses	Compliance Yes / (No)
General Fund	\$ 208,920,277	\$ 19,732,078	\$ 38,575,840	\$ 267,228,195	\$ 202,799,070	\$ 64,429,125
Food Service Fund	5,420,000	200,000	554,060	6,174,060	5,130,991	1,043,069
Designated Purpose Grants Fund	7,400,000	-	-	7,400,000	6,046,648	1,353,352
Transportation Fund	7,912,700	-	1,794,392	9,707,092	7,683,272	2,023,820
Bond Redemption Fund	25,592,529	-	25,098,843	50,691,372	25,571,429	25,119,943
Building Fund	110,360,395	-	71,706,069	182,066,464	57,495,746	124,570,718
Capital Reserve Capital Projects	12,286,951	-	4,654,537	16,941,488	6,689,619	10,251,869
Technology Fund	9,038,354	-	7,343,088	16,381,442	7,362,638	9,018,804
School Activity Fund	11,000,000	-	4,147,326	15,147,326	10,332,931	4,814,395
Scholarship Fund	115,000	-	114,610	229,610	92,638	136,972
	<u>\$ 398,046,206</u>	<u>\$ 19,932,078</u>	<u>\$ 153,988,765</u>	<u>\$ 571,967,049</u>	<u>\$ 329,204,982</u>	<u>\$ 242,762,067</u>

7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized appropriations.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations. All supplemental appropriations were legally enacted by the Board of Education during fiscal year 2018. The original appropriations were amended as follows:

Fund	Original Appropriation	Amendment	Amended Appropriation
General Fund	\$ 260,526,489	\$ 6,701,706	\$ 267,228,195
Food Service Fund	5,744,771	429,289	6,174,060
Designated Purpose Grants Fund	7,400,000	-	7,400,000
Transportation Fund	9,450,434	256,658	9,707,092
Bond Redemption Fund	49,007,105	1,684,267	50,691,372
Building Fund	153,568,929	28,497,535	182,066,464
Capital Reserve Capital Projects Fund	7,514,412	9,427,076	16,941,488
Technology Fund	15,166,618	1,214,824	16,381,442
School Activity Fund	15,051,633	95,693	15,147,326
Scholarship Fund	216,610	13,000	229,610
Total Appropriations	<u>\$ 523,647,001</u>	<u>48,320,048</u>	<u>\$ 571,967,049</u>

**ACADEMY SCHOOL DISTRICT 20**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**Last 10 Fiscal Years<sup>1</sup>**

	2017	2016	2015	2014	2013
District's proportion (percentage) of the collective net pension liability (asset)	2.64%	2.62%	2.64%	2.64%	2.60%
District's proportionate share of the collective pension liability (asset)	\$853,134,880	\$778,803,576	\$404,158,474	\$357,901,961	\$331,510,717
Covered payroll	121,702,007	117,398,736	115,163,118	110,625,896	104,814,258
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	701.0%	663.4%	350.9%	323.5%	316.3%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.10%	59.20%	62.80%	64.06%

\* The amounts presented for each fiscal year were determined as of December 31.

<sup>1</sup>Information is not available prior to 2013. In future reports, additional years will be added until 10 years historical data are presented.

**ACADEMY SCHOOL DISTRICT 20  
SCHEDULE OF CONTRIBUTIONS  
AND RELATED RATIOS  
Last 10 Fiscal Years**

As of June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Statutorily required contributions	\$23,469,817	\$ 21,904,416	\$ 20,544,869	\$ 19,186,956	\$17,222,951	\$15,604,973	\$14,290,160	\$ 13,456,254	\$12,404,040	\$11,233,221
Contributions in relation to the statutorily required contribution	<u>23,469,817</u>	<u>21,904,416</u>	<u>20,544,869</u>	<u>19,186,956</u>	<u>17,222,951</u>	<u>15,604,973</u>	<u>14,290,160</u>	<u>13,456,254</u>	<u>12,404,040</u>	<u>11,233,221</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	124,301,741	119,167,107	115,868,084	113,645,008	107,759,439	103,510,671	100,806,443	101,350,270	101,181,739	97,820,313
Contribution as a percentage of covered payroll	18.88%	18.38%	17.73%	16.88%	15.98%	15.08%	14.18%	13.28%	12.38%	11.48%

\* The amounts presented for each fiscal year were determined as of June 30.

**ACADEMY SCHOOL DISTRICT 20**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB LIABILITY**  
**Last 10 Fiscal Years<sup>1</sup>**

	<u>2017</u>	<u>2016</u>
District's proportion (percentage) of the OPEB Liability	1.50%	1.49%
District's proportionate share of the OPEB Liability	\$ 19,481,995	\$ 19,277,041
Covered payroll	121,702,007	117,398,736
District's proportionate share of the OPEB Liability as a percentage of its covered payroll	16.0%	16.4%
Plan fiduciary net position as a percentage of the total OPEB Liability	17.53%	16.72%

\* The amounts presented for each fiscal year were determined as of December 31.

<sup>1</sup>Information is not available prior to 2016. In future reports, additional years will be added until 10 years historical data are presented.

**ACADEMY SCHOOL DISTRICT 20  
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS  
AND RELATED RATIOS  
Last 10 Fiscal Years**

As of June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Statutorily required contributions	\$ 1,267,878	\$ 1,215,504	\$ 1,181,854	\$ 1,159,179	\$ 1,099,146	\$ 1,055,809	\$ 1,028,226	\$ 1,033,773	\$ 1,032,054	\$ 997,767
Contributions in relation to the statutorily required contribution	<u>1,267,878</u>	<u>21,904,416</u>	<u>20,544,869</u>	<u>19,186,956</u>	<u>17,222,951</u>	<u>15,604,973</u>	<u>14,290,160</u>	<u>13,456,254</u>	<u>12,404,040</u>	<u>11,233,221</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	124,301,741	119,167,107	115,868,084	113,645,008	107,759,439	103,510,671	100,806,443	101,350,270	101,181,739	97,820,313
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

\* The amounts presented for each fiscal year were determined as of June 30.

## **OTHER SUPPLEMENTARY INFORMATION**

---

**Other supplementary information include schedules that are reported for other major governmental funds, non-major governmental funds, and fiduciary funds.**

---

## Other Major Governmental Funds

### Capital Project Funds

---

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

---

The District has the following major Capital Project Fund:

**Building Fund** - Used to account for financial resources to be used for major capital outlay relating to the acquisition, construction, and remodeling of capital facilities.

**ACADEMY SCHOOL DISTRICT TWENTY  
BUILDING FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017**

	Final Budget	2018 Actual	Variance Positive (Negative)	2017 Actual
<b>REVENUES</b>				
Local sources				
Investment income	\$ 2,000,000	\$ 2,441,729	\$ 441,729	\$ 788,723
<b>TOTAL REVENUES</b>	<b>2,000,000</b>	<b>2,441,729</b>	<b>441,729</b>	<b>788,723</b>
<b>EXPENDITURES</b>				
Capital outlay				
Component unit (TCA)	8,880,000	11,229,185	(2,349,185)	843,013
Facility audit	4,092,930	1,277,057	2,815,873	775,263
New Construction	52,367,000	31,469,624	20,897,376	1,603,950
Program management	1,254,000	1,238,537	15,463	408,666
Remodel and renovation	30,371,380	3,619,470	26,751,910	25,345
School improvement allocation	10,782,585	4,960,909	5,821,676	345,188
Technology infrastructure	2,612,500	3,597,076	(984,576)	402,456
Sub-total capital outlay	110,360,395	57,391,858	52,968,537	4,403,881
Debt service				
Other issuance costs	-	103,888	(103,888)	849,928
<b>TOTAL EXPENDITURES</b>	<b>110,360,395</b>	<b>57,495,746</b>	<b>52,864,649</b>	<b>5,253,809</b>
Excess (deficiency) of revenues over expenditures	(108,360,395)	(55,054,017)	53,306,378	(4,465,086)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond issuance	-	8,975,000	8,975,000	160,000,000
Bond premium	-	1,021,892	1,021,892	24,531,550
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>9,996,892</b>	<b>9,996,892</b>	<b>184,531,550</b>
Net change in fund balance	(108,360,395)	(45,057,125)	63,303,270	180,066,464
Fund balance, beginning of year	180,066,464	180,066,464	-	-
Fund balance, end of year	<u>\$ 71,706,069</u>	<u>\$ 135,009,339</u>	<u>\$ 63,303,270</u>	<u>\$ 180,066,464</u>



**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

*Where dreams take flight...*  
*One student at a time.*



The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.

# Non-Major Governmental Funds

## Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private purpose trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

The District has the following non-major Special Revenue Funds:

**Food Service Fund** - Accounts for all of the operating revenues and expenses associated with providing breakfast and lunch for the District's students and staff.

**Designated Purpose Grant Fund** - Accounts for the various federal, state, and local grants awarded to the district to accomplish specific activities.

**Transportation Fund** - Accounts for the operations of the District's pupil transportation services.

## Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources and payment of long-term debt used to finance government fund-type capital construction and acquisition.

The District has the following Debt Service Fund:

**Bond Redemption Fund** - Used to finance and account for payment of principal and interest on all long-term debt of the District. (C.R. S. 22-45-103(b)).

## Capital Project Funds

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

The District has the following non-major Capital Project Funds:

**Capital Reserve Capital Projects Fund** – Accounts for the ongoing capital needs of the District such as site acquisitions, building additions and improvements, as well as purchases of equipment and vehicles.

**Technology Fund** – Provides better fiscal management for district-wide technology services.

**ACADEMY SCHOOL DISTRICT TWENTY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2018**

	Special Revenue		Transportation Fund	Debt Service Bond Redemption Fund	Capital Projects		Totals
	Food Service Fund	Designated Purpose Grants Fund			Capital Reserve Capital Projects Fund	Technology Fund	
<b>ASSETS</b>							
Cash and investments	\$ 1,023,344	\$ -	\$ 2,122,492	\$ 24,734,978	\$ 10,949,641	\$ 9,361,937	\$ 48,192,392
Receivables	13,036	2,032,253	-	646,325	-	-	2,691,614
Prepaid items	-	15,469	-	-	-	-	15,469
Promissory note and accrued interest receivable	-	-	-	-	247,584	-	247,584
<b>TOTAL ASSETS</b>	<b>\$ 1,036,380</b>	<b>\$ 2,047,722</b>	<b>\$ 2,122,492</b>	<b>\$ 25,381,303</b>	<b>\$ 11,197,225</b>	<b>\$ 9,361,937</b>	<b>\$ 51,147,059</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 118,467	\$ 116,935	\$ 13,244	\$ -	\$ 258,266	\$ 25,870	\$ 532,782
Accrued salaries and benefits	-	625,190	-	-	-	-	625,190
Inter-fund payable	-	891,795	-	-	-	-	891,795
Unearned revenue	288,125	413,802	-	-	-	-	701,927
<b>TOTAL LIABILITIES</b>	<b>406,592</b>	<b>2,047,722</b>	<b>13,244</b>		<b>258,266</b>	<b>25,870</b>	<b>2,751,694</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property taxes	-	-	-	364,468	-	-	364,468
Unavailable revenue	-	-	-	-	247,584	-	247,584
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>364,468</b>	<b>247,584</b>	<b>-</b>	<b>612,052</b>
<b>FUND BALANCE</b>							
Nonspendable, prepaid items	-	15,469	-	-	-	-	15,469
Restricted for Debt Service	-	-	-	25,016,835	-	-	25,016,835
Restricted for Food Service	629,788	-	-	-	-	-	629,788
Assigned for Technology Replacement	-	-	-	-	-	7,246,328	7,246,328
Assigned for Food Service Future Projects	-	-	-	-	95,427	-	95,427
Assigned for Future Projects	-	-	1,938,043	-	10,595,948	2,089,739	14,623,730
Assigned for Activity Bus Replacement	-	-	171,205	-	-	-	171,205
Unassigned	-	(15,469)	-	-	-	-	(15,469)
<b>TOTAL FUND BALANCE</b>	<b>629,788</b>	<b>-</b>	<b>2,109,248</b>	<b>25,016,835</b>	<b>10,691,375</b>	<b>9,336,067</b>	<b>47,783,313</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 1,036,380</b>	<b>\$ 2,047,722</b>	<b>\$ 2,122,492</b>	<b>\$ 25,381,303</b>	<b>\$ 11,197,225</b>	<b>\$ 9,361,937</b>	<b>\$ 51,147,059</b>

**ACADEMY SCHOOL DISTRICT TWENTY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2018**

	Special Revenue			Debt Service	Capital Projects		Totals
	Food Service Fund	Designated Purpose Grants Fund	Transportation Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Technology Fund	
<b>REVENUES</b>							
Local sources	\$ 3,300,673	\$ -	\$ 922,936	\$ 24,374,117	\$ 506,532	\$ 522,987	\$ 29,627,245
State sources	81,315	1,355,815	1,691,492		-	-	3,128,622
Federal sources	1,934,731	4,892,049	-		-	1,662,926	8,489,706
<b>TOTAL REVENUES</b>	<b>5,316,719</b>	<b>6,247,864</b>	<b>2,614,428</b>	<b>24,374,117</b>	<b>506,532</b>	<b>2,185,913</b>	<b>41,245,573</b>
<b>EXPENDITURES</b>							
Instruction	-	6,247,864	-	-	-	437,098	6,684,962
Supporting Services							
Instructional staff	-	-	-	-	-	747,061	747,061
Central services	-	-	-	-	-	4,466,547	4,466,547
Food services	5,130,991	-	-	-	-	-	5,130,991
Pupil Transportation	-	-	7,683,272	-	-	-	7,683,272
Capital outlay	-	-	-	-	6,689,619	1,711,932	8,401,551
Debt Service							
Principal	-	-	-	14,580,000	-	-	14,580,000
Interest	-	-	-	10,991,429	-	-	10,991,429
<b>TOTAL EXPENDITURES</b>	<b>5,130,991</b>	<b>6,247,864</b>	<b>7,683,272</b>	<b>25,571,429</b>	<b>6,689,619</b>	<b>7,362,638</b>	<b>58,685,813</b>
Excess (deficiency) of revenues over expenditures	185,728	-	(5,068,844)	(1,197,312)	(6,183,087)	(5,176,725)	(17,440,240)
<b>OTHER FINANCING SOURCES</b>							
Gain/(loss) on sale of capital assets	-	-	-	-	223,474	-	223,474
Transfers in/(out)	(200,000)	-	5,340,230	-	8,579,244	5,812,604	19,532,078
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(200,000)</b>	<b>-</b>	<b>5,340,230</b>	<b>-</b>	<b>8,802,718</b>	<b>5,812,604</b>	<b>19,755,552</b>
Net change in fund balance	(14,272)	-	271,386	(1,197,312)	2,619,631	635,879	2,315,312
Fund balance, beginning of year	644,060	-	1,837,862	26,214,147	8,071,744	8,700,188	45,468,001
Fund balance, end of year	<u>\$ 629,788</u>	<u>\$ -</u>	<u>\$ 2,109,248</u>	<u>\$ 25,016,835</u>	<u>\$ 10,691,375</u>	<u>\$ 9,336,067</u>	<u>\$ 47,783,313</u>

**ACADEMY SCHOOL DISTRICT TWENTY  
FOOD SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017**

	Final Budget	2018 Actual	Variance Positive (Negative)	2017 Actual
<b>REVENUES</b>				
Local sources				
Charges for services	\$ 3,400,000	\$ 3,300,673	\$ (99,327)	\$ 3,382,097
State sources				
State support	80,000	81,315	1,315	82,444
Federal sources				
Federal reimbursement	1,600,000	1,598,888	(1,112)	1,671,244
USDA commodities	450,000	335,843	(114,157)	412,196
<b>TOTAL REVENUES</b>	<b>5,530,000</b>	<b>5,316,719</b>	<b>(213,281)</b>	<b>5,547,981</b>
<b>EXPENDITURES</b>				
Current				
Purchased food, labor, & services	4,600,000	4,532,241	67,759	4,593,620
Other expenses	370,000	262,907	107,093	177,876
USDA commodities	450,000	335,843	114,157	412,196
<b>TOTAL EXPENDITURES</b>	<b>5,420,000</b>	<b>5,130,991</b>	<b>289,009</b>	<b>5,183,692</b>
Excess (deficiency) of revenues over expenditures	110,000	185,728	75,728	364,289
<b>OTHER FINANCING USES</b>				
Transfer to the General Fund	(200,000)	(200,000)	-	(200,000)
Net change in fund balance	(90,000)	(14,272)	75,728	164,289
Fund balance, beginning of year	644,060	644,060	-	479,771
Fund balance, end of year	<b>\$ 554,060</b>	<b>\$ 629,788</b>	<b>\$ 75,728</b>	<b>\$ 644,060</b>

**ACADEMY SCHOOL DISTRICT TWENTY  
DESIGNATED PURPOSE GRANTS FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017**

	Final Budget	2018 Actual	Variance Positive (Negative)	2017 Actual
REVENUES				
State sources	\$ 1,543,024	\$ 1,355,815	\$ (187,209)	\$ 1,083,345
Federal sources	5,856,976	4,892,049	(964,927)	4,746,058
<b>TOTAL REVENUES</b>	<b>7,400,000</b>	<b>6,247,864</b>	<b>(1,152,136)</b>	<b>5,829,403</b>
EXPENDITURES				
Regular Instruction	7,400,000	6,247,864	1,152,136	5,829,403
<b>TOTAL EXPENDITURES</b>	<b>7,400,000</b>	<b>6,247,864</b>	<b>1,152,136</b>	<b>5,829,403</b>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ACADEMY SCHOOL DISTRICT TWENTY  
TRANSPORTATION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017**

	Final Budget	2018 Actual	Variance Positive (Negative)	2017 Actual
<b>REVENUES</b>				
Local sources				
Field trips	\$ 240,000	\$ 282,399	\$ 42,399	\$ 282,014
Student Transportation Trip Charge	400,000	379,562	(20,438)	389,036
Other	210,000	260,975	50,975	252,494
	<u>850,000</u>	<u>922,936</u>	<u>72,936</u>	<u>923,544</u>
State sources				
State transportation	<u>1,679,000</u>	<u>1,691,492</u>	<u>12,492</u>	<u>1,668,646</u>
<b>TOTAL REVENUES</b>	<u>2,529,000</u>	<u>2,614,428</u>	<u>85,428</u>	<u>2,592,190</u>
<b>EXPENDITURES</b>				
Current				
Administration	950,250	787,659	162,591	961,590
Bus operations	4,880,170	4,822,825	57,345	4,491,425
Bus monitors	962,690	961,102	1,588	889,291
Vehicle maintenance	<u>1,119,590</u>	<u>1,111,686</u>	<u>7,904</u>	<u>1,112,612</u>
<b>TOTAL EXPENDITURES</b>	<u>7,912,700</u>	<u>7,683,272</u>	<u>229,428</u>	<u>7,454,918</u>
Excess (deficiency) of revenues over expenditures	(5,383,700)	(5,068,844)	314,856	(4,862,728)
<b>OTHER FINANCING SOURCES</b>				
Transfer from the General Fund	<u>5,340,230</u>	<u>5,340,230</u>	<u>-</u>	<u>5,106,180</u>
Net change in fund balance	(43,470)	271,386	314,856	243,452
Fund balance, beginning of year	<u>1,837,862</u>	<u>1,837,862</u>	<u>-</u>	<u>1,594,410</u>
Fund balance, end of year	<u>\$ 1,794,392</u>	<u>\$ 2,109,248</u>	<u>\$ 314,856</u>	<u>\$ 1,837,862</u>

**ACADEMY SCHOOL DISTRICT TWENTY  
BOND REDEMPTION FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017**

	Final Budget	2018 Actual	Variance Positive (Negative)	2017 Actual
REVENUES				
Local sources:				
Property taxes	\$ 24,333,225	\$ 24,099,941	\$ (233,284)	\$ 20,904,237
Interest on investments	144,000	274,176	130,176	168,187
<b>TOTAL REVENUES</b>	<b>24,477,225</b>	<b>24,374,117</b>	<b>(103,108)</b>	<b>21,072,424</b>
EXPENDITURES				
Debt service				
Principal	14,580,000	14,580,000	-	11,599,341
Interest	10,986,529	10,986,529	-	9,181,804
Other expenditures and fiscal charges	26,000	4,900	21,100	6,250
<b>TOTAL EXPENDITURES</b>	<b>25,592,529</b>	<b>25,571,429</b>	<b>21,100</b>	<b>20,787,395</b>
Excess (deficiency) of revenues over expenditures	(1,115,304)	(1,197,312)	(82,008)	285,029
Net change in fund balance	(1,115,304)	(1,197,312)	(82,008)	285,029
Fund balance, beginning of year	26,214,147	26,214,147	-	25,929,118
Fund balance, end of year	<b>\$ 25,098,843</b>	<b>\$ 25,016,835</b>	<b>\$ (82,008)</b>	<b>\$ 26,214,147</b>

**ACADEMY SCHOOL DISTRICT TWENTY  
CAPITAL RESERVE CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017**

	Final Budget	2018 Actual	Variance Positive (Negative)	2017 Actual
<b>REVENUES</b>				
Local sources				
Local sources	\$ 100,000	\$ 449,859	\$ 349,859	\$ 83,740
Other sources	-	53,632	53,632	70,117
Investment income	1,500	3,041	1,541	1,701
Sub-total local sources	<u>101,500</u>	<u>506,532</u>	<u>405,032</u>	<u>155,558</u>
<b>TOTAL REVENUES</b>	<u>101,500</u>	<u>506,532</u>	<u>405,032</u>	<u>155,558</u>
<b>EXPENDITURES</b>				
Current				
Capital outlay				
Site and Building modifications & repairs	6,779,572	5,021,323	1,758,249	2,888,633
Vehicles	<u>2,273,870</u>	<u>1,668,296</u>	<u>605,574</u>	<u>1,588,526</u>
Sub-total capital outlay	9,053,442	6,689,619	2,363,823	4,477,159
Carryover Projects	<u>3,233,509</u>	-	<u>3,233,509</u>	-
<b>TOTAL EXPENDITURES</b>	<u>12,286,951</u>	<u>6,689,619</u>	<u>5,597,332</u>	<u>4,477,159</u>
Excess (deficiency) of revenues over expenditures	<u>(12,185,451)</u>	<u>(6,183,087)</u>	<u>6,002,364</u>	<u>(4,321,601)</u>
<b>OTHER FINANCING SOURCES</b>				
Gain on sale of capital assets	189,000	223,474	34,474	231,212
Transfer from General Fund	<u>8,579,244</u>	<u>8,579,244</u>	-	<u>7,954,039</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>8,768,244</u>	<u>8,802,718</u>	<u>34,474</u>	<u>8,185,251</u>
Net change in fund balance	(3,417,207)	2,619,631	6,036,838	3,863,650
Fund balance, beginning of year	<u>8,071,744</u>	<u>8,071,744</u>	-	<u>4,208,094</u>
Fund balance, end of year	<u>\$ 4,654,537</u>	<u>\$ 10,691,375</u>	<u>\$ 6,036,838</u>	<u>\$ 8,071,744</u>

**ACADEMY SCHOOL DISTRICT TWENTY  
TECHNOLOGY FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018  
With Comparative Actual Amounts For the Year Ended June 30, 2017**

	Final Budget	2018 Actual	Variance Positive (Negative)	2017 Actual
<b>REVENUES</b>				
Federal sources				
Impact Aid	\$ 1,700,000	\$ 1,662,926	\$ (37,074)	\$ 1,785,785
Other sources				
E-Rate	48,650	386,168	337,518	33,108
Miscellaneous	-	15,469	15,469	16,025
One to One Initiative Self Insurance Fees	120,000	121,350	1,350	117,605
<b>TOTAL REVENUES</b>	<u>1,868,650</u>	<u>2,185,913</u>	<u>317,263</u>	<u>1,952,523</u>
<b>EXPENDITURES</b>				
Current				
Instruction	494,794	437,098	57,696	669,575
Supporting Services				
Instruction staff	881,002	747,061	133,941	739,645
Central Services	4,666,408	4,466,547	199,861	3,743,405
Capital outlay	2,996,150	1,711,932	1,284,218	1,556,528
<b>TOTAL EXPENDITURES</b>	<u>9,038,354</u>	<u>7,362,638</u>	<u>1,675,716</u>	<u>6,709,153</u>
Excess (deficiency) of revenues over expenditures	(7,169,704)	(5,176,725)	1,992,979	(4,756,630)
<b>OTHER FINANCING SOURCES</b>				
Transfer from General Fund	5,812,604	5,812,604	-	5,242,475
Net change in fund balance	(1,357,100)	635,879	1,992,979	485,845
Fund balance, beginning of year	8,700,188	8,700,188	-	8,214,343
Fund balance, end of year	<u>\$ 7,343,088</u>	<u>\$ 9,336,067</u>	<u>\$ 1,992,979</u>	<u>\$ 8,700,188</u>

## **Fiduciary Funds**

### **Trust & Agency Funds**

---

Fiduciary Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

---

The District has the following Fiduciary Funds:

**Pupil Activity Agency Funds** - Used to account for assets held by the District in a trustee capacity for individuals and organizations.

**Private-Purpose Scholarship Trust Fund** - Used to account for resources received and held by the District for student scholarships.

**ACADEMY SCHOOL DISTRICT TWENTY  
PUPIL ACTIVITY AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS & LIABILITIES  
For the Year Ended June 30, 2018**

	<u>Balance, June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2018</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 4,147,326</u>	<u>\$10,623,701</u>	<u>\$10,332,931</u>	<u>\$ 4,438,096</u>
TOTAL ASSETS	<u><u>\$ 4,147,326</u></u>	<u><u>\$10,623,701</u></u>	<u><u>\$10,332,931</u></u>	<u><u>\$ 4,438,096</u></u>
<b>LIABILITIES</b>				
Due to student organizations	<u>\$ 4,147,326</u>	<u>\$10,623,701</u>	<u>\$10,332,931</u>	<u>\$ 4,438,096</u>
TOTAL LIABILITIES	<u><u>\$ 4,147,326</u></u>	<u><u>\$10,623,701</u></u>	<u><u>\$10,332,931</u></u>	<u><u>\$ 4,438,096</u></u>

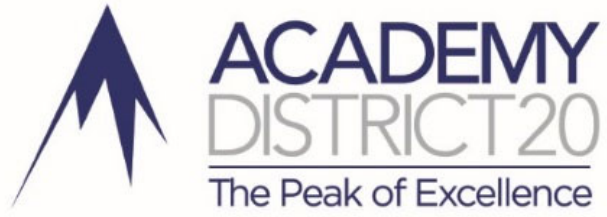


**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

*Where dreams take flight...*  
*One student at a time.*



The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.



## **III. Statistical Section**



## Financial Trend Information

The following unaudited statistical tables and graph reflect financial trend information of the District.

Table 1	Net Position by Component
Table 2	Change in Net Position
Table 3.1	Fund Balances, Governmental Funds 2010-2018
Table 3.2	Fund Balances, Governmental Funds 2008-2010
Table 4	Change in Fund balances, Governmental Funds
Table 5	Summary of Expenditures by Function and Other Financing Uses, General Fund
Graph	Revenues/Sources vs. Expenditures/Uses
Table 6.1	Fiscal Health Tracking Ratios
Table 6.2	Fiscal Health Tracking Ratios - ASR
Table 6.3	Fiscal Health Tracking Ratios - DBR
Table 6.4	Fiscal Health Tracking Ratios - ORR
Table 6.5	Fiscal Health Tracking Ratios - OMR
Table 6.6	Fiscal Health Tracking Ratios - DFBR
Table 6.7	Fiscal Health Tracking Ratios - CFBR

Table 1

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental activities</b>										
Net investment in capital assets	\$ 68,072,443	\$ 64,648,665	\$ 59,683,897	\$ 49,564,426	\$ 39,884,689	\$ 37,489,696	\$ 31,434,949	\$ 25,574,480	\$ 8,088,936	\$ 286,040
Restricted	31,559,706	32,262,949	29,649,108	26,662,935	27,088,310	23,769,198	31,972,535	31,360,875	33,038,210	29,455,995
Unrestricted <sup>1</sup>	<u>(608,937,387)</u>	<u>(430,578,023)</u>	<u>(308,648,921)</u>	<u>(293,330,154)</u>	<u>41,895,755</u>	<u>39,611,329</u>	<u>27,087,861</u>	<u>22,376,505</u>	<u>30,197,520</u>	<u>20,928,470</u>
Total governmental activities net position	<u>(509,305,238)</u>	<u>(333,666,409)</u>	<u>(219,315,916)</u>	<u>(217,102,793)</u>	<u>108,868,754</u>	<u>100,870,223</u>	<u>90,495,345</u>	<u>79,311,860</u>	<u>71,324,666</u>	<u>50,670,505</u>
<b>Business-type activities<sup>2</sup></b>										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 320,906	\$ 365,678	\$ 362,299	\$ 355,774	\$ 402,646	\$ 421,549
Unrestricted	-	-	-	-	923,629	968,760	1,059,968	1,056,599	760,572	769,863
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,244,535</u>	<u>1,334,438</u>	<u>1,422,267</u>	<u>1,412,373</u>	<u>1,163,218</u>	<u>1,191,412</u>
<b>Primary government</b>										
Net investment in capital assets	68,072,443	64,648,665	59,683,897	49,564,426	40,205,595	37,855,374	31,797,248	25,930,254	8,491,582	707,589
Restricted	31,559,706	32,262,949	29,649,108	26,662,935	27,088,310	23,769,198	31,972,535	31,360,875	33,038,210	29,455,995
Unrestricted <sup>1</sup>	<u>(608,937,387)</u>	<u>(430,578,023)</u>	<u>(308,648,921)</u>	<u>(293,330,154)</u>	<u>42,819,384</u>	<u>40,580,089</u>	<u>28,147,829</u>	<u>23,433,104</u>	<u>30,958,092</u>	<u>21,698,333</u>
Total primary government net position	<u>\$ (509,305,238)</u>	<u>\$ (333,666,409)</u>	<u>\$ (219,315,916)</u>	<u>\$ (217,102,793)</u>	<u>\$ 110,113,289</u>	<u>\$ 102,204,661</u>	<u>\$ 91,917,612</u>	<u>\$ 80,724,233</u>	<u>\$ 72,487,884</u>	<u>\$ 51,861,917</u>

<sup>1</sup> Effective July 1, 2014 the District implemented GASB Statement No. 68, which requires cost-sharing employers to record their proportionate share of PERA's unfunded pension liability.

<sup>2</sup> Business-type activities were reclassified as governmental activities for fiscal year 2014-15.

Table 2

ACADEMY SCHOOL DISTRICT TWENTY

Change in Net Position

Last Ten Fiscal Years

(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>EXPENSES</b>										
Governmental activities										
Instruction	\$ 238,114,792	\$ 207,197,822	\$ 132,164,419	\$ 125,984,908	\$ 110,554,910	\$ 106,117,731	\$ 103,098,093	\$ 107,905,369	\$101,947,072	\$ 99,894,710
Pupil services	18,630,233	16,329,109	9,887,759	9,711,175	7,598,443	6,942,622	6,697,838	6,152,734	5,519,786	5,867,641
Instructional staff	15,465,392	13,483,700	8,456,443	7,456,322	6,325,592	5,687,895	5,585,794	6,054,903	5,915,069	6,018,725
General administration	3,739,874	3,076,331	1,751,061	1,458,524	1,647,816	1,693,187	1,504,176	1,513,483	1,481,697	1,759,209
School administration	45,220,866	33,477,361	19,450,379	18,108,305	15,601,056	15,069,876	14,000,977	15,118,039	15,835,966	16,079,558
Business administration	4,897,138	4,198,212	2,645,121	2,489,328	2,231,064	2,144,004	2,075,844	2,002,070	1,976,424	1,932,947
Central services	11,922,628	10,112,646	7,080,614	6,167,809	5,576,625	5,407,839	5,191,509	5,356,306	5,285,598	5,582,057
Community services	429,981	528,799	688,018	785,350	529,647	738,458	804,655	392,963	234,912	273,610
Operation & maintenance of plant	28,842,761	25,901,690	19,047,138	18,693,908	17,342,932	16,308,120	16,039,847	15,517,031	15,693,767	14,633,849
Risk management services	2,621,079	3,055,160	3,014,459	2,424,123	2,653,089	2,434,238	2,893,838	2,893,838	2,768,505	2,374,100
Pupil transportation	14,335,125	13,067,619	8,659,257	8,251,551	7,429,495	7,115,562	6,764,674	7,273,231	7,239,065	7,084,592
<sup>1</sup> Food services	5,194,688	5,248,277	5,309,694	5,302,312	-	-	-	-	-	-
Miscellaneous support services	-	-	-	-	-	-	-	-	10,337	9,700
<sup>2</sup> Charter schools	24,733,091	24,151,866	23,391,249	22,519,530	20,608,732	19,895,401	19,518,565	18,804,275	18,457,764	17,026,875
Interest and fiscal charges	8,761,538	6,596,613	4,158,278	5,090,955	5,958,895	7,773,828	7,330,371	10,543,291	8,850,344	11,434,635
Total governmental activities expenses	422,909,186	366,425,205	245,703,889	234,444,100	204,058,296	197,328,761	191,032,972	199,527,533	191,216,306	189,972,208
Business-type activities										
Food services	-	-	-	-	4,963,702	4,706,965	4,598,305	4,507,340	4,670,242	4,475,212
Total business-type activities expenses	-	-	-	-	4,963,702	4,706,965	4,598,305	4,507,340	4,670,242	4,475,212
Total primary government expenses	422,909,186	366,425,205	245,703,889	234,444,100	209,021,998	202,035,726	195,631,277	204,034,873	195,886,548	194,447,420
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services - tuition and other fees	2,244,800	2,306,679	2,132,343	2,096,421	2,104,724	1,999,766	1,831,141	1,696,434	1,629,559	1,526,881
Charges for services - student transportation	922,936	923,544	887,975	924,137	833,559	840,909	508,617	541,732	615,153	717,780
<sup>1</sup> Charges for services - food services	3,300,673	3,382,097	3,196,517	3,066,290	-	-	-	-	-	-
Operating grants and contributions	21,460,509	21,158,728	21,071,025	20,391,428	16,378,807	18,172,533	15,100,926	11,126,835	15,418,783	12,092,996
Total governmental activities revenues	27,928,918	27,771,048	27,287,860	26,478,276	19,317,090	21,013,208	17,440,684	13,365,001	17,663,495	14,337,657
Business-type activities										
Charges for services - food services	-	-	-	-	3,223,319	3,129,470	3,250,665	3,505,622	3,520,080	3,561,318
Operating grants and contributions - food services	-	-	-	-	1,850,480	1,689,666	1,532,534	1,425,873	1,296,968	1,169,961
Total business-type activities revenues	-	-	-	-	5,073,799	4,819,136	4,783,199	4,931,495	4,817,048	4,731,279
Total primary government program revenues	27,928,918	27,771,048	27,287,860	26,478,276	24,390,889	25,832,344	22,223,883	18,296,496	22,480,543	19,068,936
<b>Net (Expense) / Revenue</b>										
Governmental activities	(394,980,268)	(338,654,157)	(218,416,029)	(207,965,824)	(184,741,206)	(176,315,553)	(173,592,288)	(186,162,532)	(173,552,811)	#####
Business-type activities	-	-	-	-	110,097	112,171	184,894	424,155	146,806	256,067
Total primary government net expense	(394,980,268)	(338,654,157)	(218,416,029)	(207,965,824)	(184,631,109)	(176,203,382)	(173,407,394)	(185,738,377)	(173,406,005)	#####
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Property taxes	102,276,184	95,615,261	93,113,353	86,531,866	84,614,059	84,178,623	84,369,113	89,350,563	90,920,250	86,752,392
<sup>2</sup> State equalization	130,229,064	126,299,327	121,708,205	115,576,439	107,613,303	101,120,601	99,199,268	94,490,255	101,882,904	96,396,034
<sup>3</sup> Grants & Contributions, not restricted to specific programs	-	-	-	-	-	-	-	9,402,021	-	-
Investment earnings	3,715,274	1,453,174	239,234	82,667	76,114	129,670	114,293	106,725	177,662	703,226
Miscellaneous revenues	1,787,143	935,902	1,142,114	1,162,424	1,301,910	1,061,537	918,099	625,162	1,051,154	1,726,910
Transfers in(out)	-	-	-	-	200,000	200,000	175,000	175,000	175,000	125,000
Total governmental activities	238,007,665	224,303,664	216,202,906	203,353,396	193,805,386	186,690,431	184,775,773	194,149,726	194,206,970	185,703,562
Business-type activities										
Investment earnings	-	-	-	-	(200,000)	(200,000)	(175,000)	(175,000)	(175,000)	(125,000)
Transfers in(out)	-	-	-	-	(200,000)	(200,000)	(175,000)	(175,000)	(175,000)	(125,000)
Total business-type activities	-	-	-	-	(200,000)	(200,000)	(175,000)	(175,000)	(175,000)	(125,000)
Total primary government program revenues	238,007,665	224,303,664	216,202,906	203,353,396	193,605,386	186,490,431	184,600,773	193,974,726	194,031,970	185,578,562
<b>CHANGE IN NET POSITION</b>										
Governmental activities	(156,972,603)	(114,350,493)	(2,213,123)	(4,612,428)	9,064,180	10,374,878	11,183,485	7,987,194	20,654,159	10,069,011
Business-type activities	-	-	-	-	(89,903)	(87,829)	9,894	249,155	(28,194)	131,067
Total primary government change in net position	\$ (156,972,603)	\$ (114,350,493)	\$ (2,213,123)	\$ (4,612,428)	\$ 8,974,277	\$ 10,287,049	\$ 11,193,379	\$ 8,236,349	\$ 20,625,965	\$ 10,200,078

<sup>1</sup> Starting in fiscal year 2015, Food Services was reclassified as a Special Revenue Fund. Prior to 2015 Food Services was classified as an Enterprise Fund.

<sup>2</sup> Starting in fiscal year 2009, charter school equalization payments are included in total governmental revenue and shown as an expense under governmental activities.

<sup>3</sup> For fiscal year 2011, State Equalization revenue was reduced and backfilled with federal funding.

Table 3.1

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fund Balances, Governmental Funds**  
**Last Nine Fiscal Years <sup>1</sup>**  
**(Unaudited)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund									
Nonspendable	\$ -	\$ 4,504	\$ 66,896	\$ 33,155	\$ -	\$ -	\$ -	\$ 5,610	\$ -
Restricted	6,013,000	5,626,000	5,387,000	5,132,000	4,853,000	4,593,000	4,493,000	4,416,000	4,685,000
Assigned	8,522,460	7,648,376	8,574,948	7,528,913	8,398,979	7,387,221	6,780,355	6,907,315	5,050,539
Unassigned	32,070,593	31,543,424	28,635,281	24,704,710	23,756,488	23,874,811	23,042,300	19,875,731	16,864,984
Total general fund	<u>46,606,053</u>	<u>44,822,304</u>	<u>42,664,125</u>	<u>37,398,778</u>	<u>37,008,467</u>	<u>35,855,032</u>	<u>34,315,655</u>	<u>31,204,656</u>	<u>26,600,523</u>
All Other Governmental Funds									
Nonspendable	80,886	25,929	17,264	94,072	-	-	-	-	-
Restricted <sup>2</sup>	160,590,545	206,924,671	26,408,889	24,774,672	25,568,459	26,465,421	27,016,847	26,455,539	27,742,856
Assigned (by Fund Type)									
Special Revenue <sup>3</sup>	2,109,248	1,837,862	1,589,135	1,107,342	443,384	6,749,110	3,773,798	4,511,793	6,696,491
Capital Projects <sup>3</sup>	20,027,442	16,754,047	12,422,437	13,080,227	12,057,724	4,043,588	4,190,767	3,385,025	-
Unassigned	(15,469)	(8,044)	(11,989)	(94,072)	-	-	-	-	-
Total all other governmental funds	<u>182,792,652</u>	<u>225,534,465</u>	<u>40,425,736</u>	<u>38,962,241</u>	<u>38,069,567</u>	<u>37,258,119</u>	<u>34,981,412</u>	<u>34,352,357</u>	<u>34,439,347</u>
Governmental Funds									
Restricted	166,684,431	212,581,104	31,880,049	30,033,899	30,421,459	31,058,421	31,509,847	30,877,149	32,427,856
Unrestricted	62,714,274	57,775,665	51,209,812	46,327,120	44,656,575	42,054,730	37,787,220	34,679,864	28,612,014
Total governmental funds	<u>\$ 229,398,705</u>	<u>\$ 270,356,769</u>	<u>\$ 83,089,861</u>	<u>\$ 76,361,019</u>	<u>\$ 75,078,034</u>	<u>\$ 73,113,151</u>	<u>\$ 69,297,067</u>	<u>\$ 65,557,013</u>	<u>\$ 61,039,870</u>

- 1 Data is presented from fiscal year 2011, the first year of GASB Statement No. 54 implementation. Fiscal year 2010 has been restated accordingly.
- 2 Significant increase in Restricted is a result of 2017 Bond Issue
- 3 Beginning in 2014, Technology Fund is presented in Capital Projects, rather than Special Revenue.  
Source: School District Financial Records/Financial Audits

Table 3.2

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fund Balances, Governmental Funds <sup>1</sup>**  
**Three Fiscal Years**  
**(Unaudited)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund			
Reserved	4,941,071	6,840,110	\$ 6,974,922
Unreserved	<u>21,659,452</u>	<u>11,217,110</u>	<u>8,844,727</u>
Total general fund	<u>26,600,523</u>	<u>18,057,220</u>	<u>15,819,649</u>
All Other Governmental Funds			
Reserved	27,742,856	26,036,235	28,501,767
Unreserved, reported in Special revenue funds	<u>6,696,491</u>	<u>8,340,493</u>	<u>7,456,084</u>
Total all other governmental funds	<u>34,439,347</u>	<u>34,376,728</u>	<u>35,957,851</u>
Governmental Funds			
Reserved	32,683,927	32,876,345	35,476,689
Unreserved	<u>28,355,943</u>	<u>19,557,603</u>	<u>16,300,811</u>
Total governmental funds	<u>\$ 61,039,870</u>	<u>\$ 52,433,948</u>	<u>\$ 51,777,500</u>

1 Data presented is prior to the implementation of GASB Statement No. 54 implementation.

Source: School District Financial Records/Financial Audits

Table 4

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Change in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>REVENUES</b>										
Taxes	\$ 104,078,916	\$ 98,227,407	\$ 94,914,782	\$ 88,746,966	\$ 87,241,469	\$ 85,998,101	\$ 85,301,987	\$ 90,618,426	\$ 91,988,978	\$ 86,093,142
Intergovernmental	151,555,450	147,320,202	142,654,084	135,749,893	123,834,564	119,177,812	114,229,191	114,945,076	117,244,672	108,421,172
Investment income	3,715,274	1,453,174	239,234	82,667	76,114	129,671	114,293	106,725	177,662	703,229
Tuition	1,624,798	1,676,775	1,552,452	1,525,248	1,510,350	1,460,014	1,423,982	1,348,302	1,306,224	1,272,782
Miscellaneous	6,827,761	5,954,260	5,850,917	6,160,018	3,098,462	2,825,484	2,106,539	1,764,954	2,178,993	2,975,829
Total revenues	<u>267,802,199</u>	<u>254,631,818</u>	<u>245,211,469</u>	<u>232,264,792</u>	<u>215,760,959</u>	<u>209,591,082</u>	<u>203,175,992</u>	<u>208,783,483</u>	<u>212,896,529</u>	<u>199,466,154</u>
<b>EXPENDITURES</b>										
Current										
Instruction	146,775,930	142,201,587	137,801,642	134,684,468	126,909,178	121,577,230	117,958,985	117,242,707	113,296,682	107,843,869
Pupil services	10,037,402	9,207,853	8,731,093	8,945,536	7,598,443	6,942,622	6,697,838	6,152,734	5,519,786	5,867,641
Instructional staff	8,212,405	7,539,540	7,402,280	6,814,464	6,325,592	5,687,895	5,585,794	6,054,903	5,915,069	6,018,725
General administration	1,695,488	1,674,507	1,481,708	1,438,478	1,583,768	1,518,087	1,420,629	1,333,149	1,395,361	1,653,730
School administration	17,932,250	17,424,037	16,740,051	16,024,503	14,900,074	14,547,980	13,982,790	13,013,134	14,920,089	14,208,946
Business administration	2,437,315	2,315,769	2,354,885	2,299,608	2,231,064	2,144,004	2,075,844	2,002,070	1,976,424	1,932,947
Central services	6,461,464	5,561,553	5,380,583	4,796,129	4,563,598	4,321,269	3,939,723	4,052,467	4,003,777	4,309,835
Community services	340,024	442,019	664,704	761,507	529,647	738,458	804,655	392,963	234,912	273,610
Operation & maintenance of plant	18,460,826	18,224,525	17,609,670	17,720,832	17,184,956	16,153,804	15,899,277	15,360,738	15,516,601	14,448,004
Risk management services	2,344,536	2,822,781	2,974,860	2,398,148	2,653,089	2,434,238	2,420,629	2,893,838	2,768,505	2,374,100
Food services <sup>3</sup>	5,130,991	5,183,692	5,099,596	5,105,038	-	-	-	-	-	-
Pupil transportation	7,683,272	7,454,918	7,047,502	6,921,236	6,581,957	6,278,306	5,914,195	6,460,412	6,454,322	6,294,419
Capital outlay	65,793,409	10,437,568	6,166,918	5,189,609	3,570,411	4,154,173	2,225,848	2,888,044	4,392,007	7,655,608
Debt Service										
Principal retirement	14,580,000	11,599,341	13,342,064	13,065,291	8,582,811	11,195,897	12,694,821	17,279,237	19,717,409	12,346,372
Interest and fiscal charges	10,991,429	9,188,054	5,937,364	5,743,033	10,781,488	8,281,035	8,158,794	9,314,944	8,359,046	13,706,900
Other issuance costs	103,888	849,928	-	281,688	-	-	301,970	-	465,693	-
Total expenditures	<u>318,980,629</u>	<u>252,127,672</u>	<u>238,734,920</u>	<u>232,189,568</u>	<u>213,996,076</u>	<u>205,974,998</u>	<u>200,081,792</u>	<u>204,441,340</u>	<u>204,935,683</u>	<u>198,934,706</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Bond proceeds	8,975,000	160,000,000	-	29,545,000	-	-	33,805,000	-	58,380,000	-
Bond premium	1,021,892	24,531,550	-	2,751,574	-	-	5,783,653	-	7,482,470	-
Payments to escrow agents	-	-	-	(32,012,442)	-	-	(39,117,799)	-	(65,392,395)	-
Sale of assets	223,474	231,212	252,293	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	200,000	200,000	175,000	175,000	175,000	125,000
Total other financing sources (uses)	<u>10,220,366</u>	<u>184,762,762</u>	<u>252,293</u>	<u>284,132</u>	<u>200,000</u>	<u>200,000</u>	<u>645,854</u>	<u>175,000</u>	<u>645,075</u>	<u>125,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (40,958,064)</u>	<u>\$ 187,266,908</u>	<u>\$ 6,728,842</u>	<u>\$ 359,356</u>	<u>\$ 1,964,883</u>	<u>\$ 3,816,084</u>	<u>\$ 3,740,054</u>	<u>\$ 4,517,143</u>	<u>\$ 8,605,922</u>	<u>\$ 656,448</u>
Debt service as a percentage of non-capital expenditures <sup>1</sup>	<u>9.2%</u>	<u>8.4%</u>	<u>8.2%</u>	<u>8.4%</u>	<u>9.1%</u>	<u>9.6%</u>	<u>10.5%</u>	<u>13.1%</u>	<u>13.9%</u>	<u>13.4%</u>

1 Ratio of total debt service expenditures to noncapital expenditures:

Principal retirement	14,580,000	
<b>+ Interest and fiscal charges</b>	<u>10,991,429</u>	
Total Debt Service	25,571,429	
Total Expenditures	318,980,629	
- Capital Outlay <sup>2</sup>	<u>42,023,349</u>	
Non Capital Expenditures	276,957,280	
Total Debt Service	25,571,429	9.2%
Non Capital Expenditures	276,957,280	

2 From Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities

3 Food Services was moved from Enterprise Fund to Special Revenue Fund effective 7/1/2014  
 Source: School District 20 Financial Records

Table 5

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Summary of Expenditures by Function and Other Financing Uses**  
**General Fund**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Instruction	\$ 112,404,593	\$ 108,600,000	\$ 104,380,544	\$ 102,651,646	\$ 97,197,984	\$ 93,736,659	\$ 90,705,707	\$ 90,657,877	\$ 86,300,123	\$ 85,428,879
Instruction - charter schools	27,686,375	27,102,609	26,350,810	25,470,904	23,337,203	22,390,710	21,659,428	20,949,718	20,293,833	18,526,682
Total Instruction	<u>140,090,968</u>	<u>135,702,609</u>	<u>130,731,354</u>	<u>128,122,550</u>	<u>120,535,187</u>	<u>116,127,369</u>	<u>112,365,135</u>	<u>111,607,595</u>	<u>106,593,956</u>	<u>103,955,561</u>
Supporting Services										
Pupil Services	10,037,402	9,207,853	8,731,093	8,945,536	7,598,443	6,942,622	6,697,838	6,152,734	5,519,786	5,867,641
Instructional Staff	7,465,344	6,799,895	6,662,428	6,158,842	5,683,219	5,276,881	5,154,804	5,609,025	5,438,652	6,018,725
General Administration	1,695,488	1,674,507	1,481,708	1,438,478	1,583,768	1,518,087	1,420,629	1,333,149	1,395,361	1,653,730
School Administration	17,932,250	17,424,037	16,740,051	16,024,503	14,900,074	14,547,980	13,982,790	13,013,134	14,920,089	14,208,946
Business Support Services	2,437,315	2,315,769	2,354,885	2,299,608	2,231,064	2,144,004	2,075,844	2,002,070	1,976,424	1,932,947
Operations & Maintenance	18,460,826	18,224,525	17,609,670	17,720,832	17,184,956	16,153,804	16,117,306	15,360,738	15,524,046	14,448,004
Risk Management Services	2,344,536	2,822,781	2,974,860	2,398,148	2,653,089	2,434,238	2,420,629	2,893,838	2,768,505	2,374,100
Central Support Services	1,994,917	1,818,148	1,687,693	1,716,160	1,479,057	1,406,955	1,341,764	1,451,619	1,597,606	4,309,835
Community Services	340,024	442,019	664,704	761,507	529,647	738,458	804,655	392,963	234,912	273,610
Total Support Services	<u>62,708,102</u>	<u>60,729,534</u>	<u>58,907,092</u>	<u>57,463,614</u>	<u>53,843,317</u>	<u>51,163,029</u>	<u>50,016,259</u>	<u>48,209,270</u>	<u>49,375,381</u>	<u>51,087,538</u>
Debt Service	-	-	-	-	-	-	-	-	-	-
Other Financing Uses	<u>19,732,078</u>	<u>18,302,694</u>	<u>13,740,652</u>	<u>13,401,150</u>	<u>12,077,654</u>	<u>10,037,654</u>	<u>8,836,038</u>	<u>9,648,768</u>	<u>11,159,402</u>	<u>4,770,889</u>
Total Expenditures and Other Uses	<u>\$ 222,531,148</u>	<u>\$ 214,734,837</u>	<u>\$ 203,379,098</u>	<u>\$ 198,987,314</u>	<u>\$ 186,456,158</u>	<u>\$ 177,328,052</u>	<u>\$ 171,217,432</u>	<u>\$ 169,465,633</u>	<u>\$ 167,128,739</u>	<u>\$ 159,813,988</u>

Source: School District Financial Records/Financial Audits

Table 5

### Revenues/Sources vs Expenditures/Uses

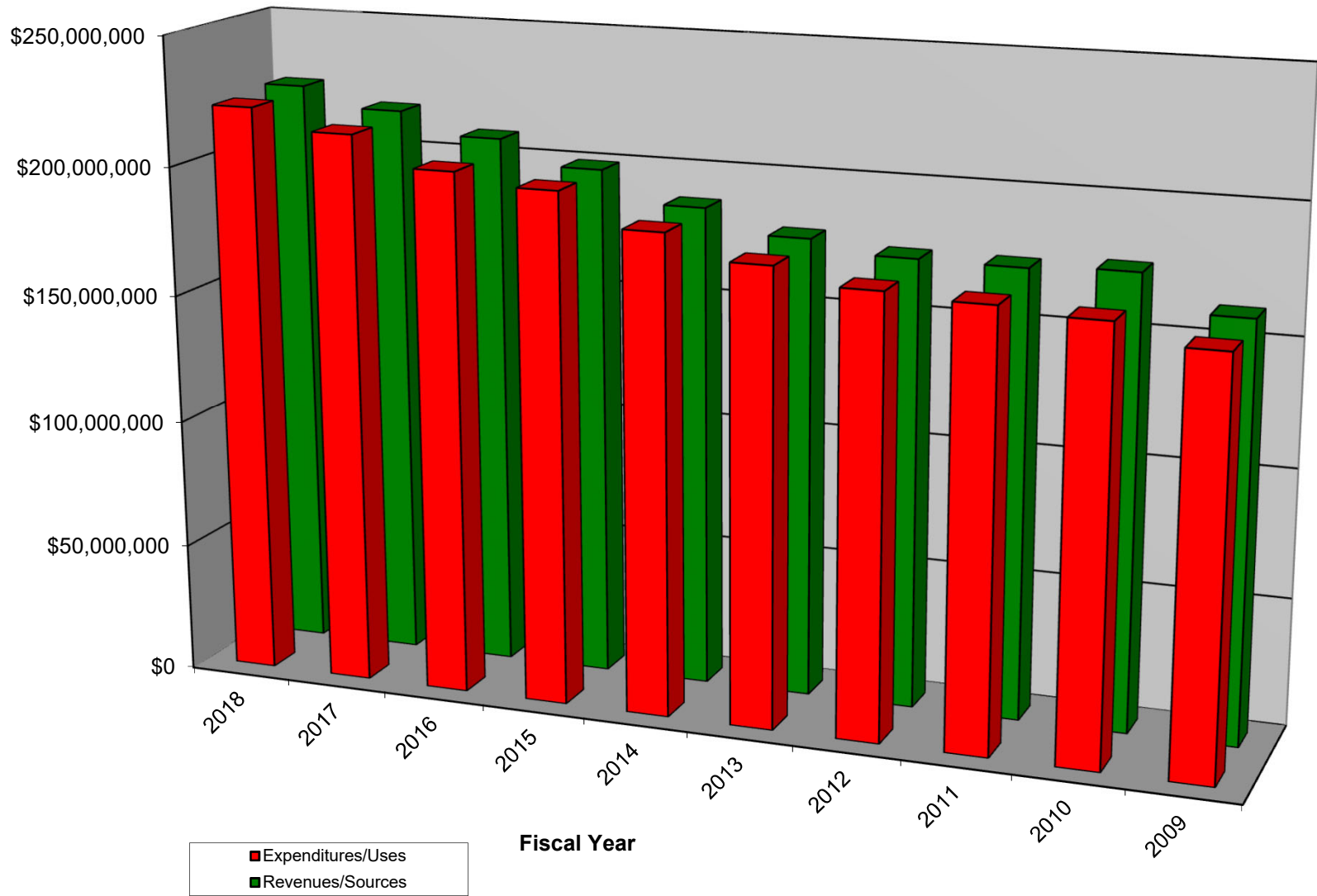


Table 6.1

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fiscal Health Tracking Ratios**  
**Last Ten Fiscal Years**  
(Unaudited)

	<u>Asset Sufficiency Ratio</u>	<u>Debt Burden Ratio</u>	<u>Operating Reserve Ratio</u>	<u>Operating Margin Ratio</u>	<u>Deficit Fund Balance Ratio</u>	<u>Change in Fund Balance Ratio</u>
2018	2.776	0.953	0.2096	0.008	0.000	0.040
2017	2.801	11.483	0.2089	0.010	0.000	0.051
2016	2.742	11.872	0.2100	0.025	0.000	0.141
2015	2.441	11.532	0.1881	0.002	0.000	0.011
2014	2.639	10.620	0.1990	0.006	0.000	0.032
2013	2.582	10.120	0.2020	0.009	0.000	0.045
2012	2.554	9.370	0.2010	0.018	0.000	0.100
2011	2.497	7.484	0.1840	0.026	0.000	0.173
2010	2.292	7.239	0.1590	0.049	0.000	0.473
2009	1.838	7.422	0.1130	0.014	0.000	0.141

The Fiscal Health Program was developed by the Office of the State Auditor to help identify negative financial trends in local governments. The program is ratio-based and the financial data is derived from the audited financial report. The ratios are based on governmental funds balance sheet information, revenues, expenditures, fund balance information, and debt information. The ratios are calculated and analyzed for trends over three-year periods. Defined benchmarks are used to determine the threshold for negative indicators in these trends.

Table 6.2

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fiscal Health Tracking Ratios**  
**Asset Sufficiency Ratio (ASR)**  
**Last Ten Fiscal Years**  
(Unaudited)

2018	$\frac{72,851,568}{26,245,515}$	=	2.776
2017	$\frac{69,714,254}{24,891,950}$	=	2.801
2016	$\frac{67,157,147}{24,493,022}$	=	2.742
2015	$\frac{63,359,810}{25,961,032}$	=	2.441
2014	$\frac{59,585,804}{22,577,337}$	=	2.639
2013	$\frac{58,512,894}{22,657,862}$	=	2.582
2012	$\frac{56,398,584}{22,082,929}$	=	2.554
2011	$\frac{52,044,950}{20,840,294}$	=	2.497
2010	$\frac{47,186,289}{20,585,766}$	=	2.292
2009	$\frac{39,605,488}{21,548,267}$	=	1.838

Formula: 
$$\frac{\text{General Fund Total Assets}}{\text{General Fund Total Liabilities}}$$

Description: Indicates the coverage of general fund assets to general fund liabilities.

Benchmark: An ASR of 1 would indicate that total assets equals total liabilities.

Negative Indicators: ASR < 1.0 (liabilities exceed assets)

The District's ratio is closely aligned with similarly-sized districts with comparative levels of growth in student population.

Table 6.3

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fiscal Health Tracking Ratios**  
**Debt Burden Ratio (DBR)**  
**Last Ten Fiscal Years**  
(Unaudited)

2018	<u>24,374,117</u> 25,571,429	=	0.953
2017*	<u>238,709,721</u> 20,787,395	=	11.483
2016	<u>228,886,022</u> 19,279,428	=	11.872
2015	<u>216,896,585</u> 18,808,324	=	11.532
2014	<u>205,634,376</u> 19,364,299	=	10.619
2013	<u>178,667,429+17,842,781+482,120</u> 11,195,897+8,268,385	=	10.121
2012	<u>174,153,431+20,502,196+666,075</u> 12,694,821+8,150,644	=	9.370
2011	<u>173,894,766+24,603,063+456,096</u> 17,279,237+9,304,294	=	7.484
2010	<u>175,497,042+287,985+27,372,699</u> 19,717,410+8,348,708	=	7.239
2009	<u>161,926,560 + 3,939,330 + 27,433,884</u> 12,346,372 + 13,697,200	=	7.422

Formula: 
$$\frac{\text{Funds Paying Debt Service}}{\text{Total Governmental Debt Service}}$$

Description: Indicates the coverage of revenue of fund(s) paying debt service to the annual principal and interest payments, including leases.

Benchmark: A DBR of 1 would indicate that debt service equals the annual revenue of the fund supporting the debt.

Negative Indicators: DBR < 1 (debt service exceeds revenue)

\*Please note that although 2018 is computed as a negative indicator (DBR < 1), this was calculated based on guidance provided by the Colorado Department of Education during FY 2017-18 requiring that the numerator in the DBR calculation only includes total revenue related to the fund or funds that pay debt service.

Management is aware that the revenue in the District's Debt Service Fund would not exceed the annual debt service expenses, but made a decision to use overall fund balance to pay for the difference. The District makes all debt service payments on time, and the negative indicator is not indicative of ability to make debt service payments.

Table 6.4

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fiscal Health Tracking Ratios**  
**Operating Reserve Ratio (ORR)**  
**Last Ten Fiscal Years**  
(Unaudited)

2018	$\frac{72,851,568}{202,799,070+19,532,078}$	=	0.210
2017	$\frac{44,822,304}{196,432,143+18,102,694}$	=	0.209
2016	$\frac{42,664,125}{189,638,446+13,540,652}$	=	0.210
2015	$\frac{37,398,778}{185,586,164+13,201,150}$	=	0.188
2014	$\frac{37,008,467}{174,378,504+11,877,654}$	=	0.199
2013	$\frac{35,855,032}{167,290,398+9,837,654}$	=	0.202
2012	$\frac{34,315,655}{162,381,394+8,661,038}$	=	0.201
2011	$\frac{31,204,656}{159,816,865+9,473,768}$	=	0.184
2010	$\frac{26,600,523}{155,969,337+10,984,402}$	=	0.159
2009	$\frac{18,057,221}{155,043,099 + 4,645,889}$	=	0.113

Formula: General Fund Fund Balance  
Total General Fund Expenditures +/- Transfer

Description: Indicates the amount the general fund ending balance will cover the current year general fund expenditures, including transfers.

Benchmark: An ORR of 0.0192 (1/52, or one week) equates to one week of reserves for current expenditures and transfers.

Negative Indicators: ORR < .0192

The District's general fund balance can cover approximately 10.9 weeks of operating expenses.  
The District's ratio is aligned with similarly-sized districts with comparative levels of growth in student population.

Table 6.5

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fiscal Health Tracking Ratios**  
**Operating Margin Ratio (OMR)**  
**Last Ten Fiscal Years**  
(Unaudited)

2018	<u>224,114,897-(202,799,070+19,532,078)</u> 224,114,897	=	0.008
2017	<u>216,693,016-(196,432,143+18,102,694)</u> 216,693,016	=	0.010
2016	<u>208,444,445-(189,638,446+13,540,652)</u> 208,444,445	=	0.025
2015	<u>199,177,625-(185,586,164+13,201,150)</u> 199,177,625	=	0.002
2014	<u>187,409,593-(174,378,504+11,877,654)</u> 187,409,593	=	0.006
2013	<u>178,667,429-(167,290,398+9,837,654)</u> 178,667,429	=	0.009
2012	<u>174,153,431-(162,381,394+8,661,038)</u> 174,153,431	=	0.018
2011	<u>173,894,766-(159,816,865+9,473,768)</u> 173,894,766	=	0.026
2010	<u>175,497,042-(155,969,337+10,984,402)</u> 175,497,042	=	0.049
2009	<u>161,926,560-(155,043,099+4,645,889)</u> 161,926,560	=	0.014

Formula: 
$$\frac{\text{General Fund Total Revenues} - (\text{General Funds Total Expenditures} \pm \text{Transfers})}{\text{General Fund Total Revenues}}$$

Description: Indicates for every \$ 1 produced in total general fund gross revenue the amount that results in net income.

Benchmark: An OMR of 0.01 would indicate that \$.01 would result in net income for every \$1 produced in gross revenue.

Negative Indicators: OMR < 0.00

The District's 2018 ratio of (.008) indicates that \$.008 will be added to the district's reserves for every \$1.00 of gross revenue.

Table 6.6

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fiscal Health Tracking Ratios**  
**Deficit Fund Balance Ratio (DFBR)**  
**Last Ten Fiscal Years**  
(Unaudited)

2018	No deficit fund balances.	=	0.000
2017	No deficit fund balances.	=	0.000
2016	No deficit fund balances.	=	0.000
2015	No deficit fund balances.	=	0.000
2014	No deficit fund balances.	=	0.000
2013	No deficit fund balances.	=	0.000
2012	No deficit fund balances.	=	0.000
2011	No deficit fund balances.	=	0.000
2010	No deficit fund balances.	=	0.000
2009	No deficit fund balances.	=	0.000

Formula: 
$$\frac{-(\text{Total Deficit Fund Balances} - \text{Positive General Fund Balance})}{\text{Total Revenue in Deficit Fund Balances}}$$

Description: Indicates how many months or partial months of revenue in the next year are required to cover the deficit fund balance (in excess of the deficit covered by the existing general fund balance).

Benchmark: A DFBR of .25 (1/4) would equate to three months of revenue in the subsequent year to cover the deficit fund balance(s).

Negative Indicators: Deficit fund balances.

This ratio only applies for deficit fund balances, and the District has not had a deficit fund balance since 2000.

Table 6.7

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Fiscal Health Tracking Ratios**  
**Change in Fund Balance Ratio (CFBR)**  
**Last Ten Fiscal Years**  
(Unaudited)

2018	<u>46,606,053-44,822,304</u>  44,822,304	=	0.040
2017	<u>44,822,304-42,664,125</u>  42,664,125	=	0.051
2016	<u>42,664,125-37,398,778</u>  37,398,778	=	0.141
2015	<u>37,398,778-37,008,467</u>  37,008,467	=	0.011
2014	<u>37,008,467-35,855,032</u>  35,855,032	=	0.032
2013	<u>35,855,032-34,315,655</u>  34,315,655	=	0.045
2012	<u>34,315,655-31,204,656</u>  31,204,656	=	0.100
2011	<u>31,204,656-26,600,523</u>  26,600,523	=	0.173
2010	<u>26,600,523-18,057,221</u>  18,057,221	=	0.473
2009	<u>18,057,221 - 15,819,649</u>  15,819,649	=	0.141

Formula: 
$$\frac{\text{Current Year General Fund Fund Balance} - \text{Last Year General Fund Fund Balance}}{|\text{Prior Year General Fund Fund Balance}|}$$

Description: Indicates the change in the general fund balance from one year to the next in relationship to the prior year fund balance.

Benchmark: A CFBR of 0 would indicate that the fund balance had not changed from the prior year.

Negative Indicators: CFBR < 0 (this would indicate a decrease in the fund balance from prior year)

In 2009 the district attained a positive fund balance ratio and has maintained a positive ratio into 2018.

In 2008 District 20 saw a decrease in the Fund Balance Ratio as a result of planned increases for employee compensation and benefits.



**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

*Where dreams take flight...*  
*One student at a time.*



The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.

## Revenue Capacity

---

The following unaudited statistical tables and graph reflect revenue capacity information of the District.

---

Table 7	Summary of Revenues by Source and Other Financing Sources, General Fund
Table 8	Assessed and Estimated Actual Value of Taxable Property
Table 9	Property Tax Rates – Direct and Overlapping Governments
Table 10	Principal Taxpayers
Table 11	Property Tax Levies and Collections
Graph	Property Tax Levy vs. Collections

Table 7

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Summary of Revenues by Source and Other Financing Sources**  
**General Fund**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Revenue from Local Sources										
Property Taxes	\$ 41,449,839	18.5%	\$ 39,709,715	18.1%	\$ 38,635,660	18.5%	\$ 36,336,766	18.2%	\$ 35,845,621	
Property Taxes - MLO	26,645,858	11.9%	26,727,613	12.5%	26,625,318	12.8%	26,771,674	13.4%	25,535,958	
Specific Ownership Taxes	11,883,278	5.3%	10,885,843	5.0%	9,472,082	4.5%	8,685,655	4.4%	8,173,602	
Interest on Investments	996,328	0.4%	494,563	0.2%	182,887	0.1%	58,326	0.0%	50,780	
Other Local Revenue	3,200,473	1.4%	3,004,799	1.4%	2,807,690	1.3%	2,789,174	1.4%	3,088,538	
<b>Total Local Sources</b>	<b>84,175,776</b>	<b>37.5%</b>	<b>80,822,532</b>	<b>37.3%</b>	<b>77,723,637</b>	<b>37.3%</b>	<b>74,641,595</b>	<b>37.4%</b>	<b>72,694,499</b>	
Revenue From State Sources										
Equalization Aid - General Fund	130,229,064	58.1%	126,299,327	58.2%	121,708,205	58.3%	115,576,439	58.0%	107,613,303	
Equalization Aid - Risk Mgmt Fund*	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	
Amendment 23 Revenue **	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	
Other State Aid	6,468,569	2.9%	6,323,188	2.9%	6,116,180	2.9%	5,820,766	2.9%	5,126,024	
<b>Total State Sources</b>	<b>136,697,633</b>	<b>60.9%</b>	<b>132,622,515</b>	<b>61.1%</b>	<b>127,824,385</b>	<b>61.3%</b>	<b>121,397,205</b>	<b>60.9%</b>	<b>112,739,327</b>	
Revenue from Federal Sources										
ARRA & Education Job Funds ***	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	
Impact Aid -8002	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	
Impact Aid -8003	1,755,958	0.8%	1,651,732	0.8%	1,416,792	0.7%	1,736,350	0.9%	1,350,506	
Other Federal Aid	1,485,530	0.7%	1,596,237	0.7%	1,479,631	0.7%	1,402,475	0.7%	625,261	
<b>Total Federal Sources</b>	<b>3,241,488</b>	<b>1.4%</b>	<b>3,247,969</b>	<b>1.5%</b>	<b>2,896,423</b>	<b>1.4%</b>	<b>3,138,825</b>	<b>1.6%</b>	<b>1,975,767</b>	
<b>Total Revenue</b>	<b>224,114,897</b>	<b>99.9%</b>	<b>216,693,016</b>	<b>99.9%</b>	<b>208,444,445</b>	<b>99.9%</b>	<b>199,177,625</b>	<b>99.9%</b>	<b>187,409,593</b>	
Other Sources	200,000	0.1%	200,000	0.1%	200,000	0.1%	200,000	0.1%	200,000	
<b>Total Revenue and Other Sources</b>	<b>\$ 224,314,897</b>	<b>100.0%</b>	<b>\$ 216,893,016</b>	<b>100.0%</b>	<b>\$ 208,644,445</b>	<b>100.0%</b>	<b>\$ 199,377,625</b>	<b>100.0%</b>	<b>\$ 187,609,593</b>	

Source: School District Financial Records/Financial Audits

\* In years 2008 and 2009 Risk Management Fund was a Sub-fund of the General Fund, making it appropriate to include the Risk Management portion of the State equalization revenue. In 2010, the Risk Fund was eliminated, and the Risk Management portion of Equalization Aid is included in the General Fund.

\*\* Amendment 23 requirements ended with the 2009/2010 Fiscal year.

\*\*\* In 2011, State Equalization was reduced and then supplemented by ARRA and Education Job Funds received from Federal Sources

<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>		<u>2009</u>		
19.1%	\$ 35,812,807	20.0%	\$ 35,441,168	20.3%	\$ 37,867,152	21.8%	\$ 37,928,686	21.6%	\$ 34,582,525	21.3%
13.6%	24,805,851	13.9%	22,039,108	12.6%	20,599,267	11.8%	17,920,786	10.2%	15,382,872	9.5%
4.4%	7,582,020	4.2%	7,343,290	4.2%	7,587,257	4.4%	7,914,003	4.5%	8,364,517	5.2%
0.0%	78,017	0.0%	50,505	0.0%	60,572	0.0%	80,890	0.0%	350,411	0.2%
1.6%	2,696,590	1.5%	2,224,420	1.3%	2,122,843	1.2%	3,522,890	2.0%	3,193,586	2.0%
<u>38.7%</u>	<u>70,975,285</u>	<u>39.7%</u>	<u>67,098,490</u>	<u>38.5%</u>	<u>68,237,091</u>	<u>39.2%</u>	<u>67,367,255</u>	<u>38.3%</u>	<u>61,873,911</u>	<u>38.2%</u>
57.4%	101,120,601	56.5%	99,199,268	56.9%	94,490,255	54.3%	101,882,903	58.0%	91,745,119	56.6%
0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	2,171,640	1.3%
0.0%	-	0.0%	-	0.0%	-	0.0%	1,449,286	0.5%	1,336,850	0.8%
2.7%	4,238,350	2.4%	3,805,278	2.2%	3,752,522	2.2%	2,767,132	1.9%	2,762,629	1.7%
<u>60.1%</u>	<u>105,358,951</u>	<u>58.9%</u>	<u>103,004,546</u>	<u>59.1%</u>	<u>98,242,777</u>	<u>56.4%</u>	<u>106,099,321</u>	<u>60.4%</u>	<u>98,016,238</u>	<u>60.5%</u>
0.0%	-	0.0%	-	0.0%	5,706,984	3.3%	-	0.0%	-	0.0%
0.0%	-	0.0%	1,726,624	1.0%	-	0.0%	-	0.0%	-	0.0%
0.7%	1,661,838	0.9%	1,753,300	1.0%	1,585,646	0.9%	1,471,673	0.8%	1,789,141	1.1%
0.3%	671,355	0.4%	570,470	0.3%	122,268	0.1%	558,793	0.3%	247,270	0.2%
<u>1.1%</u>	<u>2,333,193</u>	<u>1.3%</u>	<u>4,050,394</u>	<u>2.3%</u>	<u>7,414,898</u>	<u>4.3%</u>	<u>2,030,466</u>	<u>1.2%</u>	<u>2,036,411</u>	<u>1.3%</u>
99.9%	178,667,429	99.9%	174,153,431	99.9%	173,894,766	99.9%	175,497,042	99.9%	161,926,560	99.9%
0.1%	200,000	0.1%	175,000	0.1%	175,000	0.1%	175,000	0.1%	125,000	0.1%
<u>100.0%</u>	<u>\$ 178,867,429</u>	<u>100.0%</u>	<u>\$ 174,328,431</u>	<u>100.0%</u>	<u>\$ 174,069,766</u>	<u>100.0%</u>	<u>\$ 175,672,042</u>	<u>100.0%</u>	<u>\$ 162,051,560</u>	<u>100.0%</u>

Table 8

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Academy School District Boundaries**  
**Last Ten Calendar Years**  
**(Unaudited)**

Assessment Year	Collection Year	Assessed Values						Total Taxable Assessed Value	Total Direct Tax Rate	Total Market (Actual) Value	Taxable Assessed Value as a Percentage of Market Value	Assessment Rates	
		Residential Property	Commercial Property	Industrial, Agricultural and Natural Resources	State Assessed, Vacant Land, and Other	Tax Increment Financing (TIF) <sup>1</sup>	Residential					Commercial	
2017	2018	\$ 866,566,880	\$ 575,323,350	\$ 30,269,360	\$ 94,968,000	\$ (21,964,700)	1,545,162,890	6.0216	\$14,451,155,459	11.55%	7.96%	29.00%	
2016	2017	836,138,880	515,185,460	29,228,410	87,701,960	(14,853,650)	1,453,401,060	6.0216	12,684,073,131	11.46%	7.96%	29.00%	
2015	2016	814,407,310	506,356,350	34,321,450	90,393,210	(12,686,590)	1,432,791,730	6.0216	12,407,455,105	11.55%	7.96%	29.00%	
2014	2015	738,193,530	483,354,510	32,312,930	88,795,620	(7,627,170)	1,335,029,420	6.0216	11,358,361,928	11.75%	7.96%	29.00%	
2013	2014	723,536,870	469,496,790	32,027,760	88,568,220	(4,920,740)	1,308,708,900	6.0216	11,124,683,125	11.76%	7.96%	29.00%	
2012	2013	721,209,240	460,779,790	32,879,360	88,629,600	(693,740)	1,302,804,250	6.0216	11,068,481,302	11.77%	7.96%	29.00%	
2011	2012	709,404,130	464,087,280	34,098,810	96,774,950	(708,400)	1,303,656,770	6.0216	10,963,874,278	11.89%	7.96%	29.00%	
2010	2011	749,077,530	499,890,100	34,803,310	111,140,840	(606,510)	1,394,305,270	6.0216	11,637,693,307	11.98%	7.96%	29.00%	
2009	2010	737,081,050	504,666,510	39,824,030	119,502,810	-	1,401,074,400	6.0216	11,549,597,980	12.13%	7.96%	29.00%	
2008	2009	694,250,970	459,561,990	38,372,650	123,471,040	-	1,315,656,650	6.0216	10,864,953,764	12.11%	7.96%	29.00%	

Source: El Paso County Treasurer's Office

Notes:

Residential Property Assessed Value is calculated by applying the Residential Rate to the Residential Market Value.

"7.96% is the Current Assessment Rate for residential property, set by the State Legislature, not the percentage of Increase or Decrease in market value. This is the percentage of the estimated Market value upon which your property tax is calculated."  
<http://asr.elpasoco.com/Pages/AbstractofAssessment.aspx>

Commercial Property Assessed Value is calculated by applying the Commercial Rate to the Other Property Classes' Total Market Value.

"The Assessor multiplies the actual value of the commercial property by the assessment rate of 29% to arrive at an assessed value. The assessed value is then multiplied by a tax rate (mill levy) to calculate the taxes for the property.

$$\text{\$10,000 (Market Value) } \times \text{ 29\% (Assessment Rate) } = \text{\$2,900 (Assessed Value) "}$$

<http://asr.elpasoco.com/NR/exeres/2FD5205D-B6D1-4288-9A41-1F94D7972A7E.frameless.htm>

<sup>1</sup> This Column reflects the Copper Ridge at Northgate Development as a Tax Increment Financed Project under the Urban Renewal Authority (URA) of Colorado Springs

Table 9

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Property Tax Rates--Direct and Overlapping Governments**  
**Per \$1,000 of Assessed Valuation**  
**Last Ten Calendar Years**  
**(Unaudited)**

Taxing Authority	Collection Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Academy School District Twenty										
General Fund	26.952	26.952	26.952	26.952	26.952	26.952	26.952	26.952	26.952	26.952
S.B. 184 <sup>(1)</sup>	0.204	0.447	0.356	0.519	0.184	0.505	0.587	0.389	0.756	0.557
Voter Approved Override	17.312	18.405	18.670	20.036	19.608	19.121	16.887	15.073	12.965	11.665
Debt Service Fund	<u>15.748</u>	<u>14.412</u>	<u>14.238</u>	<u>12.709</u>	<u>13.472</u>	<u>13.638</u>	<u>15.790</u>	<u>17.802</u>	<u>19.543</u>	<u>21.042</u>
District Total	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216
El Paso County	7.965	7.919	7.869	7.791	7.714	7.663	7.597	7.882	7.531	7.748
Cities & Towns										
Colorado Springs	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.944
Monument	6.225	6.289	6.255	6.289	6.289	6.289	6.289	6.289	6.289	6.289
Fire Districts										
Black Forest	10.114	10.178	10.237	10.356	10.382	10.379	10.406	6.275	6.322	6.444
Donald Westcott	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Falcon	8.612	8.612	8.612	8.612	8.612	8.612	8.612	5.712	5.712	5.712
Tri-Lakes	18.100	11.500	11.500	11.500	11.500	11.500	8.500	8.500	8.500	8.500
Sanitation Districts										
Monument	-	-	-	-	-	-	-	-	-	-
Water Districts										
Park Forest	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437
SE Colo Water Cons.	0.939	0.940	0.941	0.940	0.940	0.944	0.947	0.947	0.940	0.943
Upper Black Squirrel	1.065	1.063	1.057	1.082	1.082	1.082	1.082	1.082	0.682	0.682
Sanitation & Water Districts										
Academy <sup>(2)</sup>	2.937	2.937	2.937	2.937	2.937	24.755	24.950	24.150	23.637	25.517
Donala- Area A	21.296	21.296	21.296	21.296	21.296	21.296	16.296	16.296	16.296	16.296
Special Districts										
Brgte Ctr BID	39.000	39.000	45.000	45.000	45.000	45.000	35.674	25.000	25.000	25.000
CS Brgte Gn Imp	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000
Briargate	4.409	4.409	4.409	4.409	4.409	4.409	4.409	4.409	4.409	4.409
CS Cottonwood	-	-	-	-	6.500	6.500	6.500	6.500	7.000	7.000
Norwood	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935
Woodstone	3.615	3.615	3.615	3.615	3.615	3.615	3.615	3.615	3.615	3.615
Metropolitan Districts										
Fly Horse Rch # 2	43.224	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Fly Horse Rch # 3	41.653	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Pikes Peak Library District	3.812	3.957	3.857	4.000	4.000	4.000	3.999	3.556	3.468	3.540

Source: El Paso County Assessor's Office - Abstract of Assessment

Note: <sup>(1)</sup>Colorado Revised Statutes require that districts shall levy, in the next fiscal year, the mill levy that is necessary to recoup property tax abatements granted after the mill levy is certified for the fiscal year.

<sup>(2)</sup>Confirmed reduction in mill levy due to bond payoff.

Table 10

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Principal Taxpayers**  
**(Based on Property Valuation)**  
**Current Year and Nine Years Ago As of May 31, 2018**

<u>Taxpayer</u>	<u>Assessed Valuation(1)</u>	<u>% of Total Assessed Valuation</u>	<u>Taxes Assessed</u>	<u>El Paso County Tax Credit</u>
Wal-Mart Real Estate (Retail)	37,954,750	2.46%	2,731,815	(253,534)
Progressive Direct Insurance CO (Insurance)	12,820,450	0.83%	989,880	-
Great Wolf Lodge of Colorado LLC (C/O Property Tax Service Company)	12,112,330	0.78%	1,494,178	(57,779)
CV Patriot Springs, LLC (Office Building and Parks)	11,774,680	0.76%	979,370	-
Garrison Chapel Hills Mall LLC (Property Management)	11,284,600	0.73%	871,219	(76)
T Rowe Price Assoc (Financial Investing)	11,213,870	0.73%	865,834	-
IMI Colorado Springs LLC (Property Management - Miller Capital Advisory))	10,248,480	0.66%	1,768,149	(664)
QWEST Corporation (Network and Exchange Services)	9,381,300	0.61%	564,904	-
Dar Briargate LLC (Property Management)	7,860,130	0.51%	606,889	-
United Services Automobile Assoc (c/o Deloitte & Touche - Insurance Co)	7,335,090		566,350	-
<b>TOTAL</b>	<b><u>\$ 131,985,680</u></b>	<b><u>8.07%</u></b>	<b><u>\$ 11,438,588</u></b>	<b><u>\$ (312,053)</u></b>

Source: El Paso County Treasurer's Office

- Note: 1. Based upon 2017 assessment for taxes due in 2018  
 2. Total Assessed valuation = \$ 1,545,162,890

**Principal Taxpayers  
(Based on Property Valuation)  
As of June 30, 2009**

<u>Taxpayer</u>	<u>Assessed Valuation(1)</u>	<u>% of Total Valuation</u>	<u>Taxes Assessed</u>	<u>El Paso County Tax Credit</u>
Chapel Hills Mall LLC (Property Management)	16,009,330	1.22%	1,236,336	-
Progressive Casualty Insurance CO (Insurance)	13,655,380	1.04%	1,148,937	-
Hewlett Packard Co (Technology)	14,188,920	1.08%	990,500	105,252
Mack Briargate LLC (Property Management)	11,162,920	0.85%	862,068	-
T Rowe Price Assoc (Financial Investing)	10,788,690	0.82%	833,167	-
Oracle Corporation (Technology)	9,576,840	0.73%	775,271	31,348
CS Lifestyle Center LLC (Property Management)	7,396,800	0.56%	756,145	-
Wal-Mart Real Estate (Retail)	9,099,830	0.69%	743,666	12,672
Digital Equipment Corp (Technology)	9,500,110	0.72%	742,691	-
COPT Northcreek LLC (Property Management)	8,486,070	0.65%	655,258	-
TOTAL	<u>\$ 109,864,890</u>	<u>8.35%</u>	<u>\$ 8,744,039</u>	<u>\$ 149,272</u>

Source: El Paso County Treasurer's Office

- Note: 1. Based upon 2008 assessment for taxes due in 2009.  
2. Total District assessed value = \$ 1,315,656,650

Table 11

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Property Tax Levies and Collections**  
**General Fund**  
**Last Ten Calendar Years**  
(Unaudited)

<u>Tax Year</u>	<u>Collection Year</u>	<u>Current Tax Levy(1)</u>	<u>Current Tax Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collection (2)</u>	<u>Total Tax Collection</u>	<u>Percent of Total Collection to Levy</u>
2017	2018	\$ 68,710,303	\$ 67,764,535	98.6%	102,753	\$ 67,867,288	98.8%
2016	2017	66,571,582	65,876,785	99.0%	78,226	65,955,011	99.1%
2015	2016	65,876,899	64,263,537	97.6%	66,252	64,329,788	97.7%
2014	2015	63,423,242	61,918,457	97.6%	655,318	62,573,775	98.7%
2013	2014	61,174,323	59,586,505	97.4%	137,932	59,724,437	97.6%
2012	2013	60,682,016	58,985,694	97.2%	162,012	59,147,706	97.5%
2011	2012	57,916,263	55,969,415	96.6%	129,629	56,099,044	96.9%
2010	2011	59,138,066	57,112,089	96.6%	114,203	57,226,292	96.8%
2009	2010	56,985,905	54,639,358	95.9%	112,092	54,751,450	96.1%
2008	2009	51,539,539	50,375,373	97.7%	66,607	50,441,980	97.9%

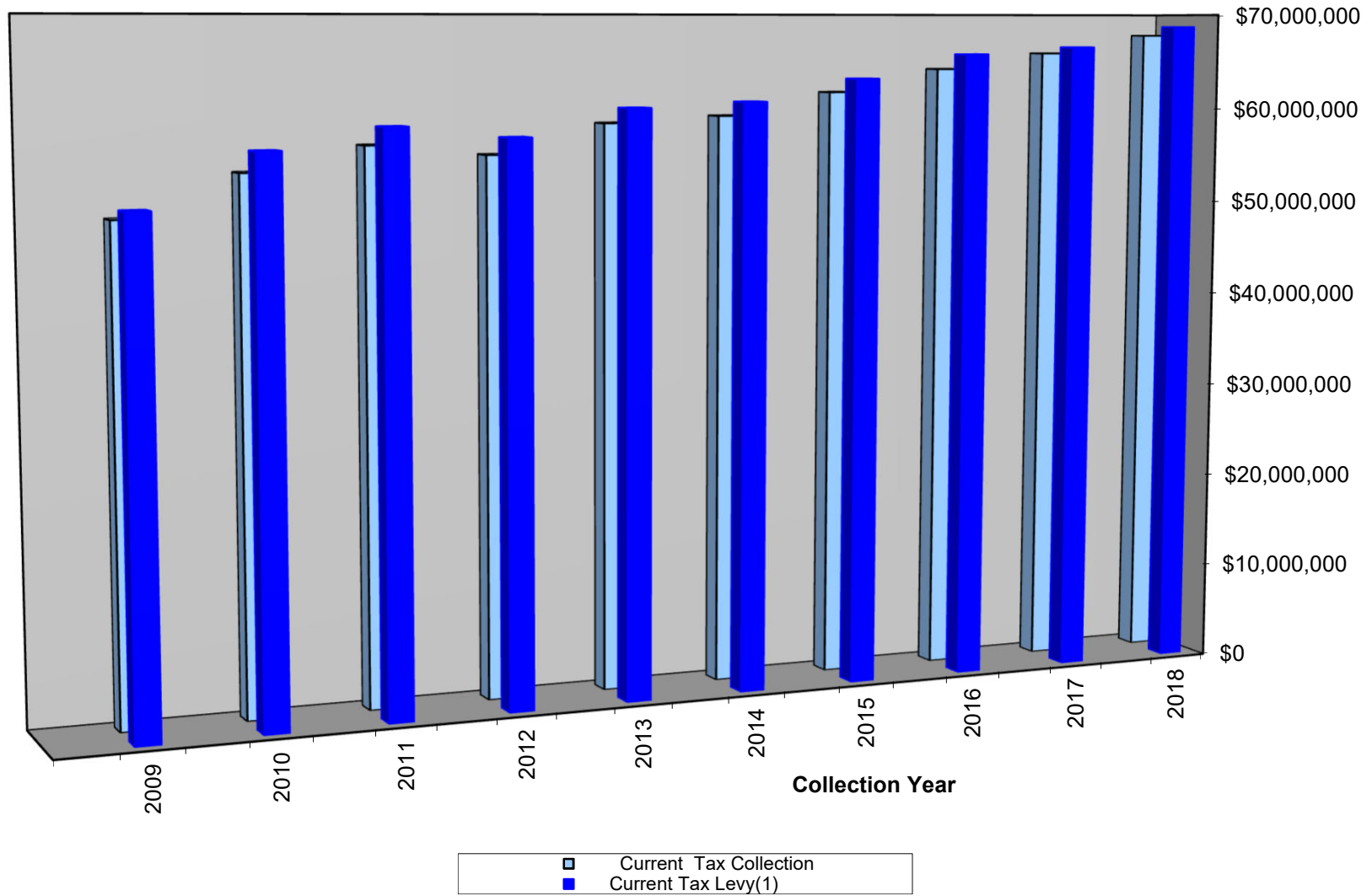
Source: El Paso County Treasurer's Office  
County Treasurer's Report to School Districts (Monthly Reports July 30, 2017 through June 30, 2018)

Note: (1)The levies for property tax abatements and asbestos removal are included in the general fund for the applicable tax years plus a voter approved override levy for operations beginning in 1999-2000.

(2)El Paso County reports delinquent taxes in the period collected. The levy year is not reported and is unavailable. Delinquent Tax Collection may include late payment interest collected.

Table 11

### Property Tax Levy vs. Collections



## Debt Capacity

---

The following unaudited statistical tables reflect debt capacity information of the District.

---

Table 12	Net Bonded Debt
Table 13	Computation of Direct and Overlapping Debt
Table 14	Computation of Legal Debt Margin
Table 15	Percent of Annual Debt Service for General Bonded Debt

Table 12

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Net Bonded Debt**  
**Last Ten Fiscal Years**  
(Unaudited)

Fiscal Year	Governmental Activities			Total Primary Government	Assessed Valuation (3)	Percent of Debt to Assessed Value (4)	District Population(5)	Total Debt Per Capita	Personal Income (6)	Total Debt as % Personal Income	October Funded Pupil Count (7)	Total Debt per Pupil
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases (2)									
2018	\$ 280,230,047	\$ -	\$ -	\$ 280,230,047	\$ 1,545,162,890	18.14%	111,192	\$ 2,520	5,228,099,125	5.36%	24,330.6	\$ 11,518
2017	287,812,320	-	-	287,812,320	1,453,401,060	19.80%	110,249	2,611	4,820,772,705	5.97%	24,124.2	11,930
2016	119,090,354	-	-	119,090,354	1,432,791,730	8.31%	108,318	1,099	4,660,078,271	2.56%	23,701.6	5,025
2015	133,657,056	1,265,000	-	134,922,056	1,335,029,420	10.11%	106,512	1,267	4,333,319,057	3.11%	23,306.4	5,789
2014	148,961,994	1,965,000	-	150,926,994	1,308,708,900	11.53%	106,151	1,422	4,377,178,513	3.45%	23,227.4	6,498
2013	153,969,150	2,606,223	-	156,575,373	1,302,804,250	12.02%	103,836	1,508	4,281,729,133	3.66%	22,720.9	6,891
2012	165,416,371	3,227,449	-	168,643,820	1,303,656,770	12.94%	102,543	1,645	4,228,398,088	3.99%	22,437.9	7,516
2011	178,290,291	3,818,675	-	182,108,966	1,394,305,270	13.06%	100,032	1,821	4,124,864,250	4.41%	21,888.5	8,320
2010	193,717,743	4,389,901	-	182,824,364	1,401,074,400	13.05%	97,718	1,871	4,029,452,560	4.54%	21,382.2	8,550
2009	207,064,287	4,941,127	5,102,409	217,107,823	1,316,575,890	16.49%	104,699	2,074	4,317,311,279	5.03%	20,824.6	10,426

Source: El Paso County Assessor's/Treasurer's Offices and District Fiscal Records

Notes:

- (1) Bonded debt is net of premiums, discounts, deferred losses on refunding, and accreted interest. Prior years 2008 to 2012 were restated to conform with current year presentation.
- (2) In May 2005, the District entered into a ten-year lease agreement to finance the purchase and renovation of a new administrative building. The lease was paid off early, after 5 years, in 2010.
- (3) Based upon 2016 assessment for taxes due 2017.

Property taxes are calculated based on Assessed Value not Estimated Actual Value.

"The Assessor multiplies the actual value of the personal property by the assessment rate of 29% to arrive at an assessed value. The assessed value is then multiplied by a tax rate (mill levy) to calculate the taxes for the property.

$$\text{\$10,000 (Market Value)} \times 29\% \text{ (Assessment Rate)} = \text{\$2,900 (Assessed Value)}$$

$$\text{\$2,900 (Assessed Value)} \times .070 \text{ (Hypothetical Mill Rate)} = \text{\$203.00 Estimated Taxes Due"}$$

<http://asr.elpasoco.com/NR/exeres/2FD5205D-B6D1-4288-9A41->

- (4) (Net) General Bonded Debt is shown as a percentage of Total Assessed Value, because debt is repaid from Property Taxes.
- (5) The district population for 2010 of 97,718 is from actual census data. 2011 to current is estimated using the ratio of the current year district membership to the prior year district membership (growth rate in District membership is applied to District population).
- (6) District Personal Income data is unavailable. Personal Income was estimated using El Paso County statistics (Table 16)
- (7) Includes Full Day Kindergarten Factor

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Estimation of Direct and Overlapping Debt**  
**General Obligation Bonded Debt**  
**As of June 13, 2018**  
**(Unaudited)**

	2017 Assessed Valuation <sup>(4)</sup>	Outstanding General Obligation Debt	Outstanding General Obligation Debt	
			Attributable to the District <sup>(5)</sup> Percent	Debt
<b>Direct Debt:</b>				
Academy School District 20 (Direct Debt)	\$ 1,545,162,890	\$ 280,230,047	100%	<u>280,230,047</u>
			Subtotal Direct Debt	<u>280,230,047</u>
<b>Overlapping Debt <sup>(1)(2)(3):</sup></b>				
Allison Valley Metropolitan District No. 1 <sup>(6)</sup>	\$ 939,350	\$ 1,441,615	100%	\$ 1,441,615
Allison Valley Metropolitan District No. 2 <sup>(6)</sup>	3,441,070	3,569,053	100%	3,569,053
Black Forest Fire Protection District	224,663,950	750,000	75.66%	567,450
Briargate Center Business Improvement District	12,128,350	3,544,500	100%	3,544,500
Cathedral Pines Metropolitan District	11,342,630	4,660,000	100%	4,660,000
Colorado Crossing Metropolitan District No. 2 <sup>(6)</sup>	762,050	14,781,000	100%	14,781,000
City of Colorado Springs Briargate General Improvement District	97,083,610	7,640,000	100%	7,640,000
Copper Ridge Metropolitan District	2,006,870	16,720,000	100%	16,720,000
Flying Horse Metropolitan District No. 2 <sup>(6)</sup>	48,153,720	22,715,000	100%	22,715,000
Flying Horse Metropolitan District No. 3 <sup>(6)</sup>	15,543,580	5,895,000	100%	5,895,000
Interquest North Business Improvement District <sup>(6)</sup>	22,338,180	10,780,000	100%	10,780,000
Interquest South Business Improvement District <sup>(6)</sup>	17,302,950	4,000,000	100%	4,000,000
Morningview Metropolitan District	1,843,330	1,187,000	100%	1,187,000
Old Ranch Metropolitan District <sup>(7)</sup>	10	7,457,000	100%	7,457,000
Southeastern Colorado Water Cons. District <sup>(8)</sup>	8,357,502,253	23,426,225	15.93%	3,731,798
Sterling Ranch Metropolitan District No. 2 <sup>(9)</sup>	211,410	13,365,000	93.22%	12,458,853
Triview Metropolitan District	79,843,970	45,640,000	3.93%	1,793,652
Upper Cottonwood Creek Metro. Dist. No. 2 <sup>(6)</sup>	21,007,170	2,090,000	100%	2,090,000
Wildwood Ridge Metropolitan District <sup>(6)</sup>	1,215,350	757,314	100%	757,314
Woodmen Road Metropolitan District <sup>(6)</sup>	157,773,380	15,675,000	5.07%	794,723
			Subtotal Overlapping Debt	<u>126,583,957</u>
<b>TOTAL</b>		<b>GRAND TOTAL - Direct and Overlapping Debt</b>		<u><u>406,814,004</u></u>

(1) The following entities also overlap the District, but have no reported general obligation debt outstanding: Academy Water and Sanitation District; Bradley Ranch Metropolitan District; Briargate Special Improvement Maintenance District; College Creek Metropolitan District; Colorado Crossing Metropolitan Districts Nos. 1 and 3; City of Colorado Springs; Colorado Springs Copper Ridge at Northgate Urban Renewal Authority; Donala Water and Sanitation District Areas A and B; Donald Westcott Fire Protection District; Donald Westcott Fire Protection District Northern Subdistrict; El Paso County; El Paso County Conservation District; El Paso County Public Improvement District No. 2; Falcon Fire Protection District; Flying Horse Metropolitan District No. 1; Kiowa Soil Conservation District; Norwood Special Improvement Maintenance District; Park Forest Water District; Pikes Peak Library District; Pinon Pines Metropolitan District No. 3; The Sanctuary Metropolitan District; Sterling Ranch Metropolitan District No. 3; Tri-Lakes Monument Fire Protection District; Upper Black Squirrel Creek Groundwater Management District; Upper Cottonwood Creek Metropolitan Districts Nos. 3 to 5; Wildgrass at Rockrimmon Metropolitan District; Woodmen Valley Fire Protection District; and Woodstone Special Improvement Maintenance District.

(2) As of December 31, 2016 (most recent figure available), the Town of Monument has an outstanding general obligation water bond principal balance of approximately \$19,000 and an outstanding general obligation water loan principal balance of approximately \$140,000. These debts are supported by water system revenues and are not included in this table.

(3) Pursuant to a funding agreement, Woodmen Heights Metropolitan Districts Nos. 2 and 3 impose a required mill levy to support the limited tax supported revenue bonds issued by Woodmen Heights Metropolitan District No. 1 and currently outstanding in the amount of \$30,277,680. Woodmen Heights Metropolitan District No. 1 does not overlap the District; however, Woodmen Heights Metropolitan Districts Nos. 2 and 3 do. The 2017 assessed values of Woodmen Heights Metropolitan Districts Nos. 2 and 3 are \$36,806,160 and \$2,415,490, respectively.

(4) Assessed values certified in 2017 are for collection of ad valorem property taxes in 2018.

(5) The percentage of each entity's outstanding debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

(6) This district's debt consists of limited tax general obligation bonds or loans secured by a required mill levy, specific ownership taxes and other moneys legally available for debt service.

(7) Pursuant to an intergovernmental agreement, Upper Cottonwood Creek Metropolitan District ("UCCMD"), which overlaps the District, has pledged a portion of its mill levy to repay the general obligation debt issued by Old Ranch Metropolitan District. The 2017 assessed value of UCCMD is \$19,068,610 and its 2017 contractual mill levy is 20.972.

(8) Estimated debt as of December 31, 2016, most recent figure available. Southeastern Colorado Water Conservancy District ("SCWCD") is comprised of portions of nine Colorado counties and its debt consists of a contractual obligation with the United States Bureau of Reclamation for payment of the reimbursable costs of the Frypan-Arkansas Project. The project's primary purpose is to divert water from the Colorado River tributaries for use in water-short areas. Revenues to meet payments are provided via an ad valorem mill levy applied against property within the nine counties and via fees charged for sale and storage of water. SCWCD dedicates nine-tenths of its mill levy to the contractual obligation.

(9) Sterling Ranch Metropolitan District No. 2 issued limited tax general obligation capital appreciation bonds in 2015. The bonds are secured by a required mill levy, capital fees and specific ownership taxes. The original principal amount of the bonds was \$9,062,405.55, appreciating to \$13,365,000 on December 1, 2020.

Source: Official Statement Dated June 13, 2018, pp. 45 & 46

Table 14

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Computation of Legal Debt Margin**  
**As of June 30, 2018**  
(Unaudited)

	<u>2018<sup>(1)</sup></u>	<u>2017<sup>(1)</sup></u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 309,032,578	\$ 309,032,578	\$ 286,307,462	\$ 267,005,884	\$ 261,741,780	\$ 260,560,850	260,731,354	278,861,054	280,214,880	263,131,330
Total net debt applicable to limit	249,810,000	249,810,000	107,014,342	119,091,406	131,181,697	139,104,508	149,660,405	161,745,226	178,434,463	192,479,463
Legal debt margin	59,222,578	59,222,578	179,293,120	147,914,478	130,560,083	121,456,342	111,070,949	117,115,828	101,780,417	70,651,867
Total bonded debt as a percentage of debt limit	80.84%	80.84%	37.38%	44.60%	50.12%	53.39%	57.40%	58.00%	63.68%	73.15%

**Legal Debt Margin Calculation for Fiscal Year 2017/2018**

Estimated Property Market Value---2017	<u>\$ 14,451,155,459</u>
Based upon 2016 assessment for taxes due in 2018	<u>\$ 1,545,162,890</u>
<b>20%</b> of Assessed Valuation	
Percent of Assessed Valuation	\$ 309,032,578
Less: Bonded Debt June 30, 2018	<u>249,810,000</u>
<b>MAXIMUM LEGAL DEBT MARGIN</b>	<u>\$ 59,222,578</u>

Note (1) The debt margin calculation for 2018 is calculated at 20%, since District 20 does not qualify as a fast growing district. As of 2017 the growth rate was not 2.5% or greater for 3 consecutive years. (CRS 22-42-104)

	<u>Funded Pupil Count<sup>2</sup></u>	<u>% Growth</u>
Oct-17	24,330.6	0.86%
Oct-16	24,124.2	1.78%
Oct-15	23,701.6	1.70%
Oct-14	23,306.4	0.34%
Oct-13	23,227.4	2.23%
Oct-12	22,720.9	1.26%
Oct-11	22,437.9	2.51%
Oct-10	21,888.5	2.37%
Oct-09	21,382.2	2.68%

Colorado Revised Statutes (CRS) provide three alternative methods for determining the legal debt margin for school districts. The standard method uses 20% of assessed valuation. For certain fast growing school districts, 25% of assessed valuation could be used in the calculation.

Finally, the CRS permits using 6% of market value in the calculation. However, this method has not been tested in Colorado courts to be in compliance with the Tax Payers Bill of Rights (TABOR). While this method yields a very high debt margin, the district's bond council will not provide an opinion to permit the district to use the method to determine the amount of bonds that could be sold.

Note (2)

Funded Pupil Count includes Full Day Kindergarten Factor

Table 15

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Percent of Annual Debt Service for General Bonded Debt**  
**to General Fund Expenditures**  
**Last Ten Fiscal Years**  
(unaudited)

<u>Fiscal Year</u>	<u>General Fund Expenditures</u>	<u>Annual Debt Service(1)</u>	<u>% of Debt Service to Expenditures</u>
2018	\$ 202,799,070	\$ 25,571,429	12.6%
2017	196,432,143	20,787,395	10.6%
2016	189,638,446	17,985,988	9.5%
2015	185,586,164	18,318,957	9.9%
2014	174,378,504	18,606,219	10.7%
2013	167,290,398	18,666,719	11.2%
2012	162,381,394	20,087,896	12.4%
2011	159,816,865	25,823,466	16.2%
2010	155,969,337	22,018,769	14.1%
2009	155,043,099	24,317,478	15.7%

Source: District financial records

Note: 1. Includes principal, interest and fees

## **Demographic and Economic Information**

---

The following unaudited statistical tables reflect demographic and economic information of the District.

---

Table 16	Demographic Data – El Paso County
Table 17	El Paso County Property Values and Construction
Table 18	El Paso County Principal Employers

Table 16

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Demographic Data - El Paso County <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income <sup>(2)</sup></u> <u>(thousands of dollars)</u>	<u>Median Household Income <sup>(3)</sup></u>	<u>Per Capita Income <sup>(2)</sup></u>	<u>Median Age</u>	<u>District 20 School Enrollment</u>	<u>Unemployment Rate</u>
2018	708,414	\$ 33,308,559	\$ 61,429	47,019	33.8	25,831	2.8%
2017	698,276	31,907,807	60,821	45,695	33.8	25,591	3.4%
2016	688,284	30,565,961	60,219	44,409	33.6	25,063	4.2%
2015	674,290	29,631,593	58,062	43,945	33.6	24,578	5.0%
2014	662,647	28,142,423	57,487	42,470	33.6	24,481	6.1%
2013	654,993	26,626,735	57,125	40,652	33.8	23,973	8.5%
2012	645,641	26,050,723	57,531	40,349	34.1	23,657	9.4%
2011	636,901	25,242,286	57,079	39,633	34.2	23,119	9.1%
2010	626,950	23,633,803	56,268	37,696	34.3	22,620	9.6%
2009	608,061	22,710,510	55,621	37,349	34.5	21,917	8.2%

Sources: District Financial Records  
Colorado Department of Local Affairs  
Southern Colorado Economic Forum  
US Department of Commerce, Bureau of Economic Analysis

Note: (1) Demographic data is for all of El Paso County except school enrollment.  
(2) Personal Income and Per Capita personal Income are estimated based on a 4.39% average annual growth rates and last known figures, per Bureau of Economic Analysis.  
<http://bea.gov/regional/bearfacts/action.cfm>  
(3) Median Household Income is estimated with a 1% annual growth rate and last known figure, per US Census Bureau Records for El Paso County, Colorado.  
<https://www.census.gov/quickfacts/fact/table/elpasocountycolorado.US#viewtop>

Table 17

**ACADEMY SCHOOL DISTRICT TWENTY**  
**El Paso County Property Values and Construction**  
**Last Ten Calendar Years**  
(Unaudited)

Calendar Year	<u>Property Values-----Assessed</u>			<u>Commercial Construction</u>		<u>Residential Construction</u>		Total Units	Total Construction Value
	<u>Commercial, Industrial, Agricultural</u>	<u>Residential, Public Utility, Other</u>	<u>Total</u>	<u>Units</u>	<u>Estimated Value</u>	<u>Single Family Units</u>	<u>Estimated Value</u>		
2018	\$ 2,179,097,610 (2)	\$ 4,786,254,180 (2)	\$ 6,965,351,790 (2)	1,245 (1)	\$ 410,243,104 (1)	3,504 (1)	\$ 1,417,418,973 (1)	4,749 (1)	\$ 1,827,662,077 (1)
2017	1,946,823,110	4,595,377,210	6,542,200,320	1,155	391,125,033	3,237	1,360,333,105	4,392	1,751,458,138
2016	1,927,937,240	4,508,220,600	6,436,157,840	1,222	391,403,051	2,739	1,131,190,529	3,961	1,522,593,580
2015	1,883,324,970	4,154,810,190	6,038,135,160	940	142,726,070	2,433	1,032,039,203	3,373	1,174,765,273
2014	1,872,256,030	4,062,568,000	5,934,824,030	878	380,876,383	2,688	1,079,909,778	3,566	1,460,786,161
2013	1,885,551,780	4,070,365,710	5,955,917,490	863	198,027,513	2,216	801,352,986	3,079	999,380,499
2012	1,884,059,810	4,060,728,590	5,944,788,400	672	243,573,323	1,399	496,585,288	2,071	740,158,611
2011	2,065,234,830	4,381,616,240	6,446,851,070	694	74,847,818	1,404	465,349,499	2,098	540,197,317
2010	2,061,225,930	4,371,420,100	6,432,646,030	974	282,021,540	1,105	378,446,473	2,079	660,468,013
2009	1,946,775,180	4,238,620,950	6,185,396,130	1,147	365,936,404	1,223	261,700,154	2,370	627,636,558

Source: Pikes Peak Regional Building Department  
<http://www.pprbd.org/permits/2016govrep.pdf>  
El Paso County Assessor's Office  
<http://asr.elpasoco.com/Documents/Abstract%20Information/2016%20Abstract.pdf>

Notes: (1) Unit and construction value data available through January 2018.  
(2) Based on 2017 Assessment, Taxes due 2018.

Table 18

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Principal Employers of the Pikes Peak Region**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Employer	2017		2008	
	Rank	Percentage or Total County Employment	Rank	Percentage or Total County Employment
Fort Carson Army Post	1	11.1%	1	9.4%
Peterson Air Force Base	2	3.6%	4	2.2%
United States Air Force Academy	3	3.2%	2	2.6%
Schriever Air Force Base <sup>2</sup>	4	2.5%	3	2.4%
Memorial Hospital-UCHealth	5	2.3%	5	1.9%
Colorado Springs School District 11	6	1.4%	6	1.5%
Academy School District 20	7	1.2%	8	1.1%
El Paso County	8	0.9%	10	0.9%
Penrose-St. Francis Health Services	9	0.8%	7	1.2%
City of Colorado Springs <sup>1</sup>	10	0.8%	9	1.0%
		27.8%		24.2%

Source: City of Colorado Springs - 2017 Comprehensive Annual Financial Report  
2017 is the most current CAFR available from City of Colorado Springs, the City's Fiscal Year is from January to December  
[https://coloradosprings.gov/sites/default/files/2017\\_co\\_springs\\_cafr\\_final.pdf](https://coloradosprings.gov/sites/default/files/2017_co_springs_cafr_final.pdf) p.263

City Sources: The Colorado Springs Chamber & Economic Development Corporation

<sup>1</sup>City of Colorado Springs includes the total of all full-time equivalent employees (FTE's) in all funds and enterprises except Colorado Springs Utilities and Memorial Health System.

<sup>2</sup>Schriever Air Force Base previously known as Falcon Air Force Bas

## Operating Information

---

The following unaudited statistical tables reflect operating information of the District.

---

Table 19	District Building Information
Table 20	Schedule of Insurance Policies
Table 21	Full-time Equivalent Employees by Functional Program
Table 22	Operating Statistics

Table 19

**ACADEMY SCHOOL DISTRICT TWENTY**  
**District Building Information<sup>1</sup>**  
**Last Ten Fiscal Years**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>ELEMENTARY SCHOOLS</b>										
Academy Endeavour Elementary (1998)										
Building Square feet	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467
Modular Square feet	5,760	5,760	5,760	5,760	7,200	7,200	7,200	7,200	7,200	7,200
Capacity (students)	723	723	723	723	723	723	723	723	723	723
Enrollment	559	574	545	573	609	624	629	622	513	469
Academy International Elementary (1998)										
Building Square feet	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467
Modular Square feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment <sup>2</sup>	590	591	591	600	721	695	728	740	734	719
Antelope Trails Elementary (1992)										
Building Square feet	48,122	48,122	48,122	48,122	48,122	48,122	48,122	48,122	48,122	48,122
Modular Square feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Capacity (students)	541	541	541	541	541	541	541	541	541	541
Enrollment	364	373	388	468	530	530	537	573	581	535
Academy Calvert Online										
Modular Square feet	1,440	1,440	1,440	-	-	-	-	-	-	-
Modular Capacity (students)	50	50	50	-	-	-	-	-	-	-
Enrollment	114	118	139	181	190	-	-	-	-	-
Chinook Trail Elementary (2007)										
Building Square feet	73,064	73,064	73,064	73,064	73,064	73,064	73,064	73,064	73,064	73,064
Modular Square feet	5,700	4,275	2,850	2,850	2,850	1,440	1,440	1,440	-	-
Capacity (students)	710	660	610	610	610	560	560	560	510	510
Enrollment <sup>3</sup>	637	624	864	767	730	590	483	406	363	217
Discovery Canyon Campus (2005)										
Building Square feet	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Modular Square feet	1,410	1,410	1,410	1,410	1,410	-	-	-	-	-
Capacity (students)	560	560	560	560	560	510	510	510	510	510
Enrollment	536	524	535	520	525	528	516	528	516	461
Douglass Valley Elementary (1958)										
Building Square feet	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	339	316	309	345	383	387	383	415	371	350
Edith Wolford Elementary (2004)										
Building Square feet	53,063	53,063	53,063	53,063	53,063	53,063	53,063	53,063	53,063	53,063
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	330	320	316	378	392	302	301	359	369	393
Explorer Elementary (1989)										
Building Square feet	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600
Modular Square feet	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Capacity (students)	517	517	517	517	517	517	517	517	517	517
Enrollment	506	495	504	505	517	521	522	529	515	499
Foothills Elementary (1981)										
Building Square feet	43,046	43,046	43,046	43,046	43,046	43,046	43,046	43,046	43,046	43,046
Modular Square feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Capacity (students)	590	590	590	590	590	590	590	590	590	590
Enrollment	432	425	423	414	439	439	430	416	400	416
Frontier Elementary (1985)										
Building Square feet	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900
Modular Square feet	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Capacity (students)	664	664	664	664	664	664	664	664	664	664
Enrollment	447	433	442	429	434	390	417	408	427	444
High Plains Elementary (1981)										
Building Square feet	41,846	41,846	41,846	41,846	41,846	41,846	41,846	41,846	41,846	41,846
Capacity (students)	468	468	468	468	468	468	468	468	468	468
Enrollment	352	335	286	273	380	399	388	378	361	350
Mountain View Elementary (2004)										
Building Square feet	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500
Capacity (students)	510	510	510	510	510	510	510	510	510	510
Enrollment	603	589	572	541	561	580	580	568	595	586
Pioneer Elementary (1987)										
Building Square feet	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900
Modular Square feet	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Capacity (students)	614	614	614	614	614	614	614	614	614	614
Enrollment	417	408	415	389	413	403	425	476	475	492
Prairie Hills Elementary (1993)										
Building Square feet	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100
Modular Square feet	4,320	4,320	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760
Capacity (students)	664	664	664	664	664	664	664	664	664	664
Enrollment	436	445	446	473	498	502	528	548	583	548
Ranch Creek Elementary (2007)										
Building Square feet	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500
Modular Square feet	4,230	2,820	1,410	1,410	1,410	-	-	-	-	-
Capacity (students)	660	610	560	560	560	510	510	510	510	510
Enrollment	641	579	549	535	481	497	460	432	378	348
Rockrimmon Elementary (1972)										
Building Square feet	36,208	36,208	36,208	36,208	36,208	36,208	36,208	36,208	36,208	36,208
Modular Square feet	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Capacity (students)	494	494	494	494	494	494	494	494	494	494
Enrollment	338	338	364	351	367	341	344	349	365	384
School In the Woods (1999)										
Modular Square feet	5,760	5,760	5,760	5,760	5,760	5,760	4,320	4,320	4,320	4,320
Capacity (students)	78	78	78	78	78	78	52	52	52	52
Enrollment	78	78	78	78	78	78	52	52	52	52
The da Vinci Academy Elementary (2004)										
Building Square feet	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500
Capacity (students)	510	510	510	510	510	510	510	510	510	510
Enrollment	484	456	447	447	454	407	397	382	423	461
Woodmen Roberts Elementary (1990)										
Building Square feet	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100
Modular Square feet	-	-	-	-	-	-	-	-	1,440	1,440
Capacity (students)	468	468	468	468	468	468	468	468	518	518
Enrollment	485	444	380	350	370	373	367	353	370	353

**ACADEMY SCHOOL DISTRICT TWENTY**  
**District Building Information<sup>1</sup>**  
**Last Ten Fiscal Years**  
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>MIDDLE SCHOOLS</b>										
Challenger Middle (1965)										
Building Square feet	101,793	101,793	101,793	101,793	101,793	101,793	101,793	101,793	101,793	101,793
Modular Square feet	4,320	4,320	4,320	4,320	4,320	4,320	4,320	5,760	5,760	5,760
Capacity (students)	964	964	964	964	964	964	964	1,014	1,014	1,014
Enrollment	913	879	856	810	766	718	720	691	635	634
Discovery Canyon Campus (2006)										
Building Square feet	114,039	114,039	114,039	114,039	114,039	114,039	114,039	114,039	114,039	114,039
Capacity (students)	850	850	850	850	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment <sup>3</sup>	891	912	1,017	960	964	939	903	867	736	761
Eagleview Middle (1986)										
Building Square feet	137,135	137,135	137,135	137,135	137,135	137,135	137,135	137,135	137,135	137,135
Capacity (students)	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105
Enrollment	962	986	962	989	958	945	937	976	964	953
Mountain Ridge Middle (1997)										
Building Square feet	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400
Modular Square feet	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Capacity (students)	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190
Enrollment	1,012	1,083	1,147	1,155	1,131	1,066	1,052	1,069	1,094	1,114
Aspen Valley Middle School Purchased 2013 <sup>4</sup>										
Building Square feet	6,106	6,106	6,106	6,106	6,106	6,106	-	-	-	-
Building Utilization Capacity (90% of Design)	125	125	125	125	125	125	-	-	-	-
Enrollment	41	56	48	46	53	58	-	-	-	-
Timberview Middle (1988)										
Building Square feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Modular Square feet	5,760	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Capacity (students)	1,050	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	1,156	1,140	1,087	1,038	1,062	1,088	1,076	1,011	1,044	1,022
<b>HIGH SCHOOLS</b>										
Academy Online High School										
Modular Square feet	2,880	1,440	-	-	-	-	-	-	-	-
Capacity (students)	50	25	-	-	-	-	-	-	-	-
Enrollment	124	88	51	50	44	-	-	-	-	-
Air Academy High (1959)										
Building Square feet	243,362	243,362	243,362	243,362	243,362	243,362	243,362	243,362	243,362	243,362
Capacity (students)	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Enrollment	1,362	1,341	1,370	1,335	1,419	1,383	1,388	1,359	1,309	1,380
Aspen Valley High (1997)										
Building Square feet	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600
Modular Square feet	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Capacity (students)	150	150	150	150	150	150	150	150	150	150
Enrollment	89	113	103	115	97	105	99	88	94	93
Discovery Canyon Campus (2006)										
Building Square feet	173,418	173,418	173,418	173,418	173,418	173,418	173,418	173,418	173,418	173,418
Capacity (students)	1,148	1,148	1,148	1,148	1,350	1,350	1,350	1,350	1,350	1,350
Enrollment	1,160	1,196	1,172	1,107	1,020	940	877	775	562	346
Liberty High (1987)										
Building Square feet	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000
Modular Square feet	8,610	8,610	8,610	8,610	8,610	7,200	7,200	7,200	7,200	7,200
Capacity (students)	1,498	1,448	1,448	1,448	1,448	1,398	1,398	1,398	1,398	1,398
Enrollment	1,650	1,548	1,588	1,590	1,591	1,552	1,537	1,532	1,552	1,459
Pine Creek High (1998)										
Building Square feet	192,530	192,530	192,530	192,530	192,530	192,530	192,530	192,530	192,530	192,530
Modular Square feet	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Capacity (students)	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340
Enrollment	1,609	1,579	1,504	1,504	1,479	1,453	1,462	1,409	1,509	1,501
Rampart High (1982)										
Building Square feet	213,100	213,100	213,100	213,100	213,100	213,100	213,100	213,100	213,100	213,100
Capacity (students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	1,718	1,694	1,646	1,623	1,531	1,595	1,589	1,584	1,652	1,745
<b>ADMINISTRATION BUILDINGS</b>										
Education and Administration Center (EAC)										
Building Square feet	112,792	112,792	112,792	112,792	112,792	112,792	112,792	112,792	112,792	120,000
Maintenance										
Square feet	13,059	13,059	13,059	13,059	13,059	13,059	13,059	13,059	13,059	13,059
Transportation/Warehouse										
Building Square feet	35,966	35,966	35,966	35,966	35,966	35,966	35,966	35,966	35,966	35,966
Modular Square feet	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Woodmen Center (sold 2009)										
Square feet	-	-	-	-	-	-	-	11,016	11,016	11,016
<b>Total Modular Square feet</b>	<b>85,590</b>	<b>77,040</b>	<b>77,040</b>	<b>75,600</b>	<b>77,040</b>	<b>71,400</b>	<b>69,960</b>	<b>71,400</b>	<b>71,400</b>	<b>71,400</b>
<b>Total Building Square feet</b>	<b>2,679,344</b>	<b>2,679,344</b>	<b>2,679,344</b>	<b>2,679,344</b>	<b>2,679,344</b>	<b>2,679,344</b>	<b>2,673,238</b>	<b>2,673,238</b>	<b>2,673,238</b>	<b>2,680,446</b>
<b>Total Square Feet</b>	<b>2,764,934</b>	<b>2,756,384</b>	<b>2,756,384</b>	<b>2,754,944</b>	<b>2,756,384</b>	<b>2,750,744</b>	<b>2,743,198</b>	<b>2,744,638</b>	<b>2,744,638</b>	<b>2,751,846</b>

Source: District Facilities Maintenance Office and CDE Data Summary Report

Note: Year of construction is shown in parentheses. Increases/decreases in square footage and capacity are the result of renovations, additions, and deletions.

<sup>1</sup> Student capacity reported is *utilization* capacity, which is estimated at 90% of *design* capacity. Capacity also includes modular capacity for those schools with modulares on site. Standard modular capacity is 50 (2 classrooms at 25 students each).

<sup>2</sup> Enrollment included Briargate Preschool students until 2015

<sup>3</sup> Enrollment included Home School Academy Enrollment until 2017

<sup>4</sup> Previously "Summit Middle School"

Table 20

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Schedule of Insurance Policies**  
**as of July 1, 2017**  
(unaudited)

<u>Company</u>	<u>Policy Number</u>	<u>Policy Period</u>		<u>Coverage Details</u>
		<u>From</u>	<u>To</u>	
Affiliated FM Insurance Company	EQ775	7/1/2017	6/30/2018	<b>Facility/Property Coverages</b> Building and Contents (\$739,843,345) Boiler and Machinery Extra Expense Property in Transit Newly Acquired Buildings Personal Property of Others Accounts Receivable Valuable Papers(Student Records) Earthmovement (Included in property) Flood (Included in property)
AIG Specialty Insurance Company	PLC4691857	7/1/2015	6/30/2018	<b>Pollution</b>
American Alternative Insurance	GPPAPF605652900	7/1/2017	6/30/2018	<b>General Liability/Wrongful Acts</b>
American Alternative Insurance Corp.	GPPAPF605652900	7/1/2017	6/30/2018	<b>Educators Legal Liability</b>
American Alternative Insurance Corp.	GPPAPF605652900	7/1/2017	6/30/2018	<b>Auto Coverages</b> Auto Liability Medical Pay (replaces PIP) Auto Physical Damage Hired/Borrowed Vehicles - liability
Traveler's Casualty & Surety Co of America	105798183	7/1/2015	6/30/2018	<b>Crime Coverages (including faithful performance and dishonesty)</b> Forgery, Alteration, Computer Fraud Theft, Disappearance, Destruction Secretary & Treasurer/Statutory Bond
ACE American Insurance Co	PHFD38268910001	7/1/2015	6/30/2018	<b>Foreign Package</b> GL/Auto Liability Workers' Comp/Employers Liability Accidental Death & Dismemberment & Medical Kidnap & Extortion
QBE Specialty Insurance	QLO110101	7/1/2017	6/30/2018	<b>Police Professional Liability</b>
Great American	EPP1117707	7/1/2017	6/30/2018	<b>Directors and Officers (for Foundation)</b>
RLI Surety	LSM0202416	7/1/2017	6/30/2018	<b>Notary Bond</b>
Beazley Insurance Co. Inc.	V1BCEE170201	7/1/2017	6/30/2018	<b>Cyber Liability</b>
American Alternative Insurance Corp.	GPPAPF605652900	7/1/2017	6/30/2018	<b>Umbrella Liability</b>
<hr/>				
Pinnacol Assurance	4140427	7/1/2017	6/30/2018	<b>Worker's Compensation</b>
<hr/>				
Kaiser		7/1/2017	6/30/2018	<b>Employee Health/Dental Package</b> Health Fulltime
Delta Dental	6295			Dental Fulltime Fulltime
<hr/>				
Standard Insurance	640336-C	7/1/2017	6/30/2018	<b>Employee Life Coverage</b>
<hr/>				

Source: District Internal Reports - Risk Management

<u>Deductible</u>	<u>Liability Limits</u>	<u>Annual Premium</u>
		\$267,937
\$25,000	\$250,000,000 per occurrence	
\$5,000	\$5,000,000	
	\$5,000,000	
	\$500,000	
	\$10,000,000	
	\$10,000	
	\$5,000,000	
	\$5,000,000	
\$100,000	\$100,000,000	Included
\$100,000	\$50,000,000	Included
\$25,000	\$1,000,000	\$28,794
\$0	\$1,000,000	\$9598/year
	\$2,000,000 /Aggregate	\$163,641
\$25,000	\$1,000,000	\$104,158
	\$3,000,000 /Aggregate	
		\$165,979
\$0	\$1,000,000	
\$0	\$5,000	
\$5,000	Varies, depending on age of vehicle	
	\$1,000,000	
\$5,000	\$1,000,000	\$21,687
\$5,000	\$500,000	\$7229/year
\$5,000	\$500,000	
\$5,000	\$1,000,000	Included
		\$6,850
\$1,000	\$1,000,000/\$2,000,000 aggregate	
	As per Colorado law	
	\$1,500,000 aggregate	
	\$250,000	
\$5,000	\$1,000,000	\$11,617
\$0	\$1,000,000	\$715
	\$10,000	\$388
\$50,000	\$1,000,000	\$16,902
\$10,000	\$3,000,000/Aggregate	\$98,339
	TOTAL PREMIUM	\$887,007
\$250,000	As per Colorado Statute	\$217,723

Employee Premium \$45.124 - \$1091.40/month  
Employer Premium \$395.27 - \$659.81/month  
Employee Premium \$0.23 - \$146.12/month  
Employer Premium \$30.95/month

Employee Premium \$0 - \$1.00/month  
Employer Premium \$4.25/month

Table 21

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Full-time Equivalent Employees by Functional Program**  
**Last Ten Fiscal Years <sup>3</sup>**  
(Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>PROGRAM</b>										
Instruction	1,671.0	1,639.8	1,604.8	1,609.7	1,675.1	1,651.6	1,619.8	1,578.3	1,521.5	1,476.4
Instructional Pupil and Staff Support	220.9	219.5	226.5	229.2	228.7	224.1	224.4	219.0	216.2	207.3
General Administration	7.0	7.0	6.8	7.0	7.3	7.3	7.3	6.8	6.8	6.5
School Administration	273.5	266.4	262.0	263.1	259.7	261.6	257.7	258.9	259.1	257.1
Business Services	31.5	30.5	27.5	28.6	27.6	27.6	27.6	27.6	28.6	28.1
Maintenance and Operations	228.6	199.4	196.9	201.0	208.7	202.5	208.6	209.7	204.2	202.4
Transportation	223.9	220.6	225.3	220.2	209.8	200.3	169.3	201.8	197.3	193.8
Central Services <sup>1</sup>	58.1	57.1	54.7	51.6	47.7	45.9	44.6	46.5	49.9	50.3
Community and Other Services <sup>2</sup>	0.0	0.0	0.0	0.6	0.6	1.0	1.0	1.1	2.1	2.1
	<u>2,714.6</u>	<u>2,640.4</u>	<u>2,604.5</u>	<u>2,610.8</u>	<u>2,665.1</u>	<u>2,621.8</u>	<u>2,560.3</u>	<u>2,549.6</u>	<u>2,485.4</u>	<u>2,424.0</u>

<sup>1</sup> Central Services includes Food Service personnel employed by District 20.

<sup>2</sup> Community and Other Services includes Construction Management Personnel from 2003 to 2007.

Source: District Financial Records

Table 22

**ACADEMY SCHOOL DISTRICT TWENTY**  
**Operating Statistics**  
**Last Ten Fiscal Years <sup>1</sup>**  
**(Unaudited)**

Fiscal Year	Primary Government	Pupil	Funded Pupil	Cost per Pupil	Cost/Pupil % Change	Certified Staff	Pupil/Certified Staff Ratio	Graduation Rate*	Qualified for Federal Assistance		Average Teacher Salary (incl. benefits)	Teacher Salary Range	
	Expenditures	Enrollment	Count						% Free	% Reduced		Low	High
2018	\$ 422,909,186	25,831	24,330.6	\$ 17,382	14.4%	1,814	13.4	TBD	9.10%	3.70%	\$ 66,680	38,200	93,963
2017	\$ 366,425,205	25,591	24,124.2	\$ 15,189	46.5%	1,770	13.6	89.9%	9.60%	3.90%	\$ 65,730	37,691	80,389
2016	\$ 245,703,889	25,063	23,701.6	\$ 10,367	3.1%	1,763	13.4	90.3%	9.60%	3.90%	\$ 64,500	36,862	83,553
2015	\$ 234,444,100	24,578	23,306.4	\$ 10,059	11.8%	1,778	13.1	90.2%	8.77%	3.98%	\$ 63,700	36,210	81,830
2014	\$ 209,021,998	24,481	23,227.4	\$ 8,999	1.2%	1,723	13.5	89.8%	9.19%	4.02%	\$ 61,500	35,155	79,010
2013	\$ 202,035,726	23,973	22,720.9	\$ 8,892	2.0%	1,709	13.3	91.4%	9.06%	3.53%	\$ 60,226	34,131	77,110
2012	\$ 195,631,277	23,657	22,437.9	\$ 8,719	-6.5%	1,706	13.1	89.0%	8.43%	3.55%	\$ 58,229	33,299	75,229
2011	\$ 204,034,873	23,119	21,888.5	\$ 9,322	1.8%	1,669	13.1	89.5%	7.91%	3.54%	\$ 58,874	33,299	75,229
2010	\$ 195,886,548	22,620	21,382.2	\$ 9,161	-1.9%	1,616	13.2	89.5%	7.01%	3.40%	\$ 58,796	33,299	75,229
2009	\$ 194,447,420	21,917	20,824.6	\$ 9,337	9.7%	1,580	13.2	91.6%	6.12%	3.43%	\$ 57,712	32,643	73,747

Educational Increments	# of Teachers
BA	188
BA +16	91
BA + 32	70
BA + 48	142
MA	323
MA + 16	185
MA + 32	167
MA + 48	115
MA + 64	186
PHD	33

In 2018, the District discontinued reporting of ACT test scores. Student Achievement information can be accessed on the District website.

\* Graduation rate is not yet available for the fiscal year.

Source: District Adopted Budget, District Internal Reports, Colorado Dept. of Education Statistics, and District CAFR Statement of Activities



**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

*Where dreams take flight...*  
*One student at a time.*



The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.



## **IV. Compliance Section**





**INDEPENDENT AUDITORS' 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  
Academy School District Twenty  
Colorado Springs, 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Academy School District Twenty (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 1, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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. 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 deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 determination of financial statement amounts. 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*.

**Academy School District Twenty's Response to Finding**

Academy School District Twenty's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Academy School District Twenty'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 result 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.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
November 1, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Academy School District Twenty  
Colorado Springs, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Academy School District Twenty's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2018. The District's major federal program is identified in the summary of auditors' 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the District's major federal program 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 the District'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 the major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of the District 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance of the 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 the District'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.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
November 1, 2018

**ACADEMY SCHOOL DISTRICT TWENTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

---

**Section I – Summary of Auditors’ Results**

---

**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified?   x   yes      \_\_\_\_\_ none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

**CFDA Number(s)**

84.041

**Name of Federal Program or Cluster**

Impact Aid

Dollar threshold used to distinguish between Type A and Type B programs:

\$   750,000  

Auditee qualified as low-risk auditee?

  x   yes      \_\_\_\_\_ no

**ACADEMY SCHOOL DISTRICT TWENTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

---

***Section II – Financial Statement Findings***

---

**2018 – 001**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** As of June 30, 2018, Academy School District Twenty did not account for retainage payable.

**Criteria or specific requirement:** Retainage payable represents a liability attributable to the acquisition, construction, or improvement of capital assets and a retainage liability should be recorded at the end of a fiscal year.

**Context:** We reviewed construction contracts which were on-going as of June 30, 2018. Through review of the construction contracts, it was identified that Academy School District Twenty did not account for and record the retainage liability associated with the construction contracts.

**Effect:** Construction in progress and the retainage liability were understated as of June 30, 2018.

**Cause:** Academy School District Twenty accurately recorded the outstanding liability related to contractor construction invoices. However, the component associated with retainage was not recorded as of June 30, 2018.

**Repeat Finding:** Not a repeat finding.

**Recommendation:** We recommend Academy School District Twenty review all contractor invoices at the end of a fiscal year, specifically, components related to retainage as a means to identify the aggregate retainage liability to be recorded at the end of a fiscal year.

**Views of responsible officials and planned corrective actions:** We agree with the auditors' comments, and the following action will be taken to improve the situation. As an addition to the existing yearend procedural steps, the Building Fund Accountant will review all contractor invoices at the end of a fiscal year, specifically as it relates to retainage, in order to identify the retainage liability to be recorded. That entry will be reviewed and approved by the Director of Finance.

---

***Section III – 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 – Prior Year Findings***

---

There were no findings in the prior year that were required to be reported.

ACADEMY SCHOOL DISTRICT TWENTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Federal Award Identification Number	Pass- through Entity Grant Code	Expenditures	Passed to Sub-recipients
<b><u>U.S. Department of Education</u></b>					
Direct Programs					
Impact Aid PL 874-7002	84.041	S041A-201X-1127		\$ 1,662,926	-
Impact Aid PL-874-7003	84.041	S041B-201X-1126		1,485,530	-
Subtotal Direct Programs				<u>\$ 3,148,456</u>	-
Passed through Colorado Department of Education					
Special Education	84.027	H027A170020	4027	3,046,931	-
Special Education - Preschool	84.173	H173A170097	4173	58,608	-
Special Education Cluster Total				<u>3,105,539</u>	-
Title I	84.010	S010A170006	4010	1,048,530	-
English Language Acquisition	84.365	S365A170006	4365	45,530	-
English Language Acquisition - Unaccompanied Children and Youth	84.365	S365B150006	6365	1,959	-
English Language Acquisition - Set Aside Immigrant	84.365	S365A170006	7365	67,037	-
English Language Acquisition Cluster Total				<u>114,526</u>	-
Improving Teacher Quality	84.367	S367A170050	4367	249,407	-
Student Support and Academic Achievement	84.424	S424A170006	4424	19,316	-
Colorado Charter Schools Program & Grant	84.282	U282A150018	5282	228,421	-
Subtotal Passed through Colorado Department of Education				<u>\$ 4,765,739</u>	-
Passed through Colorado Community College System					
Career and Technical Education	84.048	N/A		\$ 86,196	-
Subtotal U.S. Department of Education				<u><u>\$ 8,000,391</u></u>	-
<b><u>U.S. Department of Agriculture</u></b>					
Direct Programs					
HealthierUS Schools Challenge (HUSSC) Team Nutrition Grants	10.574	N/A		2,000	-
Subtotal Direct Programs				<u>2,000</u>	-
Passed through Colorado Department of Human Services					
Food Donation	10.555	N/A		335,843	-
Passed through Colorado Department of Education					
School Breakfast Program	10.553	N/A	4553	212,070	-
National School Lunch Program	10.555	N/A	4555	1,384,818	-
Subtotal for Child Nutrition cluster and U.S. Department of Agriculture				<u><u>\$ 1,934,731</u></u>	-
<b><u>U.S. Department of Defense</u></b>					
Direct Programs					
JROTC	12.000	N/A		100,667	-
DoD Impact Aid (Supplement, CWSD, BRAC)	12.558	N/A		602,777	-
DodEA Promoting K-12 Student Achievement at Military-Connected Schools	12.556	HE 1254-13-1-0010		38,483	-
Subtotal U.S. Department of Defense				<u><u>\$ 741,927</u></u>	-
<b><u>U.S. Department of Commerce</u></b>					
Passed through National Institute of Standards and Technology/Pikes Peak Community College					
Regional Alliances and Multistakeholder Partnerships to Stimulate (RAMPS)	11.620	N/A		519	-
Subtotal U.S. Department of Commerce				<u><u>519</u></u>	-
<b><u>Environmental Protection Agency</u></b>					
Passed through National Space Science & Technology Institute					
Mobile Earth & Space Observatory (MESO)	66.951	N/A		1,112	-
Subtotal Environmental Protection Agency				<u><u>1,112</u></u>	-
<b>Total Federal Awards</b>				<u><u>\$ 10,678,680</u></u>	-

**ACADEMY SCHOOL DISTRICT TWENTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2018**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2018 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected 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**

Revenue from Federal Awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when it becomes both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. The District has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Grant Guidance.

**NOTE 3: NONCASH PROGRAMS**

Commodities donated to the District by the United States Department of Agriculture (USDA) of \$335,843 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch Program, CFDA 10.555.

# Colorado Department of Education

---

## Auditor's Electronic Financial Data Integrity Check Figures

The audit report shall contain a fiscal year report of receipts and expenditures of each fund with designated program reports in accordance with the *Financial Policies and Procedures Handbook* per Colorado Revised Statute 29-1-603(1).

The supplemental Schedule of Receipts and Expenditures (CDE-3) for each fund shall be in the format prescribed by the State Board of Education and shall be in agreement with the audited financial statements of the school district per Colorado Revised Statute 29-1-603(1).

---



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1040 - ACADEMY 20  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>	+		-	=
10 General Fund	44,822,304	176,612,714	174,828,964	46,606,054
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	283,730	283,730	0
<b>Sub- Total</b>	<b>44,822,304</b>	<b>176,896,445</b>	<b>175,112,695</b>	<b>46,606,054</b>
11 Charter School Fund	14,649,273	31,166,822	30,389,525	15,426,570
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	644,060	5,116,719	5,130,991	629,788
22 Govt Designated-Purpose Grants Fund	0	6,247,864	6,247,864	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	1,837,862	7,672,259	7,400,873	2,109,248
31 Bond Redemption Fund	26,214,148	24,374,116	25,571,428	25,016,836
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	188,766,653	20,437,138	64,858,384	144,345,406
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	8,071,743	9,309,250	6,689,619	10,691,374
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>285,006,043</b>	<b>281,220,614</b>	<b>321,401,380</b>	<b>244,825,276</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	112,633	118,164	92,638	138,159
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	4,147,326	10,623,701	10,332,931	4,438,097
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>4,259,959</b>	<b>10,741,865</b>	<b>10,425,569</b>	<b>4,576,256</b>

FINAL

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



## Art Students

Cover	Jenaya Geertsema – 12 <sup>th</sup>	DCC
Introductory Section	Tatum Umiamaka – 10 <sup>th</sup>	DCC
Financial Section	Nicholas Schobert - 12 <sup>th</sup>	LHS
Statistical Section	Caitlin Graves – 9 <sup>th</sup>	PCHS
Compliance Section	Emma Purath – 10 <sup>th</sup>	LHS
Blank Logo Pages	D’Angelina Ortiz – 10 <sup>th</sup>	LHS



**ACADEMY**  
**DISTRICT 20**  
The Peak of Excellence

*Where dreams take flight...*  
*One student at a time.*



The mission of Academy School District 20 is to educate every student in a safe and nurturing environment and provide comprehensive and challenging curricular and extracurricular opportunities that meet the unique needs of every individual, expand their interests, enhance their abilities and equip them with the knowledge, skills and character essential to being a responsible citizen of our community, our nation and the world.