

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Year Ended June 30, 2019**



Adams 12   
Five Star Schools

Adams 12 Five Star Schools  
1500 East 128th Avenue  
Thornton, Colorado 80241  
[www.adams12.org](http://www.adams12.org)

*Graphic Design: Darius Buck  
Bollman Technical Education Center*



1500 East 128<sup>th</sup> Avenue, Thornton, Colorado 80241

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

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Department of Financial Services

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Jennifer Tafoya.....Bond Accountant

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Artist: Breana Julian  
School: Silver Hills Middle School



Artist: Kendra Bright  
School: Legacy High School



Artist: Meghan Vine  
School: Silver Hills Middle School



## Board of Education Fiscal Year 2018-2019



**Ms. Kathy D. Plomer**  
**President**  
**Director District No. 3**



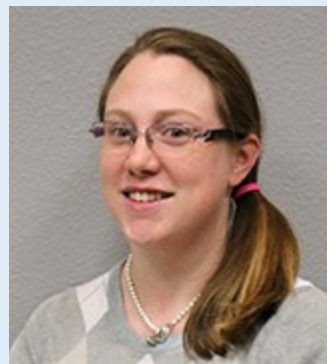
**Ms. Laura P. Mitchell**  
**Vice President**  
**Director District No. 5**



**Mr. Norman L. Jennings**  
**Secretary**  
**Director District No. 1**



**Mr. Brian M. Batz**  
**Director**  
**Director District No. 4**



**Ms. Jamey L. Lockley**  
**Director**  
**Director District No. 2**

**Frances Mullins.....Executive Assistant to the Board**

## Senior Staff Fiscal Year 2018-2019

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**Superintendent of Schools**  
**Christopher Gdowski**

Tracy Dorland .....Deputy Superintendent  
Priscilla Straughn .....Chief Academic Officer  
Suzanne DeYoung .....Chief Financial Officer  
Myla Shepard ..... Chief Human Resource Officer  
Ashish Mahajan ..... Chief Information Technology Officer  
Pat Hamilton .....Chief Operating Officer  
Philip Spare ..... General Counsel  
Joe Ferdani ..... Chief Communications Officer





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November 20, 2019

To the Board of Education and Citizens of Adams 12 Five Star Schools:

The Comprehensive Annual Financial Report (CAFR) of Adams 12 Five Star Schools, ("district"), for the Fiscal Year June 30, 2019, is hereby submitted. The CAFR has been prepared in conformity with Statement No. 34 of the Governmental Accounting Standards Board. Statement No. 34 is titled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities into a single total column for government-wide activities.

The district's Financial Services department prepared this report which contains management's representations concerning the finances of the district. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects, reported in a manner to present fairly the financial position and results of operations of the district's funds. Disclosures necessary to enable the reader to gain an understanding of such financial operations have been included. Statement No. 34 also requires 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 the MD&A and should be read in conjunction with it. The district's MD&A can be found immediately following the report of the independent auditor in the Financial Section on pages 21-35.

The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements and publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This CAFR is published to fulfill that requirement of the fiscal year ended June 30, 2019.

The role of the auditors is to audit the financial statements to determine if the basic financial statements are free of material misstatements and to assess the accounting principles followed. Based on their findings, they express an opinion of the fairness of the statements and disclose any material weaknesses. District management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal control that has been established for this purpose.

CliftonLarsonAllen LLP, Certified Public Accountants have issued an unmodified opinion on the district's financial statements for the year ended June 30, 2019. The independent auditors' report is located at the

front of the financial section of this report and the independent auditor's report on Internal Control over Financial Reporting is located at the front of the single audit section of this report.

## **Profile of the Adams 12 Five Star Schools**

Adams 12 Five Star Schools was formed in 1950 when parts of six other districts were consolidated into one district encompassing 47.5 square miles of Adams County and 14.5 square miles of the City and County of Broomfield, Colorado. The district is a legally separate, primary government entity that operates under a publicly elected five-member Board of Education. The Board of Education is the policy-making body of the district. The Board of Education voted in 2000 to adopt the Policy Governance model of board governance. The Board of Education adopts the budget, employs all personnel required to maintain the operations, monitors the performance of educational programs provided by the district, and is primarily accountable for fiscal matters. Board members are elected to alternating four-year terms with elections held every two years. Board members represent a specific area of the district but are elected at large.

The district provides a full range of educational programs and services authorized by Colorado state statutes to approximately 39,282 students. Included are basic kindergarten through twelfth-grade (K-12) education, as well as special education for students with disabilities, career/technical education, English-as-a-second-language education, preschool, and numerous other programs. There were four charter schools authorized by the district's Board of Education during the 2018-2019 school year that were legally separate entities. While charter schools are funded under the School Finance Act of Colorado and are under the general supervision of the Board of Education, the charter schools meet the requirement to be presented as discrete component units.

## **Economic Condition and Outlook**

Adams 12 Five Star Schools serves residents in the five communities of Broomfield, Federal Heights, Northglenn, Thornton, and Westminster along with residents in unincorporated Adams County. Adams County ranks among the State's top five most populated counties. Adams and Broomfield counties enjoy a superior ground and air transportation network and have access to a skilled workforce, comprehensive educational resources, and many established business parks.

The following data in this "Economic Condition and Outlook" section obtained from the September 2019 revenue forecast for the State of Colorado, prepared by the Colorado Legislative Council Staff. The Colorado outlook for economic growth remains positive as low unemployment, rising wages, and moderate consumer spending sustain the economic expansion for 2019. Personal income in Colorado is expected to outpace the nation and grow 5.6 percent in 2019 and 5.2 percent in 2020. A tight labor market through the forecast period will drive wages and salaries higher, while the retirement of experienced workers and automation will dampen some of the growth. Colorado's unemployment rate remains near historic lows, posting an impressive 2.9 percent rate in July 2019. While labor force participation has grown, an increasing number of employers are reporting difficulties finding the skilled labor needed to grow their businesses, especially in the construction industry.

The Colorado economy continues to outperform the nation and is considered among the top states for economic growth in a number of industries. After growing by a solid 3.5 percent in 2018, the state's

economy continued to pick up pace through the first quarter of 2019, increasing by a robust 4.4 percent over the same quarter last year. The year-over-year improvement tied the state for the fifth-fastest growth in the nation. Looking into the future economic growth is expected to slow in 2020 and 2021 due to tighter labor markets, global uncertainty, and rising tariffs.

Colorado’s largest regional economy, the seven-county Metro Denver region consisting of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties, continues to expand in spite of growing labor shortages and a slowdown in construction activity. Employment growth in Metro Denver has slowed to a 1.8 percent pace, adding an additional 30,000 jobs down from 50,500 jobs in 2018. The unemployment rate in Metro Denver has held steady at 3.1 percent, which remains on target with 2018.

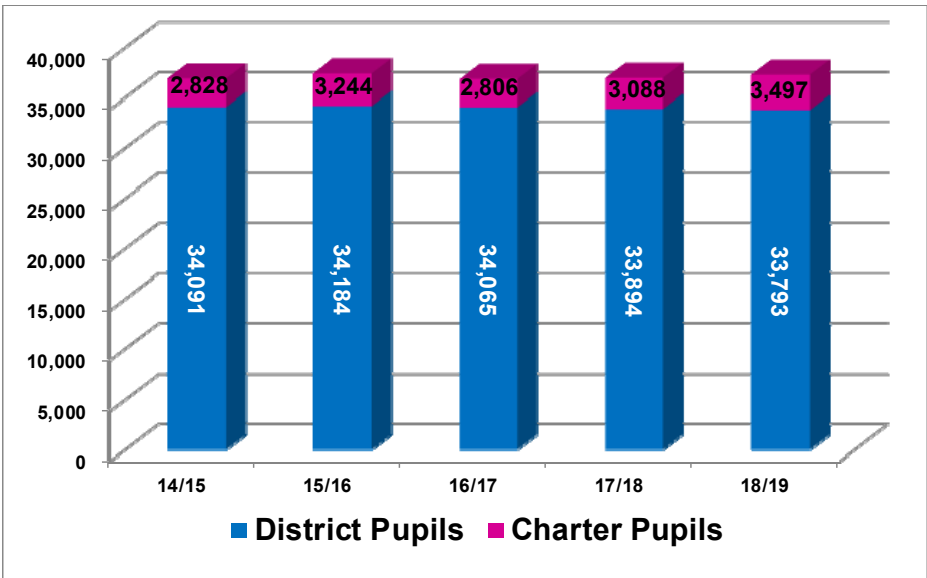
**Enrollment**

Adams 12 Five Star Schools’ enrollment (headcount) increased by 412 students compared to the prior school year to put the district at 39,282 students for the 2018-2019 school year. The breakdown of those students includes 15,546 in kindergarten - 5<sup>th</sup> grade; 8,060 in grades 6 - 8; 10,873 in grades 9 - 12; 3,616 in the district’s charter schools; and 1,187 preschool students.

While district schools have seen an average funded pupil count increase of 72 students since the fiscal year 2014-2015, it decreased in the fiscal year 2018-2019 by 101 students from the prior year and is projected to decrease by 500 students for the fiscal year 2019-2020. The decrease in student enrollment for district schools can be attributed to the decline in birth rates and higher housing costs.

Charter schools experienced a growth of 409 funded pupils in the fiscal year 2018-2019 over the prior school year as a result of chartering New America Charter School Thornton in addition to the final grade expansion to twelfth grade at Stargate Charter School.

The following graph illustrates the past history of the district’s funded pupil count.



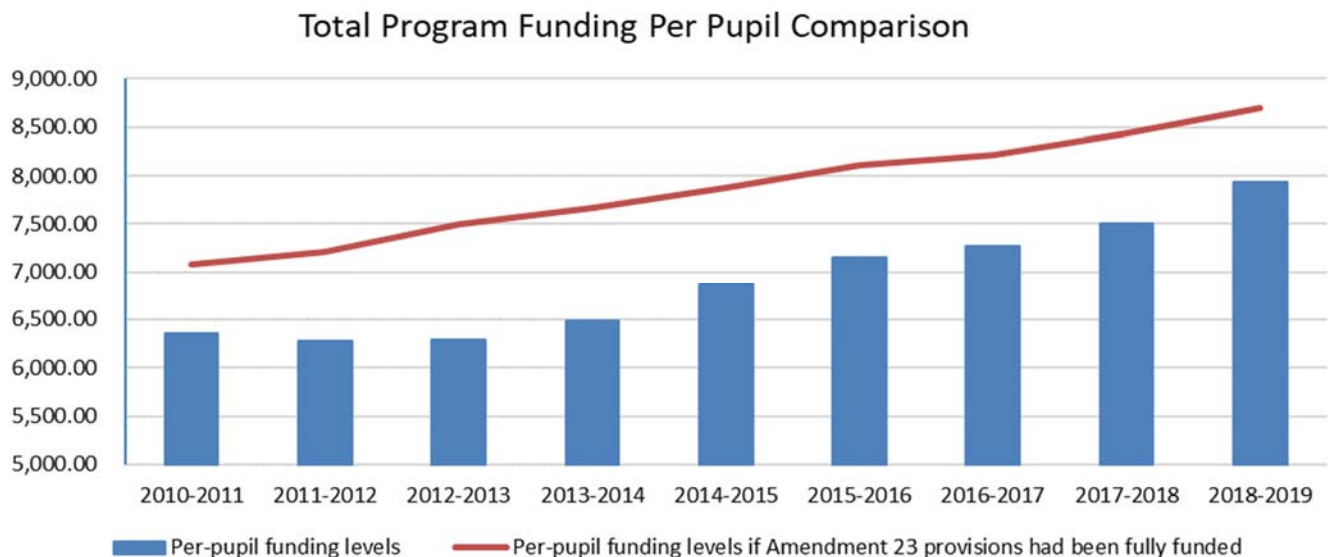
## School Finance Issues

The primary revenue sources for the district are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes including voter-approved mill levy budget overrides of \$62.4 million, specific ownership taxes from vehicle registration, and state equalization aid is approximately 94.1% of the district's General Fund revenues for the Fiscal Year 2018-2019.

Voters approved Amendment 23 to the Colorado Constitution in November 2000, which provided for funding increases per student of at least the Denver-Boulder-Greeley Consumer Price Index rate plus 1% through the 2010-2011 Fiscal Year. Amendment 23 was not fully implemented due to the economic downturn and Colorado's budget crisis. Beginning with the 2010-2011 school year, the legislature applied the "budget stabilization factor", as part of the School Finance Act which reduced K-12 statewide funding and eliminated the growth anticipated from Amendment 23. The net result of the budget stabilization factor was an approximate \$672 million reduction of K-12 funding for the 2018-2019 school year across all 178 school districts in Colorado.

The per-pupil funding for the 2018-2019 school year was increased by the Consumer Price Index of 3.4%. However, due to the lack of available resources at the State level and the budget stabilization factor, the State continues to fund the district at a level significantly lower than what was anticipated under the Amendment 23 formula.

The following graph depicts the amount of per-pupil funding that the district has received over the past decade. Per-pupil funding has increased 12.7% in aggregate since fiscal 2009-2010 prior to the budget stabilization factor being implemented, while costs continue to increase at a greater rate for instructional programming, utilities, healthcare, and the State's retirement plan.



The continued impact of the State's budget stabilization factor resulted in reduced funding to the district of approximately \$31.7 million in the Fiscal Year 2018-2019. As a result of the reduction in funding at the

State level, the district planned for the use of General Fund reserves to mitigate this funding shortfall. The reserve was available as the result of positive budget variances and cost containment in prior fiscal years.

Funding for K-12 education remains uncertain in the 2019-2020 Fiscal Year and beyond, in part because of the financial restrictions of two State constitutional amendments: TABOR and the Gallagher Amendment. The TABOR amendment limits the growth in both revenues and expenditures for the State, local governments and school districts. The annual percentage increase in state revenues and expenditures is limited by TABOR to the total of the inflation rate and the increase in the state population. If revenue exceeds this restricted level, the excess must be refunded to taxpayers.

The revisions to assessed property values required by the 1982 Gallagher Amendment have continued to limit increases in the residential assessed values on which district taxes are levied, even though actual property values for most residential properties have increased substantially. This Amendment requires that the residential property share of the total assessed value of real property in the State be stabilized at approximately 45% of the total. However, by fixing the residential percentage share of property tax collections, an increasing portion of public school taxes levied continues to be shifted to the commercial and nonresidential property owners and to the State.

In an effort to equalize per-pupil funding across the state, the 1988 School Finance Act shifted the responsibility of setting a district's property tax mill levy rate (per \$1,000 assessed valuation) from the local school boards to the State's General Assembly. The system required each district to first rely on its "local share" funding produced by a district's local tax rate, with the State share back-filling, or "equalizing" funding for districts that did not raise enough money locally.

In 1992, TABOR limited school districts from retaining any revenues that exceed inflation plus student enrollment growth. In response to TABOR, the School Finance Act of 1994 established a new formula requiring districts to impose a mill levy at the same level as the preceding year, unless that particular number of mills generated revenues that exceeded TABOR's growth limits. In school districts with rising property values and growth that outpaced TABOR's restrictions, districts were required to lower their mill levy rates, reducing districts' local shares and increasing the amount of State equalization funding.

Because of the foregoing dynamics, the state's contribution to K-12 funding increased from 43% in 1989 to 64% in 2007. The legislature adopted a law in 2007, Senate Bill 07-199, which "froze" basic mill levies for the majority of Colorado school districts at the same level as in place for the 2006-2007 school year. School districts with basic mill levies in excess of 27 mills at that time, including Adams 12 Five Star Schools, had their levies reduced to 27 mills and frozen at that level. The legislature's objective in making this change was to stabilize local school mill levies and reduce the state's contribution to K-12 funding.

### **Statewide Initiative**

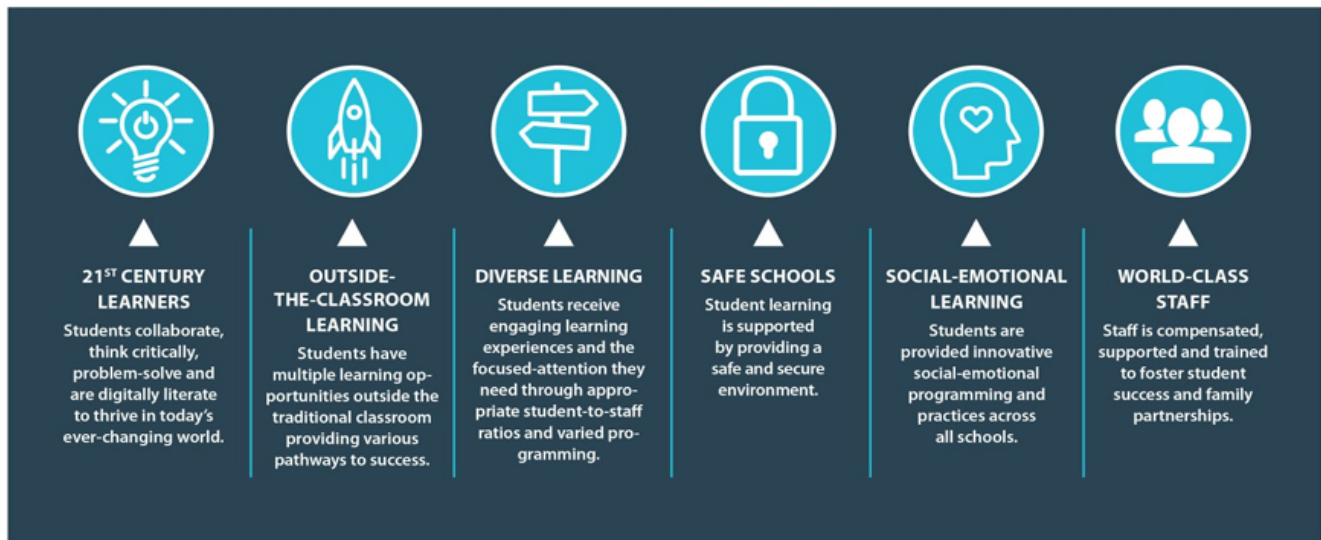
Beginning with school year 2019-2020, the district will implement free full-day kindergarten at all schools throughout the district due to passage of House Bill (HB) 19-1262 *State Funding for Full-day Kindergarten*. The passage of HB 19-1262 provides 1.0 funding for all full-time equivalent (FTE) students enrolled in a full-day kindergarten program, which is an increase in funding by .42 FTE over prior years.

In addition to an increase in pupil funding, HB 19-1055 *Public School Cap Construction Financial Assistance* will provide an additional formula-based grant to districts that implement the full-day kindergarten program. The funding from this grant is restricted to acquiring furniture, fixtures, and equipment necessary to implement and conduct full-day kindergarten in all school locations. Prior to HB 19-1262 going into effect, the district offered extended-day kindergarten to families at a fee.

## Areas of Focus

Adams 12 Five Star Schools is a caring, inclusive, and engaging district which exists so the students it serves can attain the knowledge and skills necessary to pursue the future of their choosing and are equipped to navigate and thrive in our rapidly changing world.

The district's strategic plan, ELEVATE, is a community driven plan developed by more than 7,000 parents, community members, students, and staff to elevate student success in the Five Star District. The plan outlines the district's goals, strengths, and six focus areas, which include defined strategies and tactics, to further build on district success:



The six focus areas drive the plan to achieve the following three overarching goals:

- **Student Achievement**
  - o Raise achievement levels for all students and close existing achievement gaps for groups of students
  - o Increase graduation rate while increasing rigor
  - o Outperform peer districts
- **Climate and Culture**
  - o Students, parents, and staff take pride in and feel connected to the district's positive culture
- **Social-Emotional Well-being**
  - o Know students by name, strength, and need

In 2018, the Five Star Community passed a mill levy override to jumpstart the work of the strategic plan, ELEVATE.

The Board of Education formally approved the plan in August 2018. The district budget is designed so that the district achieves, or makes substantial progress toward the achievement of the strategic plan as approved by the Board of Education. The budget plan for the Fiscal Year 2019-2020 supports our educational commitments of student learning, professional practice, and collective responsibility.

## INITIAL PRIORITIZED INVESTMENTS

| Investment Item                                                                                                                                                                                                                          | Est. Cost*          | ELEVATE Focus Area                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reduce class sizes and increase high school course options</b><br>Elementary: Add 16.5 teachers districtwide to address class sizes above targeted levels<br>Middle: Add 2 teachers per building<br>High: Add 3 teachers per building | \$ 4,509,000        |                                                                                             |
| Update learning materials, resources and textbooks                                                                                                                                                                                       | \$ 1,500,000        |          |
| Expand Career and Technical Education (CTE) programming                                                                                                                                                                                  | \$ 2,200,000        |          |
| Add academic interventionists at elementary and K-8 schools                                                                                                                                                                              | \$ 1,445,000        |                                                                                                                                                                                |
| Increase early career educator salary and compensation across all experience levels to remain competitive in the market                                                                                                                  | \$ 3,199,000        |                                                                                                                                                                                |
| Increase experience credit to 10 years to better recruit veteran teachers                                                                                                                                                                | \$ 500,000          |                                                                                                                                                                               |
| Develop and implement a new program for teacher leadership                                                                                                                                                                               | \$ 1,500,000        |    |
| Implement 1% Cost-of-Living Adjustment (COLA) for all staff                                                                                                                                                                              | \$ 2,700,000        |                                                                                                                                                                              |
| Implement salary adjustments for identified administrative and classified (support staff) roles to remain competitive in the market                                                                                                      | \$ 150,000          |                                                                                                                                                                              |
| Add counselors and social workers to schools at all levels                                                                                                                                                                               | \$ 3,477,000        |                                                                                         |
| Develop and implement social-emotional learning curriculum                                                                                                                                                                               | \$ 400,000          |                                                                                         |
| Expand preschool to new locations                                                                                                                                                                                                        | \$ 700,000          |    |
| Add a member to the district crisis response team                                                                                                                                                                                        | \$ 100,000          |                                                                                         |
| Install facility access cards at high schools                                                                                                                                                                                            | \$ 300,000          |                                                                                                                                                                              |
| Add additional campus supervisors at high school (2 per comprehensive high school)                                                                                                                                                       | \$ 400,000          |                                                                                                                                                                              |
| Reduce district-level student fees                                                                                                                                                                                                       | \$ 1,100,000        |                                                                                         |
| Update technology devices and systems                                                                                                                                                                                                    | \$ 150,000          |                                                                                         |
| Allocate resources to district charter schools based on enrollment                                                                                                                                                                       | \$ 2,700,000        |                                                                                         |
| <b>TOTAL:</b>                                                                                                                                                                                                                            | <b>\$27,000,000</b> |                                                                                                                                                                                                                                                                   |



21<sup>ST</sup> CENTURY LEARNERS



DIVERSE LEARNING



OUTSIDE-THE-CLASSROOM LEARNING



SAFE SCHOOLS



SOCIAL-EMOTIONAL LEARNING



WORLD-CLASS STAFF

\*Estimated costs are projections and subject to change. All dollars estimated are for the first year and as we monitor progress, we will make adjustments as determined necessary to meet our ELEVATE goals through a collaborative process.

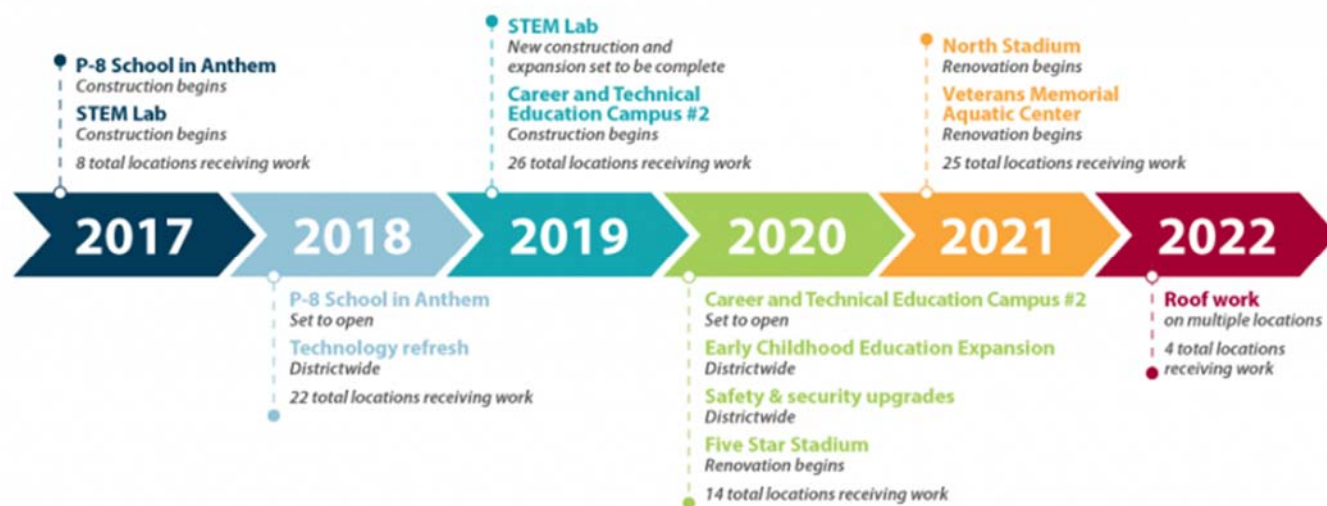
**District accredited with performance rating for the fourth consecutive year achieved greatest growth over time amount districts with similar demographics.**

Adams 12 Five Star Schools is accountable for many standards and practices, including achievement and growth at both the aggregate and disaggregated (student subgroup) levels. These learning indicators are measured by mandated state assessments. For the fourth consecutive year, Adams 12 Five Star Schools has been accredited as a Performance District, the second highest rating for school districts in the state of Colorado, for the 2018-2019 school year.

The Five Star District earned 61.9 percent of framework points, an increase of nearly five percentage points since 2016 when the district received its first Performance rating. Based on the recent state release of preliminary ratings for school districts, the Five Star District has demonstrated the greatest sustained academic growth over the past five years as compared to districts with similar demographics. In 2014, the Five Star District was rated an Improvement district and ranked eighth out of nine districts with similar demographics; in 2019 the Five Star District now ranks second among those same districts.

**2016 Bond Program**

In November 2016, the Five Star community made a significant investment in students and schools when it passed a \$350 million bond issue to improve every school in the district. This five-year plan has now surpassed the halfway mark and continues to invest in aging school buildings, relieve overcrowding, address programming needs and ensure all students in the Five Star District learn in a safe, warm, and dry environment



Among the work all over the district that has been done, major highlights to recognize include:

- Completion of two-year renovation and reconstruction of STEM Lab
- Start of construction of FutureForward at Washington Square career and technical education campus

- More than ~\$90 million in renovations and improvements completed at more than 30 schools and facilities in Summer 2019
- More than 1,000 new technology classrooms featuring the latest in interactive projectors and whiteboards have been installed in schools across the district.
- About 11,000 new student and teacher Chromebook devices allocated from bond funds dedicated to technology upgrades.
- About 50 miles of underground conduit installed for the district's new fiber network scheduled to be completed in 2020.

## Financial Information

Adams 12 Five Star Schools management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from theft, loss, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) and statutory requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Single Audit:** As a recipient of federal financial assistance, the district is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

**Budgetary Controls:** The district maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in the district's financial plan. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level.

The district's financial plan, adopted in June of the year prior to the budget year, may be amended by the Board of Education or management. The Board of Education may revise the budget due to unforeseen circumstances which did not exist at the time of the original budget adoption, such as emergencies or unanticipated revenues.

**Accounting Policies:** Detailed descriptions of the district's accounting policies are contained in the Notes to Basic Financial Statements on pages 51-90 and are an integral part of this report. These policies describe the basis of accounting, funds, and accounts used, valuation policies for inventories and adjustments and other significant accounting information.

During the year ended June 30, 2019, the district implemented and adopted GASB Statement No. 85, *Omnibus 2017*.

No additional accounting policies were adopted and the application of existing policies was not changed during 2019.

## **Other Information**

Under the provisions of the Colorado statutes, an annual audit of the district's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of CliftonLarsonAllen LLP was selected to perform the audit for Fiscal Year ended June 30, 2019. In addition to meeting the requirements of Colorado statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Independent Auditors' Report on the basic financial statements and schedules and supplementary information included in the financial section is on pages 17-19 of the Financial Section. The Independent Auditors' Report related specifically to the single audit is included in the Single Audit Reports Section.

## **Awards**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its CAFR for the Fiscal Year ended June 30, 2018. In order to be awarded a Certificate of Achievement, the district published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement program requirements and will submit it to GFOA to determine eligibility for another certificate.

ASBO awarded its Meritorious Budget Award to the district for the Fiscal Year 2018-2019 budget document. The district submitted and has been notified that the Fiscal Year 2019-2020 budget document continues to meet Meritorious Budget Award standards.

## **Acknowledgment**

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated service of the entire staff of the Financial Services Division. We would also like to express our sincere appreciation to all members of the accounting team for their contributions to this report. We also thank the district's independent auditors, CliftonLarsonAllen LLP, for the professional manner in which they accomplished the audit and for their work to review the Comprehensive Annual Financial Report. Finally, we would also like to thank the members of the Adams 12 Five Star School District Board of Education for their support and investment in planning and conducting the financial operations of the district in a responsible and progressive manner.

Respectfully submitted,



Christopher E. Gdowski  
Superintendent of Schools



Suzanne DeYoung  
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Adams 12 Five Star Schools  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

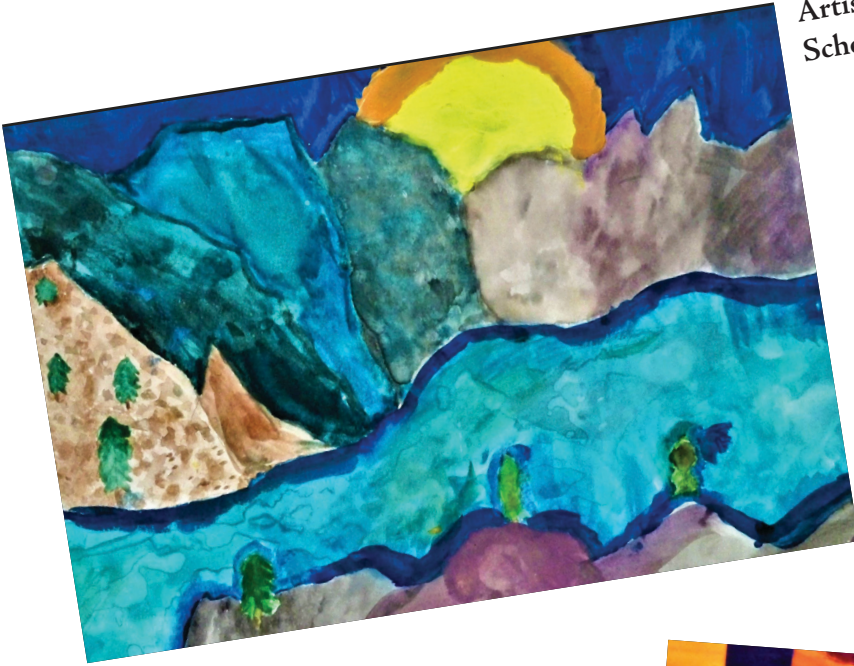
*Christopher P. Morill*

Executive Director/CEO



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Artist: Marissa Montoya  
School: Westview Elementary School



Artist: Hailey Hanneman  
School: Stellar Elementary School



Artist: Walter Vanderstock  
School: Mountain View Elementary School





## INDEPENDENT AUDITORS' REPORT

Board of Education  
Adams 12 Five Star Schools  
Adams County, Colorado

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2019, 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 did not audit the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton, is based solely on the reports of the other auditors. 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. The financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton were not audited in accordance with *Government Auditing Standards*.

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.

### ***Opinion***

In our opinion, based on our audit and the reports of other auditors, 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 units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Governmental Designated-Purpose Grants - Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21-35 and pension and other postemployment benefits information on pages 91-97 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 District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the combining component unit statements, and the Auditors' Integrity 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 and schedules, the combining component unit statements, the Auditors' Integrity 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, based on our audit and the reports of other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents 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 20, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
November 20, 2019



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# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Adams 12 Five Star Schools  
Management's Discussion and Analysis  
As of and For the Fiscal Year Ended June 30, 2018**

As management of the Adams County School District No. 12, Adams County, Colorado ("district"), we offer readers of the district's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 5-14.

**Financial Highlights**

- As of June 30, 2019, the liabilities and deferred inflows of resources of the district exceed its assets and deferred outflows of resources by \$753.7 million (net position). The net position deficit is due primarily to a June 30, 2019 net pension and Other Postemployment Benefits (OPEB) liability of \$720.5 million and \$36.0 million respectively, related deferred inflows of resources of \$575.8 million, offset by related deferred outflows of resources of \$224.2 million, as required by GASB No. 68 and 75, which established reporting requirements for governments that provide their employees with pension and OPEB benefits. The district reports its proportionate share of participation in PERA, the state's cost-sharing multi-employer defined benefit pension plan and healthcare trust fund.
- Total net position increased by \$150.6 million during fiscal year 2019, due primarily to reductions to pension and OPEB related expenses, as required by GASB No. 68 and 75. The reduction in pension expense can be partially attributed to the passage of Senate Bill 18-200 which requires the State of Colorado to make an annual direct distribution payment to the School Division Trust Fund on behalf of all school districts in Colorado. Additionally, the discount rate used to calculate the collective total pension liability was increased to 7.25 percent.
- At the end of the current fiscal year, the district's governmental funds reported a combined fund balance of \$380.4 million, an increase of \$22.4 million over the prior year. This increase is primarily attributed to the 5C Mill Levy Override which was approved in November 2018 by voters. Spending of the Mill Levy Override will align to the district's strategic plan, ELEVATE with a majority of the priorities beginning July 1, 2019.
- During the current year, the district's General Fund reported an increase in fund balance of \$20.1 million resulting in an ending fund balance of \$67.9 million. The increase can be attributed to funding from the 5C Mill Levy that can only be spent for aligning to the district's strategic plan, ELEVATE.
- The district's capital assets increased \$77.5 million during fiscal year 2019 to \$596.8 million. This increase is due to a net \$100.3 million of additions and deletions as a result of progress made on projects outlined in the 2016 Bond Program, offset by \$21.7 million of depreciation expense and a net \$1.1 million for deletions of buildings, vehicles and equipment.

- The district's long-term general obligation debt increased by net \$41.7 million to \$527.3 as a result of the district issuing the remaining \$65.0 million of the 2016 voter-approved bond offset by \$23.3 million in principal payments on outstanding long-term general obligation debt.

## **Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the district's basic financial statements. This document also provides a comparison to the prior year's activity. The basic financial statements, presented on pages 38-90, are comprised of three components: 1.) government-wide financial statements, 2.) fund financial statements and 3.) notes to the basic financial statements. This comprehensive annual financial report also contains other supplementary information in addition to the basic financial statements themselves.

## **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader of the district's Comprehensive Annual Financial Report with a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents information about all of the district's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the net position of the district changed during the current fiscal year. Changes in net position are recorded on the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flow may be recorded in a future period.

The government-wide financial statements consolidate governmental activities that are supported by taxes and intergovernmental revenues and include the General Fund, Bond Redemption-Debt Service Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund, Governmental Designated-Purpose Grants Special Revenue, and other governmental special revenue funds.

Also presented on the government-wide financial statements are component units, representing the district's four charter schools. While the charter schools have independent governing boards, they are financially dependent on the district for most of their funding. Accounting principles prescribe a discrete presentation of the component units, meaning separate presentation from their primary government. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices; please see page 52.

The government-wide financial statements can be found on pages 38-39.

## **Fund Financial Statements**

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over

resources that have been segregated for special objectives. Fund financial statements for the district include two fund types: governmental and fiduciary.

Governmental funds account for similar information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The district maintains eleven different 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, which includes sub-fund Risk Management (*Insurance Reserve*), Bond Redemption-Debt Service Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund and Governmental Designated-Purpose Grant Special Revenue Fund, which are considered to be major funds. Data from the remaining six governmental funds are combined into a single aggregated presentation. Individual fund presentations for each of these non-major governmental funds is presented as other supplementary information in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The district adopts an annual appropriated budget for each of the governmental funds. Budgetary comparison schedules for the General Fund and the Governmental Designated-Purpose Grant Special Revenue Fund are included in the fund financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds' budgetary comparisons are reported as other supplementary information.

The basic governmental fund financial statements can be found on pages 40-48 of this report.

The district is the fiduciary agent for assets that belong to parent groups. The district is responsible for ensuring that the assets reported in this fund are used only for intended purposes and used by those to whom the assets belong. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the district's direct educational programs.

The basic fiduciary fund financial statement is presented on page 49 of this report.

## **Notes to the Basic 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 basic financial statements. The notes can be found on pages 49-87 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the district's obligation to provide pension and OPEB benefits to its employees which can be found on pages 105-111.

The combining statements referred to earlier in connection with non-major governmental and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 102-115 of this report.

The combining statements of component units are presented immediately following the district's supplementary information of combining and individual fund statements and schedules. Component unit combining statements can be found on pages 118-119 of this report.

The State Required Report immediately follows the component unit combining statements. The Auditors Integrity report can be found on page 121 of this report.

## **Government-Wide Financial Analysis**

The assets of the district are classified as either current assets or capital assets. Cash, receivables, inventories and prepaid costs are current assets. These assets are available to provide resources for the near-term operations of the district. The majority of the current assets are the result of unspent bond proceeds and the property tax collection process; the district receives a majority of the annual property tax assessment from March through June each year.

Capital assets are used in the operation of the district. These assets include land, buildings, equipment, and vehicles. Capital assets are discussed in detail in the section titled, *Capital Assets and Debt Administration*, on pages 33-34 of this report.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenue and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2019-2020. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2019-2020.

A useful indicator of the district's financial position is the net position; and as previously noted, liabilities and deferred inflows of resources exceed assets and deferred outflows of resources resulting in a total net position of (\$753,661,478). Of the net position, \$10.0 million has been restricted to comply with the TABOR Amendment.

Current and other assets increased \$39.0 million due to increased property tax collections as a result of the 5C Mill Levy Override by \$23.4 million for ELEVATE priorities not yet implemented as of June 30, 2019. In addition to \$7.2 million from property tax collections restricted for future debt service payments in the Bond Redemption-Debt Service Fund and \$7.9 million reserve planning in the Capital Reserve-Capital Projects Fund.

Capital assets net of depreciation increased \$77.5 million due to \$100.3 million construction in progress, building, and equipment additions as a result of progress made on projects outlined in the 2016 Bond Program, offset by \$21.7 million of depreciation expense. An additional offset of \$1.1 million for deletions to account for the removal of a portion of STEM Lab that was replaced by renovations and for the removal of vehicle and equipment considered obsolete.

Liabilities of \$27.6 million represent amounts due to staff for estimated accumulated leave payments and amounts due to retired staff for other post-termination benefits in accordance with negotiated agreements. *Under governmental fund accounting, long term compensated absences, which also include post-termination benefits for staff that meet contractual agreements and accept the terms upon retirement, are not recorded in governmental funds as a liability because they are not payable with current funds.*

Other liabilities increased \$15.6 million due primarily to an increase in accounts payable for construction work completed in June of the current year.

Noncurrent liabilities increased \$41.8 million primarily as a result of the district issuing the remaining \$65.0 million of the 2016 voter-approved bond offset by \$23.3 million in principal payments on outstanding general obligation bonds.

Net pension liability decreased \$798.0 million, deferred inflows related to pensions increased \$487.0 million and deferred outflows of resources related to pensions decreased \$217.1 million due to the application of GASB No. 68, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer defined benefit pension plan.

Net OPEB liability increased \$1.3 million, deferred inflows related to OPEB decreased \$0.5 million and outflows of resources related to OPEB increased \$0.5 million due to the implementation and application of GASB No. 75, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer healthcare trust fund.

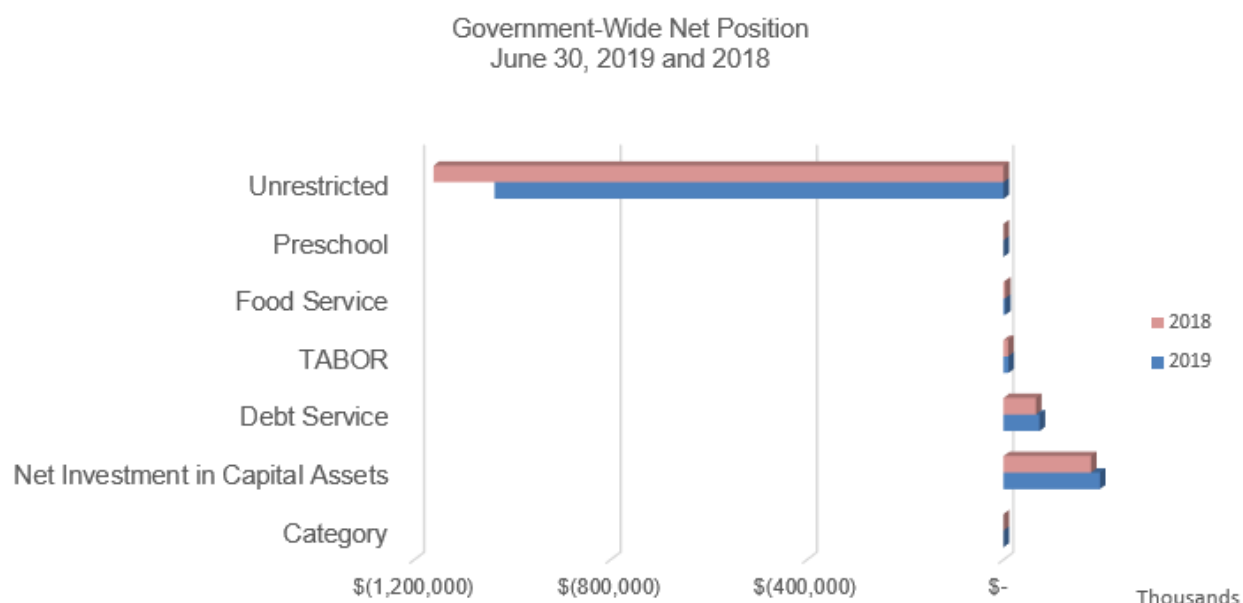
**Adams 12 Five Star Schools**  
**Comparative Summary of Net Position**  
**June 30, 2019 and 2018**

|                                        | <b>Governmental<br/>Activities</b> |                         |
|----------------------------------------|------------------------------------|-------------------------|
|                                        | <u>2019</u>                        | <u>2018</u>             |
| <b>Assets:</b>                         |                                    |                         |
| Current and Other Assets               | \$ 470,038,149                     | \$ 430,998,155          |
| Capital Assets Net of Depreciation     | 596,759,578                        | 519,220,188             |
| Total Assets                           | <u>1,066,797,727</u>               | <u>950,218,343</u>      |
| <b>Deferred Outflows of Resources:</b> |                                    |                         |
| Deferred Charges on Refunding          | 12,477,990                         | 14,593,894              |
| Deferred Outflows Related to Pensions  | 222,369,034                        | 439,514,057             |
| Deferred Outflows Related to OPEB      | 1,800,293                          | 1,290,490               |
| Total Deferred Outflows of Resources   | <u>236,647,317</u>                 | <u>455,398,441</u>      |
| <b>Liabilities:</b>                    |                                    |                         |
| Other Liabilities                      | 87,502,460                         | 71,896,487              |
| Noncurrent Liabilities                 | 637,316,301                        | 595,526,005             |
| Net Pension Liability                  | 720,506,652                        | 1,518,471,530           |
| Net OPEB liability                     | 35,984,761                         | 34,675,488              |
| Total Liabilities                      | <u>1,481,310,174</u>               | <u>2,220,569,510</u>    |
| <b>Deferred Inflows of Resources:</b>  |                                    |                         |
| Deferred Revenues Related to Pensions  | 574,579,980                        | 87,646,844              |
| Deferred Revenues Related to OPEB      | 1,216,368                          | 1,711,506               |
| Total Deferred Inflows of Resources    | <u>575,796,348</u>                 | <u>89,358,350</u>       |
| <b>Net Position:</b>                   |                                    |                         |
| Net Investment in Capital Assets       | 196,339,493                        | 178,067,913             |
| Restricted                             |                                    |                         |
| Debt Service                           | 73,360,943                         | 66,007,989              |
| TABOR                                  | 9,965,704                          | 9,277,336               |
| Food Service                           | 3,373,141                          | 3,279,535               |
| Preschool                              | -                                  | 42,367                  |
| Unrestricted                           | <u>(1,036,700,759)</u>             | <u>(1,160,986,216)</u>  |
| Total Net Position                     | <u>\$ (753,661,478)</u>            | <u>\$ (904,311,076)</u> |

As of June 30, 2019, the net position of the district's governmental activities reports (\$753.7) million which includes \$196.3 million net investment in capital assets (land, buildings, equipment, and vehicles), less outstanding debt used to acquire these assets. This balance increased \$18.3 million primarily due to the progress and completion of projects as part of the voter-approved 2016 Bond.

Net position of \$86.7 million is restricted for debt service payments, TABOR and food service operations. This balance increased \$8.1 million primarily due to an increase in property tax collections restricted for future debt service payments.

Unrestricted net position of \$(1.04) billion increased over the prior year by \$124.3 million primarily due to the application of GASB 68 and 75 reporting for PERA's pension and healthcare trust fund.



The overall deficit in net pension is related to the proportionate share of participating in the Public Employee's Retirement Association (PERA), the State's cost-sharing multi-employer defined benefit pension plan. On June 4, 2018, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200 which implemented a statutory requirement that the State of Colorado make annual direct distributions into PERA on-behalf of State, School, Judicial and DPS Division Trust Funds based on the covered payroll of each Division. The School Division Trust Fund received \$126,504,713 for the calendar year 2018. All School District in the Division received a proportionate allocation of the distribution; please refer to Note J, starting on page 73 for additional information.

Therefore, the decrease in pension liabilities can be attributed to the district's proportionate allocation from SB 18-200 and to a provision of the Governmental Accounting Standards Board (GASB) for pensions, which allowed for an increase in the allowable investment rate of return to be used. In 2017, due to provision of governmental accounting, which require future benefit, obligations to be measured at a lower discount rate when certain conditions exist the application of the required GASB test resulted in a blended discount rate of 4.78 percent (7.25 investment rate of return blended with the 3.43 percent municipal bond rate). The use of the blended rate increased the collective net pension liability across all State and School Division Trust Funds. For 2018, the application of the GASB test did not trigger the need to blend the two rates. As a result, in accordance with governmental accounting standards, the assumed investment rate of return of 7.25 percent was applied to the collective total pension liability.

### **Government-Wide Activities**

Governmental activities total net position of the district increased by \$150.6 million from the prior year related to the following:

#### **Revenue:**

Charges for services increased \$3.3 million resulting from \$2.2 million from local developer arrangements that provide cash in lieu of land dedication to the school district and \$1.1 million from revenues related to school meal sales, before and after school enrichment program fees, and athletic fees.

Operating grants and contributions increased \$0.9 million mainly in part to the proportionate share of the on-behalf State allocation to PERA as part of SB 18-200 the district is required to report and recognize.

Local property taxes increased \$29.1 million primarily due to the authorization of a new mill levy for \$27.0 million and a 2% combined increase in net total taxable assessed valuation in Adams and Broomfield Counties.

Specific ownership taxes related to automobile registrations increased \$0.8 million.

State Equalization funding increased by \$16.6 million. The per-pupil amount the district received per funded full-time equivalent student increased 5.9 percent over the prior year, however, the budget stabilization factor continues to reduce overall funding by 8.7 percent in fiscal year 2018-2019.

Earnings on investment increased \$7.5 million.

### **Expenses:**

Direct and Indirect Instruction expenses decreased \$211.8 million primarily due to the net change in pension and OPEB expenses related to GASB No. 68 and 75 of \$(239.6) million over the prior year. This decrease was offset by an increase of \$1.3 million in depreciable assets and salary and benefit increases that consisted of a 2.0% cost of living adjustment (COLA), an average 2.4% movement on salary schedules, a 5.7% rate increase for insurance and an additional 1% COLA as approved from the 5C Mill Levy Override.

Other support programs decreased \$116.7 million primarily due to the net change in pension and OPEB expenses related to GASB No. 68 and 75 of \$(120.1) million over the prior year. This decrease is offset by net changes in capital outlay and depreciation of \$3.4 million.

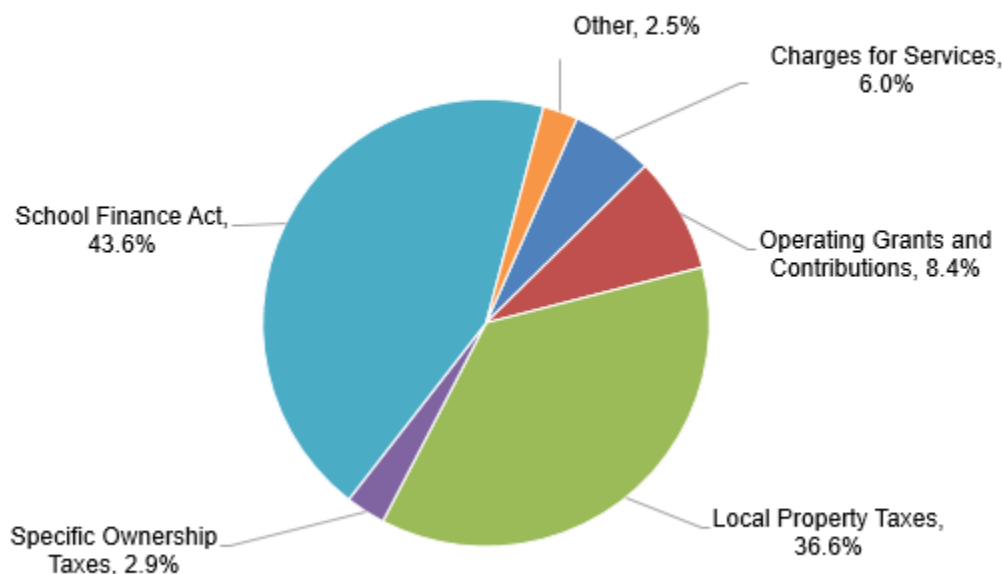
Charter school funding increased \$6.8 million from the prior year due to the addition of New America Charter School and Stargate Charter Schools expansion to 12<sup>th</sup> grade. Charter school funded pupils increased by 409 students and per-pupil funding increased \$440 per pupil.

**Adams 12 Five Star Schools**  
**Comparative Schedule of Change in Net Position**  
**June 30, 2019 and 2018**

|                                     | <b>Governmental<br/>Activities</b> |                         |
|-------------------------------------|------------------------------------|-------------------------|
|                                     | <u>2019</u>                        | <u>2018</u>             |
| <b>Revenues</b>                     |                                    |                         |
| Program Revenues:                   |                                    |                         |
| Charges for Services                | \$ 30,332,662                      | \$ 27,000,033           |
| Operating Grants and Contributions  | 42,539,723                         | 41,591,258              |
| General Revenues:                   |                                    |                         |
| Taxes:                              |                                    |                         |
| Local Property Taxes                | 186,202,843                        | 157,040,586             |
| Specific Ownership Taxes            | 14,658,993                         | 13,862,710              |
| State Equalization                  | 221,675,173                        | 205,047,241             |
| Earnings on Investments             | 11,201,683                         | 3,729,733               |
| All Other Revenues                  | 2,071,028                          | 428,313                 |
| Total Revenues                      | <u>508,682,105</u>                 | <u>448,699,874</u>      |
| <b>Expenses</b>                     |                                    |                         |
| Governmental Activities:            |                                    |                         |
| Direct Instruction                  | 173,813,445                        | 382,902,884             |
| Indirect Instruction                | 69,539,489                         | 72,239,890              |
| Other Support Programs              | 65,012,278                         | 181,577,452             |
| Charter School Funding              | 29,981,478                         | 23,164,902              |
| Interest Expense, Unallocated       | 19,685,817                         | 18,544,253              |
| Total Expenses                      | <u>358,032,507</u>                 | <u>678,429,381</u>      |
| Change in Net Position              | 150,649,598                        | (229,729,507)           |
| Net Position, as stated for FY 2018 | -                                  | (639,744,158)           |
| Restatements for FY 2018            | -                                  | (34,837,411)            |
| Net Position, July 1                | <u>(904,311,076)</u>               | <u>(674,581,569)</u>    |
| Net Position, June 30               | <u>\$ (753,661,478)</u>            | <u>\$ (904,311,076)</u> |

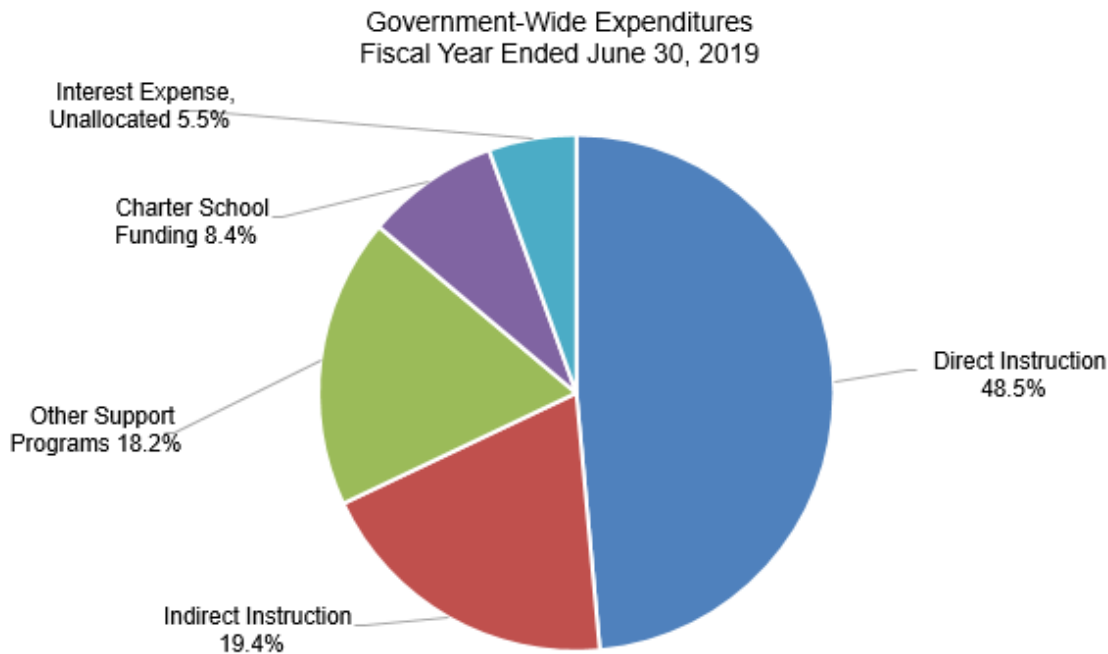
The Colorado Public School Finance Act (SFA) provides for the majority of the funding of local school districts based on a funded pupil count formula and a maximum property tax mill levy determined for each school district. Funding for the SFA comes from property taxes, specific ownership tax, and state equalization. For the district, state equalization provided 43.7% of the governmental revenue, which was a decrease of 2.2% from the prior year. Local property taxes provided 36.6% and specific ownership tax provided for 2.9% of the governmental revenue, an increase of 1.4% over the prior year. The district certified mill levies for fiscal year 2018-2019 were 73.510 and were comprised of 27.000 mills for school finance, 0.180 for abatement, 24.665 for override mills for an annual collection of \$62.4 million and 21.665 for debt service, which is restricted for future debt service payments. The remaining governmental revenue comes from charges for services of 6.0%, which includes revenue from sources related to before, after, and summer enrichment programs, food service programs, extended day kindergarten, athletic activities, school activities, and building usage rentals. Operating grants and contributions, which is funding through federal, state and local grants provided 8.4% of government revenue while other revenue, which is local revenue that cannot be categorized as above, provided 2.5%.

**Government-Wide Revenues  
Fiscal Year ended June 30, 2019**



Direct governmental instructional expenses make up 48.5% of the total government expenditures. This category relates to direct instruction of students and costs associated with paying teaching staff and the purchase of supplies and materials. Indirect governmental instruction expenditures are 19.4% of the total government expenditures and these costs are associated with supporting staff and students, which includes school administration staff, instructional training and curriculum development. Other support governmental programs which is 18.2% of expenses include costs associated with district-wide staff which include staff in food services, before, after, and summer enrichment programs, transportation services, information technology, custodial, operations, and general administration. This category also includes the expenditures associated with building, maintaining and repairing school buildings, district buildings, equipment, and vehicles. Debt service expenses account for 5.5% of total governmental expenses.

The district authorizes three Charter schools and is required to transfer funding based on funded pupil count for their operational needs. For fiscal year 2018-2019, the Charter count totaled 3,497 pupils and accounts for 8.4% of the government expenditures.



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

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 a government's net resources available for spending at the end of the fiscal year. The General Fund is the chief operating fund of the district.

As of the end of the current fiscal year, the district's governmental funds reported a combined ending fund balance of \$380.4 million, an increase of \$22.4 million in comparison with the prior year. Approximately 51.7% of the fund balance is restricted for Building-Capital Projects as approved by the 2016 Bond and an additional 25.8% is restricted for TABOR, multi-year commitments, future debt service payments, and food service. Committed fund balance accounts for 13.0% of the fund balance and assigned accounts for 7.2% of the fund balance. The remaining 1.6% (\$6.1 million) of the fund balance is considered unassigned fund balance, which is available for the district's discretionary spending.

The General Fund is the primary operating fund of the district with the majority of funding received from the School Finance Act in the form of per pupil revenue and property taxes. The ending fund balance of the General Fund increased by \$20.1 million in fiscal year 2018-2019. The increase can be attributed to the authorization of a new mill levy which resulted in an additional \$27.0 million, and will be spent in accordance with the district's strategic plan, ELEVATE.

The Bond Redemption-Debt Service Fund has adequate resources accumulated to make the December 2019 principal and interest payments. The mill levy to accumulate resources for the June 2020 interest payment will be certified in December 2019. In compliance with Senate Bill 237, the district has contracted with a third party custodian to administer bond principal and

interest payments. The ending fund balance of the Bond Redemption-Debt Service Fund increased by \$7.2 million in fiscal year 2018-2019.

The Building-Capital Projects Fund accounts for the major capital outlay for facilities and improvements funded by the proceeds of the general obligation bonds issued in December 2016 and in December 2018. The June 30, 2019 ending fund balance of \$196.8 million is restricted for capital projects. The fund balance decreased \$16.2 million from the prior year.

The Capital Reserve-Capital Projects Fund is funded by an annual allocation from the General Fund as well as building rental revenue. The funding is used to purchase equipment, maintain and renovate buildings and for debt service payments on certificates of participation. The fund balance increased \$7.9 million due to reserve planning in accordance with district policy.

The Governmental Designated-Purpose Grant Special Revenue Fund operates mainly on a reimbursement basis. Expenditures not reimbursed as of June 30, 2019 are recorded as receivable amounts. Revenue paid in advance, but not earned, is recorded as unearned revenue. Fund balance at year end is \$0, as expected.

### **General Fund Budgetary Highlights**

Colorado local laws require that the board of education adopt a budget and an appropriation resolution for each fiscal year prior to the beginning of the fiscal year. Total expenditures may not exceed the amount appropriated. All appropriations lapse at the end of each fiscal year. Supplemental budget and an appropriation resolution that alter total expenditures of any fund must be approved by the board of education.

The board of education adopted the 2018-2019 budget in June 2018 and approved the amended budget in January 2019. The total General Fund appropriations were increased \$33.2 million to account for the beginning fund balance of \$4.4 million coming in higher than anticipated as a result of surplus from fiscal year 2018-2019. In addition, increases in property tax assessments for the 5C Mill Levy Override of \$27.0 million and \$0.2 million for abatements and delinquent taxes not previously planned for including an overall increase in receipts from Specific Ownership Taxes of \$2.0 million. General Fund revenues decreased for state equalization and categorical funding by \$(0.4) million to align total program funding. The total amended budget was \$382.9 million and actual revenues totaled \$389.5 million. The excess revenue collected over budget can be attributed to the requirement that each school district reports their proportionate share of the on-behalf payment issued by the state to PERA under SB 18-200. The district reported \$5.9 million in revenue, offset by \$5.9 million in benefit expenditures.

The General Fund expenditure budget was increased \$4.7 million in order to provide a 1% COLA pay increase to all staff as outlined in the ELEVATE plan. Additionally, an increase of \$1.6 million to purchase 12 new buses and 2 new warehouse trucks.

Revenue, as defined in the School Finance Act, includes property taxes, specific ownership taxes, and state equalization. For fiscal year 2018-2019, total program and mill levy override funding increased by \$44.4 million, from \$322.0 million in fiscal year 2017-2018 to \$366.4 million in fiscal year 2018-2019. Expenditures in the General Fund increased \$34.3 million, from \$317.9 million in fiscal year 2018-2019 to \$352.2 million in fiscal year 2017-2018, which can be attributed to the increase in Charter School funding due to the 5.9% increase in per pupil funding and enrollment growth in Charter pupils of 409 funded students. In addition, recording the required proportionate share of expenditures as previously mentioned for the on-behalf contribution from the state to PERA for SB 18-200. The remaining difference can primarily be attributed to planned salary,

benefit, and operational increases to open a new Pre-K through 8th grade school and to provide staff step equivalent and COLA adjustments.

As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. For fiscal year 2018-2019, expenditures came in under budget appropriations by \$1.6 million. The final budget totaled \$353.8 million and actual expenditures totaled \$352.2 million. The amount underspent aligns to the outstanding encumbrance on purchases not yet received by the close of the fiscal year as reported for the general fund in Note A-8.

Total fund balance represents 19.3% of General Fund expenditures.

### Capital Assets and Debt Administration

The district's investment in capital assets for governmental activities as of June 30, 2019 is \$596.8 million (net of accumulated depreciation). Capital assets include land, buildings, vehicles, equipment, and construction projects in process.

Major capital events during the year include the following:

- Completed construction and opened Thunder Vista PK-8 School.
- Completion of two-year renovation and reconstruction of STEM Lab
- Start of construction of FutureForward at Washington Square career and technical education campus
- More than 1,000 new technology classrooms featuring the latest in interactive projectors and whiteboards were installed in schools across the district.
- About 11,000 new student and teacher Chromebook devices allocated throughout the district

Additional information on the district's capital assets can be found in note F on page 64 of this report.

**Adams 12 Five Star Schools**  
**Capital Assets (net of accumulated depreciation)**  
**As of and For the Fiscal Year ended June 30, 2019 and 2018**

|                                 | <b>Governmental<br/>Activities</b> |                              |
|---------------------------------|------------------------------------|------------------------------|
|                                 | <u>2019</u>                        | <u>2018</u>                  |
| Land                            | \$ 34,721,536                      | \$ 32,861,536                |
| Buildings and land improvements | 450,702,302                        | 408,784,275                  |
| Construction in progress        | 87,962,777                         | 65,584,821                   |
| Equipment and vehicles          | <u>23,372,963</u>                  | <u>11,989,556</u>            |
| <b>Total capital assets</b>     | <b><u>\$ 596,759,578</u></b>       | <b><u>\$ 519,220,188</u></b> |

As of June 30, 2019, the district had total bonded debt outstanding of \$527.3 million backed by the full faith and credit of the district. Additionally, the district has long-term debt obligations for capital leases and certificates of participation in the amount of \$18.9 million still outstanding at

the end of the current fiscal year. These amounts do not include unamortized bond and COP premiums, discounts and other deferred charges.

During the current fiscal year, the district repaid \$23.3 million of principal on general obligation bonds, \$2.4 million of principal on certificates of participation and \$3.1 million of principal on capital leases.

For the 2018 general obligation Series 2018, the district received ratings of “Aa2” from Moody’s and “AA” from Standard & Poor’s.

**Adams 12 Five Star Schools**  
**General Obligation Bonds, Capital Leases and Certificates of Participation**  
**As of and For the Fiscal Year ended June 30, 2019 and 2018**

|                               | <b>Governmental<br/>Activities</b> |                              |
|-------------------------------|------------------------------------|------------------------------|
|                               | <u>2019</u>                        | <u>2018</u>                  |
| General obligation bonds      | \$ 527,295,000                     | \$ 485,570,000               |
| Capital leases                | 520,229                            | 3,573,515                    |
| Certificates of participation | <u>18,385,000</u>                  | <u>20,865,000</u>            |
| <b>Total</b>                  | <u><u>\$ 546,200,229</u></u>       | <u><u>\$ 510,008,515</u></u> |

Additional information on the district’s long-term obligations can be found in the notes on pages 66-73.

### **Economic Factors and Fiscal Year 2019-2020 Budgets**

Each year Adams 12 Five Star Schools prepares a budget plan with the focus on utilizing available resources to best support educational success. The budget plan encompasses instruction at each school, transportation, food services, maintenance, administration and more.

The district follows a multi-step budget development process that involves receiving input on values and priorities from staff, parents and community members. District leadership prepares a budget plan that balances priorities of the community with federal, state and local mandates, desired academic outcomes, student safety and fiscal responsibility. The budget plan for fiscal year 2019-2020 supports the educational commitments of student learning, professional practice, and collective responsibility.

Due to the economic downturn and Colorado’s associated budget crisis, the School Finance Act implemented a budget stabilization factor (formerly called the negative factor) for program funding in fiscal year 2010-2011. The impact of the budget stabilization factor for Adams 12 Five Star Schools has been substantial and has resulted in more than \$394.0 million decreased funding over the past ten years.

After a number of years of reduced funding resulting in budget reductions for school districts across the state, the State of Colorado restored some funding for public education that had previously been cut. The budget stabilization factor for fiscal year 2019-2020 decreased from 8.7% to 8.1%, estimated to be \$28.0 million less in funding for the Adams 12 Five Star Schools.

For fiscal year 2019-2020, the statewide base per pupil funding was increased for inflation by 2.7%. The statewide average per pupil base funding for fiscal year 2019-2020 is \$6,952; the Adams 12 Five Star Schools per pupil revenue is \$8,296, which equates to an increase of \$358 per pupil over fiscal year 2018-2019. The increase in state funding enabled investments for programs and services with high priority needs.

Effective for fiscal year 2019-2020 HB 19-1262 provides funding for full-day kindergarten for districts that choose to offer it. Adams 12 Five Star Schools will transition the current tuition-based program into the state funded full-day kindergarten program for all kindergarten students. The 2019-2020 revenue budget accounts for an additional .42 full-time equivalent funding per enrolled pupil in lieu of charges for service. In addition to this funding, HB 19-1055 provides a one-time formula-based grant to districts that implement the full-day kindergarten program. The purpose of this grant is to acquire furniture, fixtures and equipment necessary to implement and conduct full-day kindergarten in all school locations.

Planned budgetary expenditure increases for fiscal year 2019-2020 consist of compensation increases including: 2.4% step/step equivalent, salary schedule transitions and 1% COLA for certified staff, net 5.0% increases for classified staff, 2.75% for administrative staff, 5.0% increase in insurance rates and 0.25% increase required contributions to the state's retirement plan.

At June 30, 2019, total fund balance in the General Fund is \$67.9 million (including the reserve for Risk Management). The district budget for the 2019-2020 fiscal year anticipates the transfer of \$17.3 million of General Fund balance to other funds. The district continues its policy to maintain discretionary reserves at no less than 3% of General Fund revenues.

### **Requests for Information**

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

**Adams 12 Five Star Schools  
Office of Financial Services  
1500 East 128<sup>th</sup> Avenue  
Thornton, CO 80241**



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# **BASIC FINANCIAL STATEMENTS**



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**ADAMS 12 FIVE STAR SCHOOLS**  
**Statement of Net Position**  
**June 30, 2019**

|                                                  | <b>Primary Government<br/>Governmental<br/>Activities</b> | <b>Component Units<br/>Charter<br/>Schools</b> |
|--------------------------------------------------|-----------------------------------------------------------|------------------------------------------------|
| <b><u>Assets</u></b>                             |                                                           |                                                |
| Cash and Investments - Unrestricted              | \$ 134,625,821                                            | \$ 9,076,877                                   |
| Cash and Investments - Restricted                | 321,513,532                                               | 8,233,977                                      |
| Accounts Receivable                              | 843,466                                                   | 144,280                                        |
| Prepaid Expenses                                 | 1,197,440                                                 | 321,817                                        |
| Property Taxes Receivable                        | 3,751,148                                                 | -                                              |
| Accrued Interest Receivable                      | 1,232,708                                                 | -                                              |
| Due from Primary Government                      | -                                                         | 49,919                                         |
| Due from Component Units                         | 29,997                                                    | -                                              |
| Due from Other Governments                       | 4,755,907                                                 | 166,890                                        |
| Inventories                                      | 1,367,752                                                 | -                                              |
| Deposit with Insurance Pool                      | 720,378                                                   | -                                              |
| Capital Assets, not being Depreciated:           |                                                           |                                                |
| Land and Construction in Progress                | 122,684,313                                               | 11,217,700                                     |
| Capital Assets, net of Accumulated Depreciation: |                                                           |                                                |
| Buildings                                        | 450,702,302                                               | 83,369,439                                     |
| Equipment/Vehicles                               | 23,372,963                                                | 482,685                                        |
| Total Assets                                     | <u>1,066,797,727</u>                                      | <u>113,063,584</u>                             |
| <b><u>Deferred Outflows of Resources</u></b>     |                                                           |                                                |
| Deferred Charges on Refunding                    | 12,477,990                                                | 190,347                                        |
| Deferred Outflows Related to Pensions            | 222,369,034                                               | 19,995,304                                     |
| Deferred Outflows Related to OPEB                | 1,800,293                                                 | 318,608                                        |
| Total Deferred Outflows of Resources             | <u>236,647,317</u>                                        | <u>20,504,259</u>                              |
| <b><u>Liabilities</u></b>                        |                                                           |                                                |
| Accounts Payable                                 | 39,698,422                                                | 241,398                                        |
| Retainages Payable                               | 2,551,731                                                 | -                                              |
| Payroll withholdings Payable                     | 2,914,724                                                 | -                                              |
| Accrued Expenses                                 | -                                                         | 54,732                                         |
| Accrued Salaries and Benefits                    | 34,589,496                                                | 1,624,704                                      |
| Accrued Interest Payable                         | 1,121,160                                                 | 667,174                                        |
| Due to Primary Government                        | -                                                         | 29,997                                         |
| Due to Component Units                           | 49,919                                                    | -                                              |
| Due to Other Governments                         | -                                                         | 352,549                                        |
| Unearned Revenue                                 | 6,577,008                                                 | 253,631                                        |
| Noncurrent Liabilities                           |                                                           |                                                |
| Due within One Year:                             |                                                           |                                                |
| Compensated Absences                             | 12,112,332                                                | 42,100                                         |
| Loans                                            | -                                                         | 35,781                                         |
| General Obligation Bonds                         | 30,419,837                                                | -                                              |
| Revenue Bonds                                    | -                                                         | 1,351,995                                      |
| Certificates of Participation                    | 2,065,738                                                 | -                                              |
| Capital Leases                                   | 520,229                                                   | -                                              |
| Due in more than One Year:                       |                                                           |                                                |
| Compensated Absences                             | 15,522,467                                                | 58,692                                         |
| Loans                                            | -                                                         | 27,794                                         |
| General Obligation Bonds                         | 557,950,682                                               | -                                              |
| Revenue Bonds                                    | -                                                         | 90,070,890                                     |
| Certificates of Participation                    | 18,725,016                                                | -                                              |
| Net Pension Liability                            | 720,506,652                                               | 47,125,084                                     |
| Net OPEB Liability                               | 35,984,761                                                | 2,353,610                                      |
| Total Liabilities                                | <u>1,481,310,174</u>                                      | <u>144,290,131</u>                             |
| <b><u>Deferred Inflows of Resources</u></b>      |                                                           |                                                |
| Deferred Inflows Related to Pensions             | 574,579,980                                               | 31,695,069                                     |
| Deferred Inflows Related to OPEB                 | 1,216,368                                                 | 17,694                                         |
| Total Deferred Inflows of Resources              | <u>575,796,348</u>                                        | <u>31,712,763</u>                              |
| <b><u>Net Position</u></b>                       |                                                           |                                                |
| Net Investment in Capital Assets                 | 196,339,493                                               | 10,409,086                                     |
| Restricted for:                                  |                                                           |                                                |
| Capital Projects                                 | -                                                         | 1,211,606                                      |
| Debt Service                                     | 73,360,943                                                | 6,164,380                                      |
| TABOR                                            | 9,965,704                                                 | 937,153                                        |
| Food Service                                     | 3,373,141                                                 | -                                              |
| Special Education                                | -                                                         | 600,005                                        |
| Unrestricted                                     | (1,036,700,759)                                           | (61,757,281)                                   |
| Total Net Position                               | <u>(753,661,478)</u>                                      | <u>\$ (42,435,051)</u>                         |

The notes to the basic financial statements are an integral part of this statement.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

| Functions/Programs                               | Program Revenues      |                         |                                          |                                        | Net (Expenses)<br>Revenue and<br>Changes in Net<br>Position | Component Units        |
|--------------------------------------------------|-----------------------|-------------------------|------------------------------------------|----------------------------------------|-------------------------------------------------------------|------------------------|
|                                                  | Expenses              | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions | Primary Government                                          | Charter Schools        |
|                                                  |                       |                         |                                          |                                        | Governmental<br>Activities                                  |                        |
| Primary Government:                              |                       |                         |                                          |                                        |                                                             |                        |
| Governmental Activities:                         |                       |                         |                                          |                                        |                                                             |                        |
| Direct Instruction                               | \$ 173,813,445        | \$ 11,962,972           | \$ 21,072,215                            | \$ -                                   | \$ (140,778,258)                                            | \$ -                   |
| Indirect Instruction                             | 69,539,489            | -                       | 8,551,922                                | -                                      | (60,987,567)                                                | -                      |
| Other Support Programs                           | 65,012,278            | 17,540,836              | 12,915,586                               | -                                      | (34,555,856)                                                | -                      |
| Charter School Funding                           | 29,981,478            | 828,854                 | -                                        | -                                      | (29,152,624)                                                | -                      |
| Interest Expense                                 | 19,685,817            | -                       | -                                        | -                                      | (19,685,817)                                                | -                      |
| Total Governmental Activities                    | <u>\$ 358,032,507</u> | <u>\$ 30,332,662</u>    | <u>\$ 42,539,723</u>                     | <u>\$ -</u>                            | <u>\$ (285,160,122)</u>                                     | <u>-</u>               |
| Component Units-Charter Schools                  | <u>\$ 30,906,918</u>  | <u>\$ 1,771,460</u>     | <u>\$ 1,470,820</u>                      | <u>\$ 646,629</u>                      | <u>-</u>                                                    | <u>(27,018,009)</u>    |
| General Revenues:                                |                       |                         |                                          |                                        |                                                             |                        |
| Taxes:                                           |                       |                         |                                          |                                        |                                                             |                        |
| Local Property Taxes                             |                       |                         |                                          |                                        | 186,202,843                                                 | -                      |
| Specific Ownership Taxes                         |                       |                         |                                          |                                        | 14,658,993                                                  | 1,492,322              |
| State Equalization                               |                       |                         |                                          |                                        | 221,675,173                                                 | 27,767,247             |
| Other Revenues                                   |                       |                         |                                          |                                        | 2,071,028                                                   | 1,111,143              |
| Earnings on Investments                          |                       |                         |                                          |                                        | 11,201,683                                                  | 238,444                |
| Total General Revenues and Transfers             |                       |                         |                                          |                                        | <u>435,809,720</u>                                          | <u>30,612,756</u>      |
| Change in Net Position                           |                       |                         |                                          |                                        | <u>150,649,598</u>                                          | <u>3,594,747</u>       |
| Net Position July 1, 2018 , as previously stated |                       |                         |                                          |                                        | (904,311,076)                                               | (43,286,387)           |
| Restatement                                      |                       |                         |                                          |                                        |                                                             | (2,743,411)            |
| Net Position July 1, 2018 as restated            |                       |                         |                                          |                                        | <u>(904,311,076)</u>                                        | <u>(46,029,798)</u>    |
| Net Position June 30, 2019                       |                       |                         |                                          |                                        | <u>\$ (753,661,478)</u>                                     | <u>\$ (42,435,051)</u> |

The notes to the basic financial statements are an integral part of this statement.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

|                                                                            | <u>General</u>            | <u>Bond Redemption -<br/>Debt Service</u> |
|----------------------------------------------------------------------------|---------------------------|-------------------------------------------|
| <b>ASSETS</b>                                                              |                           |                                           |
| Cash and Investments                                                       | \$ 110,489,044            | \$ 73,430,926                             |
| Accounts Receivable                                                        | 249,227                   | -                                         |
| Property Taxes Receivable                                                  | 2,699,971                 | 1,051,177                                 |
| Accrued Interest Receivable                                                | 274,388                   | -                                         |
| Due from Other Governments                                                 | 324,022                   | -                                         |
| Due from Component Units                                                   | 29,997                    | -                                         |
| Deposit with Insurance Pool                                                | 720,378                   | -                                         |
| Inventories                                                                | 1,269,557                 | -                                         |
| Prepaid Items                                                              | 1,151,117                 | -                                         |
| Total Assets                                                               | <u>\$ 117,207,701</u>     | <u>\$ 74,482,103</u>                      |
| <b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b> |                           |                                           |
| <b>LIABILITIES</b>                                                         |                           |                                           |
| Accounts Payable                                                           | \$ 12,179,417             | \$ -                                      |
| Retainage Payable                                                          | -                         | -                                         |
| Payroll withholdings Payable                                               | 2,914,724                 | -                                         |
| Accrued Salaries and Benefits                                              | 31,445,173                | -                                         |
| Due to Component Units                                                     | -                         | -                                         |
| Unearned Revenue-Other                                                     | 704,374                   | -                                         |
| Total Liabilities                                                          | <u>47,243,688</u>         | <u>-</u>                                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                           |                                           |
| Unavailable Revenue-Property Taxes                                         | 2,080,760                 | 870,842                                   |
| Unavailable Revenue-Long Term Receivable                                   | -                         | -                                         |
| Total Deferred Inflows of Resources                                        | <u>2,080,760</u>          | <u>870,842</u>                            |
| <b>FUND BALANCES</b>                                                       |                           |                                           |
| <b>Nonspendable:</b>                                                       |                           |                                           |
| Inventory                                                                  | 1,269,557                 | -                                         |
| Prepaid Items                                                              | 1,151,117                 | -                                         |
| <b>Restricted for:</b>                                                     |                           |                                           |
| Tabor 3% Emergency Reserve                                                 | 8,405,314                 | -                                         |
| Multi Year Obligations                                                     | 10,975,952                | -                                         |
| Debt Service                                                               | -                         | 73,611,261                                |
| Capital Projects                                                           | -                         | -                                         |
| Food Service                                                               | -                         | -                                         |
| <b>Committed to:</b>                                                       |                           |                                           |
| Contingency Reserve - 3% Per Board Policy                                  | 8,405,314                 | -                                         |
| Capital Projects                                                           | -                         | -                                         |
| Activity Special Revenue                                                   | -                         | -                                         |
| Risk Management                                                            | 4,253,144                 | -                                         |
| Child Care                                                                 | -                         | -                                         |
| Athletics                                                                  | -                         | -                                         |
| <b>Assigned to:</b>                                                        |                           |                                           |
| Assigned Fund Balance                                                      | 27,287,783                | -                                         |
| <b>Unassigned:</b>                                                         | 6,135,072                 | -                                         |
| Total Fund Balances                                                        | <u>67,883,253</u>         | <u>73,611,261</u>                         |
| <br>Total Liabilities, Deferred Inflows of Resources and Fund Balances     | <br><u>\$ 117,207,701</u> | <br><u>\$ 74,482,103</u>                  |

The notes to the basic financial statements are an integral part of this statement.

| <b>Building - Capital<br/>Projects</b> | <b>Capital Reserve -<br/>Capital Projects</b> | <b>Governmental<br/>Designated<br/>Purpose Grants<br/>Special Revenue</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>          |
|----------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------|-----------------------|
| \$ 224,570,613                         | \$ 23,511,993                                 | \$ 3,426,913                                                              | \$ 20,709,864                           | \$ 456,139,353        |
| -                                      | 352,164                                       | -                                                                         | 242,075                                 | 843,466               |
| -                                      | -                                             | -                                                                         | -                                       | 3,751,148             |
| 958,320                                | -                                             | -                                                                         | -                                       | 1,232,708             |
| -                                      | -                                             | 4,373,327                                                                 | 58,558                                  | 4,755,907             |
| -                                      | -                                             | -                                                                         | -                                       | 29,997                |
| -                                      | -                                             | -                                                                         | -                                       | 720,378               |
| -                                      | -                                             | -                                                                         | 98,195                                  | 1,367,752             |
| 4,913                                  | 7,057                                         | -                                                                         | 34,353                                  | 1,197,440             |
| <u>\$ 225,533,846</u>                  | <u>\$ 23,871,214</u>                          | <u>\$ 7,800,240</u>                                                       | <u>\$ 21,143,045</u>                    | <u>\$ 470,038,149</u> |
| <br>                                   |                                               |                                                                           |                                         |                       |
| \$ 26,196,558                          | \$ 386,907                                    | \$ 385,649                                                                | \$ 549,891                              | \$ 39,698,422         |
| 2,540,732                              | -                                             | 10,999                                                                    | -                                       | 2,551,731             |
| -                                      | -                                             | -                                                                         | -                                       | 2,914,724             |
| 13,129                                 | 4,229                                         | 2,295,923                                                                 | 831,042                                 | 34,589,496            |
| -                                      | -                                             | 49,919                                                                    | -                                       | 49,919                |
| -                                      | 85,214                                        | 5,057,750                                                                 | 729,670                                 | 6,577,008             |
| <u>28,750,419</u>                      | <u>476,350</u>                                | <u>7,800,240</u>                                                          | <u>2,110,603</u>                        | <u>86,381,300</u>     |
| <br>                                   |                                               |                                                                           |                                         |                       |
| -                                      | -                                             | -                                                                         | -                                       | 2,951,602             |
| -                                      | 350,063                                       | -                                                                         | -                                       | 350,063               |
| <u>-</u>                               | <u>350,063</u>                                | <u>-</u>                                                                  | <u>-</u>                                | <u>3,301,665</u>      |
| <br>                                   |                                               |                                                                           |                                         |                       |
| -                                      | -                                             | -                                                                         | 98,195                                  | 1,367,752             |
| 4,913                                  | 7,057                                         | -                                                                         | 34,353                                  | 1,197,440             |
| -                                      | 513,665                                       | -                                                                         | 1,046,725                               | 9,965,704             |
| -                                      | -                                             | -                                                                         | -                                       | 10,975,952            |
| -                                      | -                                             | -                                                                         | -                                       | 73,611,261            |
| 196,778,514                            | -                                             | -                                                                         | -                                       | 196,778,514           |
| -                                      | -                                             | -                                                                         | 3,373,141                               | 3,373,141             |
| -                                      | -                                             | -                                                                         | -                                       | 8,405,314             |
| -                                      | 22,524,079                                    | -                                                                         | -                                       | 22,524,079            |
| -                                      | -                                             | -                                                                         | 13,509,893                              | 13,509,893            |
| -                                      | -                                             | -                                                                         | -                                       | 4,253,144             |
| -                                      | -                                             | -                                                                         | 464,770                                 | 464,770               |
| -                                      | -                                             | -                                                                         | 505,365                                 | 505,365               |
| -                                      | -                                             | -                                                                         | -                                       | 27,287,783            |
| -                                      | -                                             | -                                                                         | -                                       | 6,135,072             |
| <u>196,783,427</u>                     | <u>23,044,801</u>                             | <u>-</u>                                                                  | <u>19,032,442</u>                       | <u>-</u>              |
| <br>                                   |                                               |                                                                           |                                         |                       |
| <u>\$ 225,533,846</u>                  | <u>\$ 23,871,214</u>                          | <u>\$ 7,800,240</u>                                                       | <u>\$ 21,143,045</u>                    | <u>\$ 470,038,149</u> |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2019**

|                                                                                                                                                                                                           |               |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------|
| Governmental funds total fund balances                                                                                                                                                                    |               | \$ 380,355,184   |
| Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.                                                 |               | 953,617,654      |
| Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.                                                                      |               | (356,858,076)    |
| Deferred property taxes will be collected this year but are not available soon enough to pay for the current period's expenditures and, therefore, revenue is not recognized in the funds.                |               | 2,951,602        |
| Long-term receivables are not collected in the period of availability and, therefore, are not reported in the funds.                                                                                      |               | 350,063          |
| 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: |               |                  |
| General obligation bonds payable                                                                                                                                                                          | (588,370,519) |                  |
| Capital leases payable                                                                                                                                                                                    | (520,229)     |                  |
| Certificates of participation                                                                                                                                                                             | (20,790,754)  |                  |
| Deferred Loss on refunding                                                                                                                                                                                | 12,477,990    |                  |
| Compensated absences payable                                                                                                                                                                              | (27,634,799)  |                  |
|                                                                                                                                                                                                           |               | (624,838,311)    |
| Accrued interest payable is recognized in the statement of net position but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.        |               | (1,121,160)      |
| Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the funds. Net pension liability                                                  |               | (720,506,652)    |
| Net OPEB liability                                                                                                                                                                                        |               | (35,984,761)     |
| Deferred outflows and inflows of resources related to pensions are applicable in future periods and, therefore, are not reported in the funds.                                                            |               |                  |
| Deferred outflows of resources                                                                                                                                                                            | 222,369,034   |                  |
| Deferred inflows of resources                                                                                                                                                                             | (574,579,980) |                  |
| Deferred outflows and inflows of resources related to OPEB are applicable in future periods and, therefore, are not reported in the funds.                                                                |               |                  |
| Deferred outflows of resources                                                                                                                                                                            | 1,800,293     |                  |
| Deferred inflows of resources                                                                                                                                                                             | (1,216,368)   |                  |
|                                                                                                                                                                                                           |               | (351,627,021)    |
| Governmental activities net position                                                                                                                                                                      |               | \$ (753,661,478) |

The notes to the basic financial statements are an integral part of this statement.



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**ADAMS 12 FIVE STAR SCHOOLS**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

|                                                           | <u>General</u>       | <u>Bond Redemption -<br/>Debt Service</u> | <u>Building - Capital<br/>Projects</u> |
|-----------------------------------------------------------|----------------------|-------------------------------------------|----------------------------------------|
| <b>REVENUES</b>                                           |                      |                                           |                                        |
| Taxes:                                                    |                      |                                           |                                        |
| Property                                                  | \$ 130,203,836       | \$ 54,593,988                             | \$ -                                   |
| Ownership                                                 | 14,314,978           | 344,015                                   | -                                      |
| Delinquent Taxes and Interest                             | 182,300              | 90,799                                    | -                                      |
| Mineral Leases                                            | 21,007               | -                                         | -                                      |
| State                                                     | 239,282,718          | -                                         | -                                      |
| Federal                                                   | -                    | -                                         | -                                      |
| Local                                                     | 2,311,527            | -                                         | -                                      |
| Investment Earnings                                       | 2,996,834            | 170,460                                   | 6,553,592                              |
| Miscellaneous                                             | 430,201              | -                                         | 57,486                                 |
| Total Revenues                                            | <u>389,743,401</u>   | <u>55,199,262</u>                         | <u>6,611,078</u>                       |
| <b>EXPENDITURES</b>                                       |                      |                                           |                                        |
| Current:                                                  |                      |                                           |                                        |
| Direct Instruction                                        | 192,562,606          | -                                         | -                                      |
| Indirect Instruction                                      | 63,395,312           | -                                         | -                                      |
| Other Support Programs                                    | 65,716,235           | -                                         | -                                      |
| Charter School Funding                                    | 29,981,478           | -                                         | -                                      |
| Capital Outlay:                                           |                      |                                           |                                        |
| Sites, Buildings, and Ground Improvements                 | -                    | -                                         | 15,063,891                             |
| School Additions, Improvements, and Repairs               | -                    | -                                         | 64,909,942                             |
| Equipment/Vehicles/Operation Systems                      | -                    | -                                         | 18,538,630                             |
| Debt Service:                                             |                      |                                           |                                        |
| Principal Retirement                                      | 512,590              | 23,275,000                                | -                                      |
| Interest and Fiscal Charges                               | 15,389               | 24,716,856                                | -                                      |
| Bond Issuance and Other Costs                             | -                    | 7,500                                     | 348,311                                |
| Total Expenditures                                        | <u>352,183,610</u>   | <u>47,999,356</u>                         | <u>98,860,774</u>                      |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 37,559,791           | 7,199,906                                 | (92,249,696)                           |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                      |                                           |                                        |
| Transfers In                                              | -                    | -                                         | -                                      |
| Transfers Out                                             | (17,446,939)         | -                                         | -                                      |
| Issuance from refunding/Issuance of bond proceeds         | -                    | -                                         | 65,000,000                             |
| Premium/discount on refunding bonds issued                | -                    | -                                         | 11,048,720                             |
| Total Other Financing Sources (Uses)                      | <u>(17,446,939)</u>  | <u>-</u>                                  | <u>76,048,720</u>                      |
| Net Change in Fund Balances                               | 20,112,852           | 7,199,906                                 | (16,200,976)                           |
| Fund Balances, July 1, 2018                               | 47,770,401           | 66,411,355                                | 212,984,403                            |
| Fund Balances, June 30, 2019                              | <u>\$ 67,883,253</u> | <u>\$ 73,611,261</u>                      | <u>\$ 196,783,427</u>                  |

The notes to the basic financial statements are an integral part of this statement.

| <b>Capital Reserve -<br/>Capital Projects</b> | <b>Governmental<br/>Designated Purpose<br/>Grants Special<br/>Revenue</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>          |
|-----------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------|-----------------------|
| \$ -                                          | \$ -                                                                      | \$ -                                    | \$ 184,797,824        |
| -                                             | -                                                                         | -                                       | 14,658,993            |
| -                                             | -                                                                         | -                                       | 273,099               |
| -                                             | -                                                                         | -                                       | 21,007                |
| -                                             | 6,119,320                                                                 | 274,298                                 | 245,676,336           |
| -                                             | 18,376,626                                                                | 7,470,929                               | 25,847,555            |
| 3,871,687                                     | -                                                                         | 23,277,452                              | 29,460,666            |
| 1,418,051                                     | -                                                                         | 62,746                                  | 11,201,683            |
| 306,363                                       | -                                                                         | 164,215                                 | 958,265               |
| <u>5,596,101</u>                              | <u>24,495,946</u>                                                         | <u>31,249,640</u>                       | <u>512,895,428</u>    |
| -                                             | 14,162,129                                                                | 11,991,087                              | 218,715,822           |
| -                                             | 8,727,246                                                                 | 619,705                                 | 72,742,263            |
| -                                             | 1,606,571                                                                 | 21,210,131                              | 88,532,937            |
| -                                             | -                                                                         | -                                       | 29,981,478            |
| 1,390,302                                     | -                                                                         | -                                       | 16,454,193            |
| 1,934,109                                     | -                                                                         | -                                       | 66,844,051            |
| 49,066                                        | -                                                                         | -                                       | 18,587,696            |
| 5,020,696                                     | -                                                                         | -                                       | 28,808,286            |
| 792,678                                       | -                                                                         | -                                       | 25,524,923            |
| -                                             | -                                                                         | -                                       | 355,811               |
| <u>9,186,851</u>                              | <u>24,495,946</u>                                                         | <u>33,820,923</u>                       | <u>566,547,460</u>    |
| (3,590,750)                                   | -                                                                         | (2,571,283)                             | (53,652,032)          |
| 11,526,056                                    | -                                                                         | 5,920,883                               | 17,446,939            |
| -                                             | -                                                                         | -                                       | (17,446,939)          |
| -                                             | -                                                                         | -                                       | 65,000,000            |
| -                                             | -                                                                         | -                                       | 11,048,720            |
| <u>11,526,056</u>                             | <u>-</u>                                                                  | <u>5,920,883</u>                        | <u>76,048,720</u>     |
| 7,935,306                                     | -                                                                         | 3,349,600                               | 22,396,688            |
| 15,109,495                                    | -                                                                         | 15,682,842                              | 357,958,496           |
| <u>\$ 23,044,801</u>                          | <u>\$ -</u>                                                               | <u>\$ 19,032,442</u>                    | <u>\$ 380,355,184</u> |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

|                                                                                                                                                                                                                                                                                                                                                                                                        |                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Governmental funds change in fund balances                                                                                                                                                                                                                                                                                                                                                             | \$ 22,396,688         |
| Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period. |                       |
| Capital outlay                                                                                                                                                                                                                                                                                                                                                                                         | 100,284,526           |
| Depreciation expense, net                                                                                                                                                                                                                                                                                                                                                                              | <u>(21,654,386)</u>   |
|                                                                                                                                                                                                                                                                                                                                                                                                        | 78,630,140            |
| Disposals of capital assets resulted in a loss that is reported in the statement of activities. The governmental funds only report the proceeds from the sale. The difference between the loss and the proceeds is the net book value of the assets disposed.                                                                                                                                          | (1,090,750)           |
| Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. This amount represents the change in unavailable property tax revenue.                                                                                                                                          | 1,131,921             |
| Repayment of long term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.                                                                                                                                                                                                        | 28,808,286            |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.                                                                                                                                                                                                                    |                       |
| Amortization of bond premiums/discounts                                                                                                                                                                                                                                                                                                                                                                | 6,289,504             |
| Deferred gains/losses on refunding                                                                                                                                                                                                                                                                                                                                                                     | (2,115,904)           |
| Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds. The change in the liability is recognized.                                                                                                                                                              | (94,588)              |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds - changes in long-term compensated absences payable.                                                                                                                                                                | (839,366)             |
| Governmental funds report the issuance of debt, including premiums and discounts, as an other financial source. In the governmental activities, however, the issuance of debt is reflected as a liability instead.                                                                                                                                                                                     | (76,048,720)          |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds- Net pension expense                                                                                                                                                                                                | 93,886,719            |
| Net OPEB expense                                                                                                                                                                                                                                                                                                                                                                                       | <u>(304,332)</u>      |
| Governmental activities change in net position                                                                                                                                                                                                                                                                                                                                                         | <u>\$ 150,649,598</u> |

The notes to the basic financial statements are an integral part of this statement.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Budget Basis)**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                                                               | <b>Budget Amounts</b> |                      | <b>Actual Amounts</b> |           | <b>Variance with</b> |
|-------------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|-----------|----------------------|
|                                                                               | <b>Original</b>       | <b>Final</b>         |                       |           | <b>Final Budget</b>  |
| <b>REVENUES</b>                                                               |                       |                      |                       |           |                      |
| Taxes:                                                                        |                       |                      |                       |           |                      |
| Property                                                                      | \$ 103,765,894        | \$ 131,177,454       | \$ 130,203,836        | \$        | (973,618)            |
| Ownership                                                                     | 12,034,731            | 14,033,238           | 14,314,978            |           | 281,740              |
| Delinquent Taxes and Interest                                                 | 206,514               | -                    | 182,300               |           | 182,300              |
| Mineral Leases                                                                | 15,000                | 21,007               | 21,007                |           | -                    |
| State:                                                                        |                       |                      |                       |           |                      |
| Equalization Entitlement                                                      | 222,689,440           | 222,583,491          | 221,675,173           |           | (908,318)            |
| Education of the Handicapped                                                  | 7,710,445             | 7,500,360            | 7,496,663             |           | (3,697)              |
| Vocational Education                                                          | 1,610,000             | 1,599,244            | 1,296,718             |           | (302,526)            |
| Gifted & Talented Education                                                   | 367,177               | 368,117              | 368,117               |           | -                    |
| Kinder Hold Harmless                                                          | 199,101               | 200,106              | 200,108               |           | 2                    |
| State Transportation                                                          | 2,067,105             | 2,079,239            | 2,128,639             |           | 49,400               |
| Other State                                                                   | 324,420               | 255,115              | 6,117,300             |           | 5,862,185            |
| Federal                                                                       |                       |                      |                       |           |                      |
| Local                                                                         | 1,956,022             | 2,053,635            | 2,311,527             |           | 257,892              |
| Investment Earnings                                                           | 550,000               | 550,000              | 2,784,945             |           | 2,234,945            |
| Miscellaneous                                                                 | 436,420               | 436,420              | 430,201               |           | (6,219)              |
| Total Revenues                                                                | <u>353,932,269</u>    | <u>382,857,426</u>   | <u>389,531,512</u>    |           | <u>6,674,086</u>     |
| <b>EXPENDITURES</b>                                                           |                       |                      |                       |           |                      |
| Current:                                                                      |                       |                      |                       |           |                      |
| Direct Instruction:                                                           |                       |                      |                       |           |                      |
| Elementary Education                                                          | 51,660,413            | 60,014,420           | 55,130,452            |           | 4,883,968            |
| K-8 Education                                                                 | 10,296,106            | 10,777,678           | 10,941,696            |           | (164,018)            |
| Middle School Education                                                       | 25,889,412            | 28,067,523           | 28,691,949            |           | (624,426)            |
| High School Education                                                         | 40,047,446            | 39,068,725           | 44,567,143            |           | (5,498,418)          |
| Other Regular Education                                                       | 19,119,700            | 19,534,077           | 17,747,352            |           | 1,786,725            |
| Special Programs                                                              | 34,076,371            | 35,966,527           | 35,484,014            |           | 482,513              |
| Total Direct Instruction                                                      | <u>181,089,448</u>    | <u>193,428,950</u>   | <u>192,562,606</u>    |           | <u>866,344</u>       |
| Indirect Instruction:                                                         |                       |                      |                       |           |                      |
| Pupil Support Services                                                        | 16,784,441            | 17,635,749           | 17,606,461            |           | 29,288               |
| Instructional Staff Services                                                  | 16,778,984            | 18,000,213           | 18,485,795            |           | (485,582)            |
| School Administration                                                         | 24,494,607            | 27,333,700           | 27,303,056            |           | 30,644               |
| Total Indirect Instruction                                                    | <u>58,058,032</u>     | <u>62,969,662</u>    | <u>63,395,312</u>     |           | <u>(425,650)</u>     |
| Other Support Programs:                                                       |                       |                      |                       |           |                      |
| General Administration                                                        | 2,618,553             | 1,102,980            | 829,552               |           | 273,428              |
| Business/Fiscal Services                                                      | 2,378,353             | 2,930,381            | 2,515,036             |           | 415,345              |
| Procurement and Warehouse                                                     | 1,530,290             | 1,831,367            | 1,887,902             |           | (56,535)             |
| Printing, Publishing, and Duplicating                                         | 236,545               | 254,636              | 185,133               |           | 69,503               |
| Operations and Maintenance                                                    | 16,887,429            | 17,279,595           | 17,726,506            |           | (446,911)            |
| Pupil Transportation Services                                                 | 9,830,317             | 11,475,824           | 12,256,501            |           | (780,677)            |
| Energy/Utilities                                                              | 8,012,186             | 8,023,853            | 7,827,083             |           | 196,770              |
| Safety Services                                                               | 2,834,480             | 3,602,669            | 3,592,094             |           | 10,575               |
| Communications Division                                                       | 478,110               | 532,118              | 1,363,326             |           | (831,208)            |
| Staff Services                                                                | 4,568,426             | 4,373,153            | 2,666,908             |           | 1,706,245            |
| Information Technology                                                        | 10,015,230            | 10,358,372           | 9,549,491             |           | 808,881              |
| Other Support Services                                                        | 15,907,614            | 2,093,448            | 1,219,465             |           | 873,983              |
| Community Programs                                                            | 174,428               | (957,841)            | 210,040               |           | (1,167,881)          |
| Facilities: Planning & Development                                            | 217,945               | 203,993              | 260,603               |           | (56,610)             |
| Risk Management Services                                                      | 3,664,098             | 3,680,886            | 3,626,595             |           | 54,291               |
| Total Other Support Programs                                                  | <u>79,354,004</u>     | <u>66,785,434</u>    | <u>65,716,235</u>     |           | <u>1,069,199</u>     |
| Charter School Funding                                                        | <u>27,913,329</u>     | <u>30,119,425</u>    | <u>29,981,478</u>     |           | <u>137,947</u>       |
| Principal Retirement                                                          | 512,591               | 512,591              | 512,590               |           | 1                    |
| Interest and Fiscal Charges                                                   | 15,389                | 15,389               | 15,389                |           | -                    |
| Total Expenditures                                                            | <u>346,942,793</u>    | <u>353,831,451</u>   | <u>352,183,610</u>    |           | <u>1,647,841</u>     |
| Excess of revenues over expenditures                                          | 6,989,476             | 29,025,975           | 37,347,902            |           | 8,321,927            |
| <b>OTHER FINANCING SOURCES (USES)</b>                                         |                       |                      |                       |           |                      |
| Transfers Out                                                                 | (10,689,075)          | (11,374,814)         | (17,446,939)          |           | (6,072,125)          |
| Total Other Financing Sources (Uses)                                          | <u>(10,689,075)</u>   | <u>(11,374,814)</u>  | <u>(17,446,939)</u>   |           | <u>(6,072,125)</u>   |
| Net Change in Fund Balances                                                   | (3,699,599)           | 17,651,161           | 19,900,963            |           | 2,249,802            |
| Fund Balances, July 1, 2018                                                   | <u>43,267,369</u>     | <u>47,770,401</u>    | <u>48,473,316</u>     |           | <u>702,915</u>       |
| Fund Balances, June 30, 2019                                                  | <u>\$ 39,567,770</u>  | <u>\$ 65,421,562</u> | <u>68,374,279</u>     | <u>\$</u> | <u>2,952,717</u>     |
| Less unearned revenues related to Forward Delivery Agreement at June 30, 2019 |                       |                      | (491,026)             |           |                      |
| Fund balance (GAAP Basis), June 30, 2019                                      |                       |                      | <u>\$ 67,883,253</u>  |           |                      |

The notes to the basic financial statements are an integral part of this statement.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Governmental Designated Purpose Grants Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                                              | <b>Budget Amounts</b> |              | <b>Actual Amounts</b> | <b>Variance with</b> |
|--------------------------------------------------------------|-----------------------|--------------|-----------------------|----------------------|
|                                                              | <b>Original</b>       | <b>Final</b> |                       | <b>Final Budget</b>  |
| <b>REVENUES</b>                                              |                       |              |                       |                      |
| State                                                        | \$ 7,092,930          | \$ 8,851,569 | \$ 6,119,320          | \$ (2,732,249)       |
| Federal                                                      | 23,418,154            | 23,420,454   | 18,376,626            | (5,043,828)          |
| Total Revenues                                               | 30,511,084            | 32,272,023   | 24,495,946            | (7,776,077)          |
| <b>EXPENDITURES</b>                                          |                       |              |                       |                      |
| Current:                                                     |                       |              |                       |                      |
| Direct Instruction:                                          |                       |              |                       |                      |
| Elementary Education                                         | 3,848,800             | 2,717,220    | 3,031,119             | (313,899)            |
| Middle School Education                                      | -                     | 748,307      | 740,269               | 8,038                |
| High School Education                                        | 1,600,875             | 2,060,194    | 1,446,815             | 613,379              |
| Other Regular Education                                      | 1,238,080             | 2,408,340    | 2,004,158             | 404,182              |
| Special Programs                                             | 12,262,838            | 7,625,711    | 6,939,768             | 685,943              |
| Total Direct Instruction                                     | 18,950,593            | 15,559,772   | 14,162,129            | 1,397,643            |
| Indirect Instruction:                                        |                       |              |                       |                      |
| Pupil Support Services                                       | 5,310,617             | 8,038,781    | 5,336,762             | 2,702,019            |
| Instructional Staff Services                                 | 4,422,868             | 5,604,802    | 3,379,178             | 2,225,624            |
| School Administration                                        | 59,024                | 11,314       | 11,306                | 8                    |
| Total Indirect Instruction                                   | 9,792,509             | 13,654,897   | 8,727,246             | 4,927,651            |
| Other Support Programs:                                      |                       |              |                       |                      |
| Business/Fiscal Services                                     | 681,453               | 395,687      | 401,388               | (5,701)              |
| Operations and Maintenance                                   | -                     | -            | 265                   | (265)                |
| Pupil Transportation Services                                | 182,737               | 138,410      | 95,091                | 43,319               |
| Safety Services                                              | -                     | 777,742      | 184,897               | 592,845              |
| Staff Services                                               | 156,597               | 54,112       | 56,742                | (2,630)              |
| Community Programs                                           | 747,195               | 573,429      | 636,581               | (63,152)             |
| Facilities: Planning & Development                           | -                     | 1,117,974    | 231,607               | 886,367              |
| Total Other Support Programs                                 | 1,767,982             | 3,057,354    | 1,606,571             | 1,450,783            |
| Total Expenditures                                           | 30,511,084            | 32,272,023   | 24,495,946            | 7,776,077            |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | -                     | -            | -                     | -                    |
| Net Change in Fund Balances                                  | -                     | -            | -                     | -                    |
| Fund Balances, July 1, 2018                                  | -                     | -            | -                     | -                    |
| Fund Balances, June 30, 2019                                 | \$ -                  | \$ -         | \$ -                  | \$ -                 |

The notes to the basic financial statements are an integral part of this statement.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Statement of Fiduciary Assets and Liabilities**  
**Pupil Activity Agency Fund**  
**June 30, 2019**

|                             | <u>Agency</u>    |
|-----------------------------|------------------|
| <b>ASSETS</b>               |                  |
| Pooled Cash and Investments | \$ 17,857        |
| Total Assets                | <u>\$ 17,857</u> |
| <b>LIABILITIES</b>          |                  |
| Accounts Payable            | \$ 17,857        |
| Total Liabilities           | <u>\$ 17,857</u> |

The notes to the basic financial statements are an integral part of this statement.



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# **NOTES TO BASIC FINANCIAL STATEMENTS**

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with principles generally accepted in the United States of America applicable to governmental units. A summary of Adams 12 Five Star School's (the district) significant accounting policies consistently applied in the preparation of these financial statements follows:

**1. Financial Reporting Entity**

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes:

The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the exercise of financial accountability over such agencies by the governmental unit's elected officials. Financial accountability is derived from the governmental unit's power and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Financial accountability implies that a governmental unit is dependent on another and the dependent unit should be reported as part of the other.

The district is the lowest level of government that has financial accountability and control over all activities related to public school education in School District No. 12, Adams County, Colorado. The district receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the district is not included in any other governmental "reporting entity" as defined by GASB since the Board of Education members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

For financial reporting purposes, in conformance with GASB, the district (primary government) includes all funds, agencies, boards, and commissions that are controlled by or dependent on the Board of Education. Control by or dependence on the district was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the district, obligation of the district to finance any debts that may occur, or receipt of significant subsidies from the district.

The accompanying financial statements present the district and its component units, entities for which the district is considered financially accountable. Discretely presented component units are aggregated in the government-wide financial statements and shown in separate columns in the supplementary information to emphasize that it is legally separate from the district.

**Discretely Presented Component Units – Charter Schools**

The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101" in 1993. This Act permits the district to contract with individuals and organizations for the operation of schools within the district. The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the district's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the district's Board of Education must approve all charter school applications and

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

budgets. During fiscal year 2018-2019, the district had three charter schools in operation. The charter schools are discretely presented component units because the district is financially accountable for them.

Each charter school issues separate financial statements for the fiscal year ended June 30, 2019. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

Stargate Charter School  
14530 Washington Street  
Thornton, CO 80023

Westgate Community Charter School  
12500 Washington Street  
Thornton, CO 80233

New America Charter School  
Thornton Campus  
8978 Washington Street  
Thornton, CO 80229

Prospect Ridge Academy  
2555 Preble Creek Parkway  
Broomfield, CO 80023

**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 nonfiduciary activities of the district and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Major individual governmental funds (General Fund, Bond Redemption-Debt Service Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund and Governmental Designated-Purpose Grants Special Revenue Fund) and combined other governmental funds (Pupil Activity Special Revenue Fund, Other Special Revenue Fund, Instructional Special Revenue Fund, Food Service Special Revenue Fund, Before, After, and Summer Enrichment Special Revenue Fund, and Interscholastic Athletic Special Revenue Fund) are reported as separate columns in the fund financial statements.

**2. Fund Accounting**

The accounts of the district are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of resources, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

a. *Major Governmental Funds*

- General Fund – The General Fund is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund.
- Bond Redemption-Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- Building-Capital Projects Fund – This fund is used to account for the major capital outlays for facilities funded by the proceeds from general obligation bonds.
- Capital Reserve-Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by trust funds).
- Governmental Designated-Purpose Grants Special Revenue Fund – This fund is used to account for the proceeds of State and Federal fiscal grant revenue that are legally restricted to expenditures for specified purposes.

b. *Fiduciary Fund*

- Agency Fund – This fund is used to record financial transactions related to school-sponsored organizations and activities. These activities are self-supporting and do not receive any direct or indirect district support.

**3. Basis of Accounting, Measurement Focus and Financial Statement Presentation**

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the district's governmental and component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Property tax revenue is considered to be available if collected by the district within 30 days after year-end. Revenue attributable to State and Federal reimbursement is considered to be available if collected within 120 days after year-end. All other revenue is considered to be available if collected within 60 days after year-end.

Property taxes are reported as receivables and deferred inflows of resources when levied and as revenues when determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements are met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due, and certain sick and retirement pay which are accounted for as expenditures when expected to be liquidated with expendable financial resources.

The district's agency fund applies the accrual basis of accounting, but does not have a measurement focus.

**4. Fund Balance**

Fund balances are reported in classifications based on the district's budgeting constraints for the purpose of what amount can be spent. The district presentation for governmental funds report the following classifications of fund balance:

- Nonspendable – includes amounts that cannot be spent because they are 1) not spendable in form, or 2) legally or contractually required to be maintained intact. All amounts reported as nonspendable by the district are nonspendable in form.
- Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – includes amounts that can only be used for the specific purposes determined by a formal action by the Board of Education. Committed fund balance is reported pursuant to constraints imposed by the district's Board of Education, the highest level of decision-making authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education.
- Assigned – includes amounts that can be used for specific purposes, but do not meet the criteria for being restricted or committed. Under Board Policy Operating Limitations, amounts may be assigned by the district's Superintendent.
- Unassigned – is the residual classification for the General Fund. This classification includes amounts that have not been assigned to other funds or restricted, committed, or assigned to specific purposes within the General Fund. In other funds, if a deficit balance is reported this is a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

When expenditures occur for purposes for which both restricted and unrestricted fund balance is available, the district considers restricted funds to have been spent first. When expenditures occur for which committed, assigned or unassigned fund balances are available, the district considers amount to have been spent first out of committed, then assigned, and finally unassigned funds, as needed.

**5. Capital Assets**

Capital assets, which include property, vehicles, and equipment, are utilized for general district operations and are capitalized at actual or estimated cost. Land and construction in progress are not depreciated. Donations of such assets are recorded at acquisition value at the time of donation. Capital assets are reported in the applicable governmental columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental funds are sold, the proceeds of the sale are recorded as revenues in the appropriate fund.

The monetary threshold for capitalization of assets in governmental funds is \$5,000. The district's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. Estimated useful lives are:

|                                 |               |
|---------------------------------|---------------|
| Equipment/vehicles/technology   | 5 – 20 years  |
| Buildings and site improvements | 25 – 50 years |

**6. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position and fund level balance sheet will sometimes report a separate section for deferred outflows of resources. This section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. Deferred charge on refunding and deferred outflows of resources related to pensions and Other Post-Employment Benefits (OPEB) are reported in the government-wide statement of net position as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows related to pension and OPEB are discussed on pages 76 and 83 in the notes to basic financial statements.

In addition to liabilities, the statement of net position and fund level balance sheet will sometimes report a separate section for deferred inflows of resources. This section represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows related to pensions and OPEB are reported in the government-wide statement of net position as a deferred inflow of resources. The deferred inflows related to pensions and OPEB are discussed on pages 76 and 83 in the notes to basic financial statements. In addition to government-wide inflows, the district has two carrying items that qualify for reporting in this category at the fund level. On the fund level balance sheet, the General Fund and Bond Redemption-Debt Service Fund report unavailable revenues from property taxes that will be collected, but not soon enough to pay for current period expenditures. The Capital Reserve-Capital Projects Fund reports unavailable revenue from a development project that has a targeted

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

completion date of fiscal year 2019-2020. These amounts are deferred and recognized as an inflow of resources in the period they become available.

**7. Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities of net position. Bond premiums are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization which approximates the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported 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. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures/expense in the current period on both the fund level and government-wide statements. The district's general obligation bonds are serviced from property taxes and other revenues of the Bond Redemption Debt Service Fund. The district's certificates of participation rental payments are being made from the Capital Reserve-Capital Projects Fund, supported, in part, from building sub-rentals. Capital leases are serviced from a General Fund transfer and other revenues of the Capital Reserve-Capital Projects Fund. The long-term accumulated unpaid vacation, accrued sick, and personal leave, and estimated liability for insurance claims are serviced from property taxes and other revenues by the respective fund from future appropriations.

**8. Encumbrances**

Outstanding encumbrances at the end of the fiscal year represent a commitment for the estimated amount of expenditures that will ultimately result from the fulfillment of uncompleted purchase orders and contracts that are still in process at year-end. Subsequent year appropriations provide authority to complete these transactions.

Major Governmental Funds

|              |    |           |
|--------------|----|-----------|
| General Fund | \$ | 1,653,365 |
|--------------|----|-----------|

Capital Projects Funds:

|          |  |            |
|----------|--|------------|
| Building |  | 61,063,042 |
|----------|--|------------|

|                 |  |         |
|-----------------|--|---------|
| Capital Reserve |  | 962,337 |
|-----------------|--|---------|

|                                |  |            |
|--------------------------------|--|------------|
| Subtotal Capital Project Funds |  | 62,025,379 |
|--------------------------------|--|------------|

|                                        |  |         |
|----------------------------------------|--|---------|
| Governmental Designated Purpose Grants |  | 456,584 |
|----------------------------------------|--|---------|

Non-Major Governmental Fund

Special Revenue Funds:

|                                 |  |        |
|---------------------------------|--|--------|
| Pupil Activity Special Revenues |  | 18,735 |
|---------------------------------|--|--------|

|                           |  |    |
|---------------------------|--|----|
| Athletic Special Revenues |  | 73 |
|---------------------------|--|----|

|                        |  |         |
|------------------------|--|---------|
| Other Special Revenues |  | 118,893 |
|------------------------|--|---------|

|                                |  |         |
|--------------------------------|--|---------|
| Instructional Special Revenues |  | 416,705 |
|--------------------------------|--|---------|

|                                |  |         |
|--------------------------------|--|---------|
| Subtotal Special Revenue Funds |  | 554,406 |
|--------------------------------|--|---------|

|       |    |            |
|-------|----|------------|
| Total | \$ | 64,689,734 |
|-------|----|------------|

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**9. Budgets and Budgetary Accounting**

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

- a. Budgets for all funds are required by the state. During June, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing July 1. The budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- c. Prior to June 30, the budget is adopted by formal resolution.
- d. Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total 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 the Superintendent of Schools. Revisions that alter the total appropriations of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board of Education. Variances between budget and actual result from the non-expenditure of reserves, non-occurrence of events such as surplus land sales, scheduling of capital projects, and normal operating variances.
- e. Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for the General Fund which has a different basis for recognition of the forward delivery agreement.
- f. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent of Schools and/or the Board of Education throughout the year.
- g. All appropriations lapse at the end of each fiscal year.

**10. Use of Estimates in Preparing Financial Statements**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and other changes in fund balances during the reporting period. Actual results could differ from those estimates.

**11. Inventories**

General Fund purchased inventories are stated at cost, determined by the weighted average cost method. Inventory in the General Fund consists of expendable supplies held for consumption. Expenditures for supplies are recorded upon the delivery of these items to the various schools and departments from the district warehouse.

Food Service Fund purchased inventories are stated at cost, determined by the weighted average cost method. Commodity inventories are stated at USDA's assigned values that approximate fair value at the date of receipt, determined by the weighted average method. Expenses for food items

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

are recorded when used. The federal government donates surplus commodities to supplement the national school lunch programs.

**12. 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 cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

**13. Investments**

Investments are made in certificates of deposit, repurchase agreements, governmental securities, and external investment pools which are stated at fair value, as provided in Colorado statutes.

Colorado statutes specify investments meeting defined rating and risk criteria in which local government entities may invest:

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

Investments are considered to be short-term if they are held less than one year. (See Note B.)

**14. Compensated Absences**

District policy allows employees to accumulate unused vacation to the extent of one year's leave beyond the current year. District policy allows administrative employees to accumulate unused temp (sick) leave at a rate of one day per month; classified hourly employees to a maximum of 150 days or 1200 hours. Certified employees may accumulate up to 180 days.

The district has recorded the accrued liability for these compensated absences and the associated burden (i.e., PERA and Medicare) when applicable, in the accompanying financial statements. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Employees are charged for the last day of vacation leave earned when the leave is used. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Early retirement benefits are payable annually and are not liquidated with expendable available financial resources at June 30. The district budgets the subsequent year's available financial resources for each year's anticipated payments for early retirement benefits.

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**15. Unearned Revenue**

Unearned revenues include the carrying balance of the forward delivery agreement (see note I-3), Governmental Designated-Purpose Grant funds that have been collected but the corresponding expenditures have not been incurred, community use rentals, tuition and fees received in advance.

**16. Net Pension Liability**

The district's governmental activities report a net pension liability as of June 30, 2019. The district is required to report its proportionate share of PERA's unfunded pension liability. Refer to Note J for additional information.

**17. On-Behalf Payment**

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the District by the State of Colorado has been recorded in the fund financial statements. Refer to Note J for additional information.

**18. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net 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. Refer to Note L for additional information.

**NOTE B: CASH DEPOSITS AND INVESTMENTS**

**1. Deposits**

The district and the discretely presented component units' investment policies are approved by the Board of Education governed by Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. The district and the discretely presented component units do not have a deposit policy for custodial credit risk. At June 30, 2019, the district's carrying amount of the deposits is \$21,487,061. The component units carrying amount of the deposits is \$8,511,585. All of the district's and its component units' bank deposits are collateralized with securities held by the financial institutions agent through PDPA.

The district utilizes the pooled cash concept whereby cash balances of each of the district's funds are pooled together and invested by the district. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Investments are reported at fair value.

The district considers all cash on hand, demand deposits, and highly liquid investments with an original maturity of three months or less to be cash equivalents. Investments in pooled cash are considered to be cash equivalents.

As of June 30, 2019 cash and investment balances in the financial statements consisted of the following:

|                            | <b>Primary<br/>Government</b> | <b>Component<br/>Units</b> | <b>Total</b>          |
|----------------------------|-------------------------------|----------------------------|-----------------------|
| Cash and Investments:      |                               |                            |                       |
| Cash and Deposit Balance   | \$ 21,487,061                 | \$ 8,511,585               | \$ 29,998,646         |
| Investments                | 434,670,149                   | 8,799,269                  | 443,469,418           |
| Total Cash and Investments | <u>\$ 456,157,210</u>         | <u>\$ 17,310,854</u>       | <u>\$ 473,468,064</u> |

Cash, deposits, and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

|                                     | <b>Primary<br/>Government</b> | <b>Component<br/>Units</b>          | <b>Total</b>          |
|-------------------------------------|-------------------------------|-------------------------------------|-----------------------|
| Governmental Activities:            |                               |                                     |                       |
| Cash and Investments - Unrestricted | \$ 134,625,821                | \$ 9,639,877                        | \$ 144,265,698        |
| Cash and Investments - Restricted   | 321,513,532                   | 7,670,977                           | 329,184,509           |
| Total Governmental Activities       | <u>456,139,353</u>            | <u>17,310,854</u>                   | <u>473,450,207</u>    |
|                                     | <b>Fiduciary</b>              | <b>Component Unit<br/>Fiduciary</b> | <b>Total</b>          |
| Cash and Investments                | 17,857                        | -                                   | 17,857                |
| Total                               | <u>\$ 456,157,210</u>         | <u>\$ 17,310,854</u>                | <u>\$ 473,468,064</u> |

## **2. Investments**

As of June 30, 2019, the district had the following investments. Investments held in repurchase agreements are not a part of pooled cash until drawn. All other deposits and investments are internally pooled to maximize investment safety, liquidity, and interest yield.

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

| <b>Primary Government:</b>                 |                       |                      |                       | <b>Maturity</b>          |                       |                       |
|--------------------------------------------|-----------------------|----------------------|-----------------------|--------------------------|-----------------------|-----------------------|
| <b>Type of Security</b>                    | <b>Fair Value</b>     | <b>Concentration</b> | <b>S&amp;P Rating</b> | <b>12 Months or Less</b> | <b>13 - 24 Months</b> | <b>25 - 60 Months</b> |
| ColoTrust Plus+ (external investment pool) | \$ 214,903,444        | 49.44%               | AAAm                  | \$ 214,903,444           | \$ -                  | \$ -                  |
| Money Market Fund - US Bank                | 48,597,058            | 11.18%               | NR                    | \$ 48,597,058            | \$ -                  | \$ -                  |
| Negotiable Certificates of Deposit         | 1,912,803             | 0.44%                | AA3                   | \$ 351,257               | \$ 1,561,546          | \$ -                  |
| Negotiable Certificates of Deposit         | 805,560               | 0.19%                | AA2                   | \$ -                     | \$ 805,560            | \$ -                  |
| Negotiable Certificates of Deposit         | 350,007               | 0.08%                | A1                    | \$ 350,007               | \$ -                  | \$ -                  |
| Negotiable Certificates of Deposit         | 15,034,825            | 3.46%                | A-1+                  | \$ 15,034,825            | \$ -                  | \$ -                  |
| Negotiable Certificates of Deposit         | 10,165,400            | 2.34%                | A-1                   | \$ 10,165,400            | \$ -                  | \$ -                  |
| Municipal Bond/Note                        | 625,000               | 0.14%                | AA3                   | \$ 625,000               | \$ -                  | \$ -                  |
| Municipal Bond/Note                        | 1,316,485             | 0.30%                | AA1                   | \$ 99,986                | \$ 548,859            | \$ 667,640            |
| Municipal Bond/Note                        | 624,238               | 0.14%                | A1                    | \$ 624,238               | \$ -                  | \$ -                  |
| Federal Agency Bond/Note                   | 51,804,093            | 11.92%               | AAA                   | \$ 25,697,429            | \$ 12,491,315         | \$ 13,615,349         |
| Federal Agency Bond/Note                   | 257,743               | 0.06%                | A2                    | \$ 167,275               | \$ -                  | \$ 90,468             |
| Federal Agency Bond/Note                   | 294,551               | 0.07%                | A1                    | \$ -                     | \$ -                  | \$ 294,551            |
| Corporate Notes                            | 984,181               | 0.23%                | AAA                   | \$ 424,091               | \$ 560,090            | \$ -                  |
| Corporate Notes                            | 1,507,992             | 0.35%                | AA3                   | \$ 533,972               | \$ 974,020            | \$ -                  |
| Corporate Notes                            | 4,447,015             | 1.02%                | AA2                   | \$ 249,765               | \$ 4,197,250          | \$ -                  |
| Corporate Notes                            | 4,846,158             | 1.12%                | AA1                   | \$ 4,846,158             | \$ -                  | \$ -                  |
| Corporate Notes                            | 798,400               | 0.18%                | A2                    | \$ 798,400               | \$ -                  | \$ -                  |
| Corporate Notes                            | 249,838               | 0.06%                | A-1                   | \$ 249,838               | \$ -                  | \$ -                  |
| Bank Note                                  | 609,427               | 0.14%                | AA2                   | \$ 609,427               | \$ -                  | \$ -                  |
| Commercial Paper                           | 234,640               | 0.05%                | NR                    | \$ 234,640               | \$ -                  | \$ -                  |
| United States Treasury Bond/Note           | 62,180,380            | 14.31%               | AAA                   | \$ 9,171,208             | \$ 30,729,685         | \$ 22,279,487         |
| International Bond                         | 626,729               | 0.14%                | AAA                   | \$ -                     | \$ 626,729            | \$ -                  |
| Supra-National Agency Bond                 | 11,494,182            | 2.64%                | AAA                   | \$ 174,640               | \$ 3,783,846          | \$ 7,535,696          |
| <b>Total</b>                               | <b>\$ 434,670,149</b> | <b>100.00%</b>       |                       | <b>\$ 333,908,058</b>    | <b>\$ 56,278,900</b>  | <b>\$ 44,483,191</b>  |

**Interest Rate Risk** – The district investment policy limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less depending on the specific investment held unless formally approved by the governing board.

**Credit Risk** – State law limits investments for school districts to U.S. Treasury issues, other federally backed notes and credits and other agency offerings (not based on derivatives) without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institution have assets in excess of \$1 billion or the highest credit rating from one or more of a nationally recognized rating agency. ColoTrust is regulated by the Colorado Division of Securities and the district's position in the pool is the same as the value of the pool shares. For repurchase agreements, the district's investment policy requires that the agreement be collateralized as required by state law at a minimum of 102% of the purchase price by U.S. Treasuries and U.S. Agencies under a tri-party master repurchase agreement.

**Fair Value** – The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted process; Level 3 inputs are significant unobservable inputs.

The district has the following recurring fair value measurements as of June 30, 2019:

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

Investments Measured at Fair Value  
June 30, 2019

| Investments by fair value level:                                   | 6/30/2019             | Fair Value Measurements Using |               |         |
|--------------------------------------------------------------------|-----------------------|-------------------------------|---------------|---------|
|                                                                    |                       | Level 1                       | Level 2       | Level 3 |
| Certificates of Deposits                                           | \$ 28,268,595         | \$ -                          | \$ 28,268,595 | \$ -    |
| Municipal Bond/Note                                                | 2,565,723             | -                             | 2,565,723     | -       |
| Federal Agency Bond/Note                                           | 52,356,387            | -                             | 52,356,387    | -       |
| Corporate Notes                                                    | 12,833,584            | -                             | 12,833,584    | -       |
| Bank Note                                                          | 609,427               | -                             | 609,427       | -       |
| Commercial Paper                                                   | 234,640               | -                             | 234,640       | -       |
| United States Treasury Bond                                        | 62,180,380            | 62,180,380                    | -             | -       |
| International Bond                                                 | 626,729               | -                             | 626,729       | -       |
| Supra-National Agency Bond                                         | 11,494,182            | -                             | 11,494,182    | -       |
| Total investments by fair value level                              | 171,169,647           | 62,180,380                    | 108,989,267   | -       |
| ColoTrust (external investment pool)                               | 214,903,444           |                               |               |         |
| Money Market Fund-PFM Govt Select<br>(measured at net asset value) | 48,597,058            |                               |               |         |
| Total investments                                                  | <u>\$ 434,670,149</u> |                               |               |         |

Investments held with ColoTrust are held at net asset value.

At June 30, 2019, the discretely presented component unit charter schools had investments of approximately \$8.79 million in various money markets with maturities of less than one year.

**Component Units:**

|                                                 | <u>Fair Value</u>   | <u>Concentration</u> | <u>S&amp;P Rating</u> | <u>Maturity<br/>12 Months or<br/>Less</u> |
|-------------------------------------------------|---------------------|----------------------|-----------------------|-------------------------------------------|
| Fidelity Government Portfolio Money Market Fund | \$ 2,903,724        | 34.3%                | AAAm                  | \$ 2,903,724                              |
| ColoTrust Plus (external investment pool)       | 5,555,237           | 65.7%                | AAAm                  | 5,555,237                                 |
|                                                 | <u>\$ 8,458,961</u> | <u>100.0%</u>        |                       | <u>\$ 8,458,961</u>                       |

In accordance with Section 22-45-103, C.R.S., the district's bond redemption fund custodian for fiscal year 2018-2019 is UMB Corporate Trust Services, a third party. The amounts held by the custodian were \$73,430,926 at June 30, 2019.

Investment earnings for fiscal year 2018-2019 were \$11,201,684. Earnings by fund are as follows:

|                                               |                      |
|-----------------------------------------------|----------------------|
| General Fund                                  | \$ 2,996,834         |
| Bond Redemption-Debt Service Fund             | 170,460              |
| Building-Capital Projects Fund                | 6,553,592            |
| Capital Reserve-Capital Projects Fund         | 1,418,051            |
| Pupil Activity Special Revenue Fund           | 11,095               |
| Other Special Revenue Fund                    | 28,553               |
| Food Service Special Revenue Fund             | 18,262               |
| Interscholastic Athletic Special Revenue Fund | 4,836                |
|                                               | <u>\$ 11,201,683</u> |

Component units had investment earnings of \$238,444.

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE C: RECEIVABLES**

Property taxes levied in 2018 but not yet collected in 2019 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2019, and are presented in the amount of \$3,751,148 and \$2,951,602 respectively. Intergovernmental receivables of \$4,373,327 in the Governmental Designated-Purpose Grants Special Revenue Fund, \$44,418 in the Food Service Fund, and \$14,140 in the Instructional Special Revenue Fund includes amounts due from grantors for specific program grants. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

**NOTE D: PROPERTY TAXES**

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes attach an enforceable lien on property as of January 1 of the year following the levy. Property taxes are recognized as revenue when available and measurable. "Available" is the amount collected at the end of the period and the amount expected to be collected within 30 days, whether or not budgeted. The 2019 fiscal year property tax calendar for Adams and Broomfield Counties was as follows:

|                                     |                   |
|-------------------------------------|-------------------|
| Levy date                           | December 15, 2018 |
| Lien date                           | January 1, 2019   |
| Tax bills mailed                    | January 15, 2019  |
| First installment due               | February 28, 2019 |
| Second installment due              | June 15, 2019     |
| If paid in full, due                | April 30, 2019    |
| Tax sale: delinquent property taxes | November 15, 2019 |

Property tax revenue recognized in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds during fiscal year 2018-2019 was \$184,797,824. The General Fund recognized \$130,203,836 and the Bond Redemption-Debt Service Fund recognized \$54,593,988.

As of June 30, 2019 the Balance Sheet reported for the General Fund \$2,699,971 and for the Bond Redemption-Debt Service Fund \$1,051,177 as property tax revenue due.

**NOTE E: GOVERNMENTAL AND INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Balance of interfund receivables, payables, and transfers at June 30, 2019:

| <u>Fund</u>                                   | <u>Transfers In</u>  | <u>Transfers Out</u> |
|-----------------------------------------------|----------------------|----------------------|
| General                                       | \$ -                 | \$ 17,446,939        |
| Major Governmental Fund:                      |                      |                      |
| Capital Reserve-Capital Projects Fund         | 11,526,056           | -                    |
| Non-Major Governmental Fund:                  |                      |                      |
| Pupil Activity Special Revenue Fund           | 213,713              | -                    |
| Other Special Revenue Fund                    | 22,403               | -                    |
| Instructional Special Revenue Fund            | 4,176,287            | -                    |
| Before, After, and Summer Enrichment          |                      |                      |
| Special Revenue Fund                          | 80,461               | -                    |
| Interscholastic Athletic Special Revenue Fund | 1,428,019            | -                    |
|                                               | <u>\$ 17,446,939</u> | <u>\$ 17,446,939</u> |

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

The district transferred from the General Fund \$4,176,287, \$213,713, \$22,403, \$80,461, and \$1,428,019 respectively to the Instructional Special Revenue Fund, Pupil Activity Special Revenue Fund, Other Special Revenue Fund, Before, After, and Summer Enrichment Special Revenue Fund and the Interscholastic Athletic Special Revenue Fund to meet operational needs.

The General Fund transferred \$11,526,056 to the Capital Reserve-Capital Projects Fund to meet current and future capital needs.

On November 6, 2018 voters approved Ballot Issue 5C for a mill levy override. The mill levy override will implement a number of prioritized investments aligned to the district's strategic plan, ELEVATE. Included in the transfer from the General Fund to other funds listed above, \$150,000 and \$300,000 respectively was transferred to the Capital Reserve-Capital Projects Fund to support updating technology devices and systems, and facility access cards at high schools. A transfer of \$213,713 was made to the Pupil Activity Special Revenue Fund to offset the reduction of district-level student fees. Additionally, \$1,500,000, \$400,000 and \$886,287 respectively was transferred to the Instructional Special Revenue Fund to support updating learning materials, resources and textbooks, social-emotional learning curriculum and the reduction of district-level student fees.

**NOTE F: CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

Governmental Activities

|                                    | Balance at<br>6/30/2018 | Additions/<br>Transfers | Deletions/<br>Transfers | Balance at<br>6/30/2019 |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Non-depreciable assets:            |                         |                         |                         |                         |
| Land                               | \$ 32,861,536           | \$ 1,860,000            | \$ -                    | \$ 34,721,536           |
| Construction in progress           | 65,584,821              | 88,792,890              | 66,414,934              | 87,962,777              |
| Total non-depreciable assets       | <u>98,446,357</u>       | <u>90,652,890</u>       | <u>66,414,934</u>       | <u>122,684,313</u>      |
| Depreciable assets:                |                         |                         |                         |                         |
| Buildings                          | 712,990,036             | 61,345,141              | 3,162,134               | 771,173,043             |
| Equipment/vehicles                 | 45,134,363              | 14,701,429              | 75,494                  | 59,760,298              |
| Total depreciable assets           | <u>758,124,399</u>      | <u>76,046,570</u>       | <u>3,237,628</u>        | <u>830,933,341</u>      |
| Less accumulated depreciation for: |                         |                         |                         |                         |
| Buildings                          | (304,205,761)           | (18,340,234)            | (2,075,254)             | (320,470,741)           |
| Equipment/vehicles                 | (33,144,807)            | (3,314,152)             | (71,624)                | (36,387,335)            |
| Total accumulated depreciation     | <u>(337,350,568)</u>    | <u>(21,654,386)</u>     | <u>(2,146,878)</u>      | <u>(356,858,076)</u>    |
| Total capital assets, net          | <u>\$ 519,220,188</u>   | <u>\$ 145,045,074</u>   | <u>\$ 67,505,684</u>    | <u>\$ 596,759,578</u>   |

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

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

Governmental activities:

|                                                      |                      |
|------------------------------------------------------|----------------------|
| Instruction                                          | \$ 16,294,892        |
| School administration                                | 7,250                |
| Business services                                    | 107,815              |
| Transportation                                       | 637,880              |
| District-wide                                        | <u>4,606,549</u>     |
| Total depreciation expense - governmental activities | <u>\$ 21,654,386</u> |

A summary of changes in Component Unit Charter Schools capital assets is as follows:

|                                    | Balance at<br>6/30/2018 | Additions/<br>Transfers | Deletions/<br>Transfers | Balance at<br>6/30/2019 |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Non-depreciable assets:            |                         |                         |                         |                         |
| Land                               | \$ 11,095,388           | \$ -                    | \$ -                    | \$ 11,095,388           |
| Construction in progress           | <u>9,480,242</u>        | <u>3,163,692</u>        | <u>12,521,622</u>       | <u>122,312</u>          |
| Total non-depreciable assets       | <u>20,575,630</u>       | <u>3,163,692</u>        | <u>12,521,622</u>       | <u>11,217,700</u>       |
| Depreciable assets:                |                         |                         |                         |                         |
| Buildings and site improvements    | 71,599,253              | 18,677,417              | -                       | 90,276,670              |
| Equipment/Vehicles                 | <u>541,494</u>          | <u>95,151</u>           | <u>-</u>                | <u>636,645</u>          |
| Total depreciable assets           | <u>72,140,747</u>       | <u>18,772,568</u>       | <u>-</u>                | <u>90,913,315</u>       |
| Less accumulated depreciation for: |                         |                         |                         |                         |
| Buildings and site improvements    | (4,363,199)             | (2,544,032)             | -                       | (6,907,231)             |
| Equipment/Vehicles                 | <u>(82,964)</u>         | <u>(70,996)</u>         | <u>-</u>                | <u>(153,960)</u>        |
| Total accumulated depreciation     | <u>(4,446,163)</u>      | <u>(2,615,028)</u>      | <u>-</u>                | <u>(7,061,191)</u>      |
| Total capital assets, net          | <u>\$ 88,270,214</u>    | <u>\$ 19,321,232</u>    | <u>\$ 12,521,622</u>    | <u>\$ 95,069,824</u>    |

Depreciation expense was charged to function/programs of the component units as follows:

|                                                 |                     |
|-------------------------------------------------|---------------------|
| Operations and maintenance depreciation expense | <u>\$ 2,615,028</u> |
|-------------------------------------------------|---------------------|

**NOTE G: ACCRUED SALARIES AND BENEFITS**

Salaries and longevity benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2019 are estimated to be \$34,589,496. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund, Building-Capital Projects Fund, Pupil Activity Special Revenue Fund, Other Special Revenue Fund, Instructional Special Revenue Fund, Governmental Designated-Purpose Grants Special

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

Revenue Fund, Interscholastic Athletic Special Revenue Fund, Before, After, and Summer Enrichment Special Revenue Fund, and Food Service Special Revenue Fund.

**NOTE H: OPERATING LEASES**

The General Fund is committed under various leases for office equipment and white fleet vehicles on a year-by-year basis. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended June 30, 2019 amounted to \$914,862.

**NOTE I: LONG TERM LIABILITIES**

**1. Changes in Long Term Liabilities**

| Issue                                          | Balance at<br>6/30/2018 | Additions     | Reductions    | Balance at<br>6/30/2019 | Due Within<br>One Year |
|------------------------------------------------|-------------------------|---------------|---------------|-------------------------|------------------------|
| General Oblig. Refunding Bonds, Series 2012    | \$ 87,960,000           | \$ -          | \$ 4,965,000  | \$ 82,995,000           | \$ 5,230,000           |
| General Oblig. Refunding Bonds, Series 2014    | 20,090,000              | -             | -             | 20,090,000              | -                      |
| General Oblig. Refunding Bonds, Series 2014B   | 48,840,000              | -             | 1,895,000     | 46,945,000              | 1,965,000              |
| General Oblig. Refunding Bonds, Series 2015    | 19,090,000              | -             | 6,060,000     | 13,030,000              | 6,345,000              |
| General Oblig. Refunding Bonds, Series 2016A   | 29,590,000              | -             | 5,355,000     | 24,235,000              | 5,625,000              |
| General Obligation Bonds, Series 2016B         | 280,000,000             | -             | 5,000,000     | 275,000,000             | 5,000,000              |
| General Obligation Bonds, Series 2018          | -                       | 65,000,000    | -             | 65,000,000              | -                      |
| Unamortized Bond Premiums                      | 56,016,058              | 11,048,720    | 5,989,259     | 61,075,519              | 6,254,837              |
| Total GO Bonds                                 | 541,586,058             | 76,048,720    | 29,264,259    | 588,370,519             | 30,419,837             |
| Refunding Cert. of Participation, Series 2015B | 735,000                 | -             | 735,000       | -                       | -                      |
| Certificates of Participation, Series 2016     | 20,130,000              | -             | 1,745,000     | 18,385,000              | 1,780,000              |
| Unamortized COP Premiums                       | 2,705,999               | -             | 300,245       | 2,405,754               | 285,738                |
| Total COPs                                     | 23,570,999              | -             | 2,780,245     | 20,790,754              | 2,065,738              |
| Capital Lease Obligations                      | 3,573,515               | -             | 3,053,286     | 520,229                 | 520,229                |
| Compensated Absences*                          | 26,795,433              | 12,952,070    | 12,112,704    | 27,634,799              | 12,112,332             |
| Total                                          | \$ 595,526,005          | \$ 89,000,790 | \$ 47,210,494 | \$ 637,316,301          | \$ 45,118,136          |

\*Compensated absences, net pension liability, and net OPEB liability obligations are generally liquidated in the General Fund.

The changes in long-term liabilities for the component units for the year ended June 30, 2019 were as follows:

| Issue                        | Balance at<br>6/30/2018 | Additions     | Reductions    | Balance at<br>6/30/2019 | Due Within<br>One Year |
|------------------------------|-------------------------|---------------|---------------|-------------------------|------------------------|
| Loan payable                 | \$ 92,473               | \$ -          | \$ 28,898     | \$ 63,575               | \$ 35,781              |
| Charter School Revenue Bonds | 84,875,329              | 46,930,000    | 42,454,170    | 89,351,159              | 1,351,995              |
| Unamortized Bond Premium     | -                       | 2,143,165     | 71,439        | 2,071,726               | -                      |
| Total bonds payable          | 84,875,329              | 49,073,165    | 42,525,609    | 91,422,885              | 1,351,995              |
| Compensated absences         | 64,877                  | 60,525        | 45,350        | 100,792                 | 42,100                 |
| Total                        | \$ 85,032,679           | \$ 49,133,690 | \$ 42,599,857 | \$ 91,587,252           | \$ 1,429,876           |

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**2. General Obligation and Capital Appreciation Serial Bonds**

The government issues general obligation bonds to provide funds for renovations, acquisitions, and construction of major capital facilities.

The district's general obligation serial bonds are payable from general property taxes. Interest, at rates from 2.00% to 5.50%, is payable semi-annually on June 15 and December 15. The bonds mature annually on December 15 in principal amounts varying from \$125,000 to \$33,160,000 and are as follows:

|                                                                                                                                                                                                                       |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| \$93,460,000 2012 Series Refunding Bonds ( <i>refunded Series 2005A</i> ) due in semi-annual installments with annual payments of \$710,000 to \$22,970,000 through December 15, 2024. Interest rate: 2.00% to 5.00%. | \$ 82,995,000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|

|                                                                                                                                                                                                                                 |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| \$20,215,000 2014 Series Refunding Bonds ( <i>partially refunded Series 2006B</i> ) due in semi-annual installments with annual payments of \$125,000 to \$20,090,000 through December 15, 2025. Interest rate: 2.00% to 5.00%. | 20,090,000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                                                                                                                                                                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| \$61,030,325 2014B Series Refunding Bonds ( <i>partially refunded Series 2006B, 2007A &amp; 2008A</i> ) due in semi-annual installments with annual payments of \$1,585,000 to \$28,660,000 through December 15, 2024. Interest rate: 3.00% to 5.00%. | 46,945,000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                                                                                                                                                                                                                 |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| \$27,150,000 2015 Series Refunding Bonds ( <i>refunded Series 2005B</i> ) due in semi-annual installments with payments of \$2,835,000 to \$6,685,000 through December 15, 2020. Interest rate: 2.00% to 5.00%. | 13,030,000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                                                                                                                                                                                                                                 |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| \$34,845,000 General Oblig. Refunding Bonds, Series 2016A ( <i>refunded Series 2006A</i> ) due in semi-annual installments with payments of \$5,255,000 to \$6,510,000 through December 15, 2022. Interest rate: 2.00% to 5.00% | 24,235,000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                                                                                                                                                                                           |             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| \$285,000,000 General Obligation Bonds, Series 2016B due in semi-annual installments with payments of \$480,000 to \$33,160,000 through December 15, 2036. Interest rate: 2.00% to 5.00%. | 275,000,000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|

|                                                                                                                                                                                  |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| \$65,000,000 General Obligation Bonds, Series 2018 due in semi-annual installments with payments of \$2,680,000 to \$15,660,000 through December 15, 2036. Interest rate: 5.50%. | 65,000,000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                |
|----------------|
| \$ 527,295,000 |
|----------------|

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**Summary of Debt Service Requirements to Maturity**

The following schedule reflects the debt service requirements to maturity of the district's general obligation bonded debt as of June 30, 2019:

| <b>Year</b> | <b>Principal</b>      | <b>Interest</b>       | <b>Total</b>          |
|-------------|-----------------------|-----------------------|-----------------------|
| 2020        | \$ 24,165,000         | \$ 25,306,975         | \$ 49,471,975         |
| 2021        | 20,450,000            | 24,347,025            | 44,797,025            |
| 2022        | 36,500,000            | 22,963,150            | 59,463,150            |
| 2023        | 38,400,000            | 21,084,575            | 59,484,575            |
| 2024        | 24,375,000            | 19,674,175            | 44,049,175            |
| 2025 - 2029 | 128,955,000           | 79,762,213            | 208,717,213           |
| 2030 - 2034 | 147,280,000           | 46,056,851            | 193,336,851           |
| 2035 - 2037 | 107,170,000           | 8,308,813             | 115,478,813           |
|             | <u>\$ 527,295,000</u> | <u>\$ 247,503,777</u> | <u>\$ 774,798,777</u> |

On November 8, 2016, voters approved a ballot measure authorizing the district to issue general obligation bonds in an amount not to exceed \$350,000,000. The bonds may be sold in one or more series and are for the purpose of funding capital projects outlined in the district's Facilities Master Plan. On December 20, 2017, the district issued \$285,000,000 of General Obligation Bonds, Series 2016B. On December 5, 2018, the district issued \$65,000 of General Obligation Bonds, Series 2018. All remaining amounts from this authorization have been issued as of June 30, 2019.

The district has no outstanding lines of credit or bank loans, the amounts authorized for bonds are fully utilized, and there are no assets pledged as collateral for debt.

**Component Unit Revenue Bonds**

Stargate Charter School reported on April, 2015, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$42,010,000 Charter School Improvement Revenue Bonds, Series 2015A. Bond proceeds were loaned to the Foundation to acquire land and construct a new school campus consisting of elementary and secondary school buildings. The School is obligated under a lease agreement to make monthly lease payments to the Foundation for using the facilities. The Foundation is required to make equal loan payments to the trustee, for payment of the bonds. Interest accrues on the bonds at 5.4% per annum, and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, with a balloon payment due on December 1, 2020.

On June 27, 2018, CECFA issued \$40,780,000 Charter School Refunding Revenue Bonds, Series 2018A and Taxable Series 2018B. Proceeds were used to refund the outstanding Series 2015A Bonds. Stargate Charter School is obligated under a lease agreement to make monthly lease payments to the Corporation for using the facilities. The Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. Interest accrues on the bonds at rates ranging from 4.0% to 5.0% on the Series A Bonds and from 2.33% to 4.08% on the Taxable Series B bonds, and is payable semi-annually on December 1 and June 1. Principal payments are due annually on December 1, from 2018 through 2048.

Westgate Charter School reported on May 1, 2016, the Public Finance Authority issued \$6,362,887 Charter School Refunding and Improvement Revenue Bonds (Westgate Community School

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Project) Series 2016A, and \$2,726,952 Charter School Refunding and Improvement Revenue Bonds (Westgate Community School Project) Series 2016B (Taxable). These bonds were issued to refund the Charter School Revenue Bonds, Series 2012, fund the debt services reserve, accrued interest account, pay certain issuance costs and fund the project account. Both Series mature on May 2, 2026. Interest on the Series 2016A and Series 2016B (Taxable) accrues at 3.896% and 5.565% per annum, respectively. The Bonds may be called at various dates beginning May 3, 2016 through May 20, 2021 at rates ranging from 105% to 101% and 100% after May 3, 2021.

Westgate Charter School is obligated to make monthly lease payments to the Westgate Charter School Building Corporation for use of the building. Westgate Charter School is required to make equal loan payments to the Trustee for payment of the bonds.

Prospect Ridge Academy reported on March 11, 2016, the Colorado Educational and Cultural Facilities Authority (CECFA) issued the \$21,630,000 Charter School Refunding and Improvement Revenue Bonds, Series 2016 (Prospect Ridge Academy Project). These bonds were issued to refund the Charter School Revenue Bonds, Series 2013, and to loan to the Prospect Ridge Academy Building Corporation to fund the debt service reserve and accrued interest account, pay certain issuance costs and fund the project account. The bonds mature March 15, 2023. Interest accrues at 4.85%, per annum. The bonds may be called at par on March 15, 2019, or any principal or interest payment date, thereafter.

On March 15, 2017, the Colorado Educational and Cultural Facilities Authority (CECFA) issued the \$13,500,000 Charter School Revenue Bonds, Series 2017 (Prospect Ridge Academy Project). These bonds were issued to loan to the Prospect Ridge Academy Building Corporation in order to finance the cost of acquiring land and existing facilities where the Academy's K-8th grade school operates. In addition, the bonds will fund the capitalized interest, partial fund of the bond reserve and pay certain issuance costs. The bonds mature March 15, 2023. Interest accrues at 5.0%, per annum. The bonds may be called at par on March 15, 2019, or any principal or interest payment date, thereafter.

Prospect Ridge Academy is obligated to make monthly lease payments to the Prospect Ridge Academy Building Corporation for use of the buildings and facilities. The Prospect Ridge Academy Building Corporation is required to make equal loan payments to the Trustee for payment of the bonds.

In October 2018, the Colorado Educational and Facilities Authority (CECFA) issued \$6,150,000 in Charter School Revenue Bonds, Series 2018. Proceeds of the bonds were used to purchase the School's educational facility. New America Charter School-Thornton is required to make lease payments to the Building Corporation for the use of the building. The Building Corporation is required to make equal lease payments to the trustee for payment of the bonds. Interest accrues at a rate of 4.41 percent per annum. Principal and interest payments are due monthly beginning in November 2018 through September 2028. A balloon payment in the amount of \$4,470,789 is due in October 2028.

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**Component Unit Summary of Debt Service Requirements to Maturity**

The following schedule reflects the debt service requirements to maturity of the Charter school's revenue bonded debt as of June 30, 2019:

| <b>Year</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>          |
|-------------|----------------------|----------------------|-----------------------|
| 2020        | \$ 1,351,995         | \$ 4,138,275         | \$ 5,490,270          |
| 2021        | 1,643,549            | 4,066,736            | 5,710,285             |
| 2022        | 1,720,943            | 3,986,593            | 5,707,536             |
| 2023        | 33,599,119           | 3,588,321            | 37,187,440            |
| 2024        | 1,202,454            | 2,254,520            | 3,456,974             |
| 2025-2029   | 16,818,099           | 9,354,558            | 26,172,657            |
| 2030-2034   | 5,640,000            | 6,570,000            | 12,210,000            |
| 2035-2039   | 7,240,000            | 5,656,000            | 12,896,000            |
| 2040-2044   | -                    | 4,057,000            | 4,057,000             |
| 2045-2049   | 20,135,000           | 3,624,300            | 23,759,300            |
|             | <u>\$ 89,351,159</u> | <u>\$ 47,296,303</u> | <u>\$ 136,647,462</u> |

**3. Forward Delivery Agreement**

In April 2004, the district's General Fund received a net payment of \$6,344,000 pursuant to a forward delivery agreement. In exchange for this amount, the district agreed to make payments into a bank trust account (UMB Corporate Trust Services) from its Bond Redemption-Debt Service Fund revenues for subsequent purchases of investment securities from a third party (ColoTrust). The securities mature at such times as are required for meeting the district's debt service payment obligations over the 20-year contract period. Should the district terminate the agreement for any reason, it would be obligated to repay a portion of the \$6,344,000 received and an additional amount to compensate for loss of economic benefits based on market conditions existent at the time the agreement is dissolved.

The amount received under this agreement is being amortized over the term of the agreement for GAAP purposes, rather than in full for budgetary purposes.

The following GAAP-basis schedule shows the amounts of revenue recognized and the remaining balances treated as unearned revenue for each year through the current year:

| <b>Fiscal Year Ending<br/>June 30</b> | <b>Revenue<br/>Recognized</b> | <b>Balance<br/>(Unearned<br/>Revenue)</b> |
|---------------------------------------|-------------------------------|-------------------------------------------|
| 2020                                  | \$ 211,890                    | \$ 279,136                                |
| 2021                                  | 140,202                       | 138,934                                   |
| 2022                                  | 104,042                       | 34,892                                    |
| 2023                                  | 34,892                        | -                                         |

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**4. Capital Lease Obligations**

In June 2014, the district entered into a capital lease agreement to upgrade the district's IT infrastructure and purchase necessary and appropriate IT equipment to enable district-wide implementation of state testing requirements. The lease terms are for sixty months with an annual percentage rate of 1.42%. Annual payments begin on August 1, 2014 and subsequent payments are due annually on each August 1, ending on August 1, 2018. The district's obligation to make annual payments under the lease is subject to annual appropriation authority as made by the Board of Education. As of June 30, 2019 all debt obligations on the lease have been met.

On July 7, 2015 the district entered into a capital bus lease agreement to purchase 25 buses for the transportation department. The lease terms are for sixty months with an annual percentage rate of 1.49%. Annual payments began on July 7, 2015 and subsequent payments are due annually on each July 7, ending July 7, 2019. The district's obligation to make annual payments under the lease is subject to annual appropriation authority as made by the Board of Education.

Although the district may fail to renew the leases in subsequent years, it is the present intention and expectation of the district to renew the leases annually until title passes to the district. Accordingly, the district has applied appropriate accounting principles requiring the net present value of future minimum lease payments to be recorded as a liability and related assets capitalized in the basic financial statements.

The leases provide for the following minimum annual lease payments:

| <b>Fiscal Year</b>     |                   |
|------------------------|-------------------|
| <b>Ending June 30,</b> | <b>Lease</b>      |
| 2020                   | \$ 527,980        |
|                        | 527,980           |
| Less Interest          | (7,751)           |
| Total Principal        | <u>\$ 520,229</u> |

Book value of assets under capital leases totaled \$3,897,175 at June 30, 2019 as follows:

|                          |                     |
|--------------------------|---------------------|
| Equipment                | \$ 13,307,919       |
| Accumulated Depreciation | <u>(9,410,744)</u>  |
| Total                    | <u>\$ 3,897,175</u> |

**5. Certificates of Participation**

In June 2015, Refunding Certificates of Participation were issued by the district in the amount of \$2,870,000 to refund the existing Certificates of Participation in the amount of \$2,890,000 for the purpose of matching the debt service payments with the lease revenues. The rental payments, representing principal and interest on the certificates, are being made from the Capital Reserve-Capital Projects Fund. Interest, at rates from 2.00% to 4.00%, is payable semi-annually on June 1 and December 1. As of June 30, 2019 all debt obligations on the Certificate of Participation has been met.

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In June 2016, Refunding Certificates of Participation were issued by the district in the amount of \$21,645,000 to refund the existing Certificates of Participation, Series 2008, in the amount of \$22,805,000. Interest, at rates from 2.00% to 5.00%, is payable semi-annually on June 1 and December 1.

The Certificates of Participation provide for the following minimum annual lease payments:

| Fiscal Year<br>Ending June 30 |               |
|-------------------------------|---------------|
| 2020                          | \$ 2,477,750  |
| 2021                          | 2,473,600     |
| 2022                          | 2,474,125     |
| 2023                          | 2,463,300     |
| 2024                          | 2,464,100     |
| 2025-2028                     | 9,803,250     |
|                               | 22,156,125    |
| Less Interest                 | (3,771,125)   |
| Total Principal               | \$ 18,385,000 |

**6. Compensated Absences**

At June 30, 2019, compensated absence liabilities of the district included \$1,922,459 for vacation pay with an associated amount of \$387,375 for PERA benefits at 20.15% and \$27,876 for Medicare benefits at 1.45%; and \$9,640,494 for reimbursable leave with \$139,787 of associated Medicare; and \$15,516,806 in early retirement benefits for 463 employees who are eligible for such retirement benefits as of June 30, 2019.

**7. Computation of Legal Debt Margin**

The computation for the district's legal debt margin as of June 30, 2019 is as follows:

|                                                          |                   |
|----------------------------------------------------------|-------------------|
| Actual Value of Taxable Property in the District         | \$ 28,087,678,829 |
| Debt Limitation – 6% of Actual Value of Taxable Property | 1,685,260,730     |
| Total Bonded Debt                                        | 527,295,000       |
| Less: Amount set aside to repay general debt             | (73,611,261)      |
| Total net debt applicable to debt limit                  | 453,683,739       |
| Legal Debt Margin                                        | \$ 1,231,576,991  |

NOTE: The debt limitation for all school districts in Colorado is dictated by Colorado State Statute 22.42.104. Except as proved in subsections (1.3), (1.4), and (1.6) of this section, the limit on bonded indebtedness of a school district is the greater of the following: (a) Twenty percent of the

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latest valuation for assessment of the taxable property in such district, as certified by the county assessor to the board of county commissioners; or (b) Six percent of the most recent determination of the actual value of the taxable property in the district, as certified by the county assessor to the board of county commissioners.

The valuation of taxable property for purposes of calculation of legal debt margin is the latest certified actual value of taxable property provided to the district by the county assessors. Colorado Statutes require this certification, as well as certified assessed value, be made no later than December 10 of each year. The assessed value will be used as the basis for determination of tax revenues in the subsequent year.

**NOTE J: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

*Pensions.* Adams 12 Five Star Schools participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF 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 for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises 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.

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**General Information about the Pension Plan**

*Plan description.* Eligible employees of the district are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules 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 (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2018.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 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. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime

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retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

*Contributions provisions as of June 30, 2019:* Eligible employees, of the district are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

|                                                                                                                    | January 1,<br>2018<br>Through<br>December 31,<br>2018 | January 1,<br>2019<br>Through<br>June 30,<br>2019 |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------|
| Employer contribution rate                                                                                         | 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) | (1.02)%                                               | (1.02)%                                           |
| Amount apportioned to the SCHDTF                                                                                   | 9.13%                                                 | 9.13%                                             |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411                                    | 4.50%                                                 | 4.50%                                             |
| Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411                      | 5.50%                                                 | 5.50%                                             |
| <b>Total employer contribution rate to the SCHDTF</b>                                                              | <b>19.13%</b>                                         | <b>19.13%</b>                                     |

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

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 \$44,958,386 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December

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31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The district proportion of the net pension liability was based on the districts contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, the district reported a liability of \$720,506,652 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the district as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the district were as follows:

|                                                                                                                                                  |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Adams 12 Five Star Schools proportionate share of the net pension liability                                                                      | \$ 720,506,652 |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Adams 12 Five Star Schools | \$ 98,519,279  |
| Total                                                                                                                                            | \$ 819,025,931 |

At December 31, 2018, the district proportion was 4.06904 percent, which was a decrease of 0.62681 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the district recognized pension expense of \$91,721,394 and revenue of \$506,132 for support from the State as a nonemployer contributing entity. At June 30, 2019, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                                | Deferred Outflows of Resources | Deferred inflows of Resources |
|----------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Difference between expected and actual experience                                                              | \$ 24,440,388                  | \$ -                          |
| Changes in assumptions or other inputs                                                                         | \$ 134,485,715                 | \$ 448,077,639                |
| Net difference between projected and actual earnings on pension plan investments                               | \$ 39,272,111                  | \$ -                          |
| Changes in proportion and difference between contributions recognized and proportionate share of contributions | \$ 877,996                     | \$ 126,502,341                |
| Contributions subsequent to the measurement date                                                               | \$ 23,292,824                  | \$ -                          |
| Total                                                                                                          | \$ 222,369,034                 | \$ 574,579,980                |

\$23,292,824 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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| For the Fiscal Year Ended |                 |
|---------------------------|-----------------|
| 6/30/2020                 | \$ (80,636,853) |
| 6/30/2021                 | (192,082,984)   |
| 6/30/2022                 | (124,266,538)   |
| 6/30/2023                 | 21,482,605      |

*Actuarial assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using 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                                                                                           | 4.78 percent                            |
| Post-retirement benefit increases:                                                                      |                                         |
| PERA benefit structure hired prior to 1/1/07;                                                           | 2.00 percent compounded annually        |
| PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)                           | Financed by the Annual Increase Reserve |

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

|                                                                               |                                                          |
|-------------------------------------------------------------------------------|----------------------------------------------------------|
| Discount rate                                                                 | 7.25 percent                                             |
| Post-retirement benefit increases:                                            |                                                          |
| PERA benefit structure hired prior to 1/1/07                                  | 0% through 2019 and 1.5% compounded annually, thereafter |
| PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) | Financed by the Annual Increase Reserve                  |

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.

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- **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.

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

The actuarial assumptions used in the December 31, 2016, valuations 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 the PERA 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 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:

| <b>Asset Class</b>                | <b>Target Allocation</b> | <b>30 Year Expected Geometric Real Rate of Return</b> |
|-----------------------------------|--------------------------|-------------------------------------------------------|
| 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%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions 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.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial 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. 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 middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF'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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 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 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

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

| <b>Discount Rate:</b>                            | <u><b>1% Decrease</b></u><br><u><b>(6.25%)</b></u> | <u><b>Current Discount</b></u><br><u><b>Rate (7.25%)</b></u> | <u><b>1% Increase</b></u><br><u><b>(8.25%)</b></u> |
|--------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------|
| Proportionate share of the net pension liability | \$ 916,000,950                                     | \$ 720,506,652                                               | \$ 556,453,969                                     |

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

Component Unit Defined Benefit Pension Plan information is not included in the district Notes to Basic Financial Statements. Readers who wish to view component unit data may visit each charter school's web-site under Financial Transparency.

Westgate: <http://www.westgateschool.org/apps/pages/Financial-transparency>

Stargate: <http://charter.stargateschool.org/financial-transparency>

Prospect Ridge:

[http://www.prospectridgeacademy.org/apps/pages/index.jsp?uREC\\_ID=799787&type=d&pREC\\_ID=968850](http://www.prospectridgeacademy.org/apps/pages/index.jsp?uREC_ID=799787&type=d&pREC_ID=968850)

New America: <http://colorado.newamericaschool.org/board-of-directors/financial-transparency/>

**NOTE K: DEFINED CONTRIBUTION PENSION PLAN**

**Voluntary Investment Program**

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2019, program members contributed \$2,229,807 for the Voluntary Investment Program.

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**NOTE L: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the OPEB Plan**

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

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

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

*PERA Benefit Structure*

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

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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 on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the district were \$2,365,520 for the year ended June 30, 2019.

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

At June 30, 2019, the district reported a liability of \$35,984,761 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The district proportion of the net OPEB liability was based on district contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the district proportion was 2.64489 percent, which was a decrease of 0.02328 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the district recognized OPEB expense of \$388,152. At June 30, 2019, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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|                                                                                                                | Deferred Outflows of<br>Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------|
| Difference between expected and actual experience                                                              | \$ 130,604                        | \$ 54,776                     |
| Changes in assumptions or other inputs                                                                         | \$ 252,428                        | \$ -                          |
| Net difference between projected and actual earnings on pension plan investments                               | \$ 206,936                        | \$ -                          |
| Changes in proportion and difference between contributions recognized and proportionate share of contributions | \$ -                              | \$ 1,161,592                  |
| Contributions subsequent to the measurement date                                                               | \$ 1,210,325                      | \$ -                          |
| Total                                                                                                          | \$ 1,800,293                      | \$ 1,216,368                  |

\$1,210,325 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| For the Fiscal<br>Year Ended |           |
|------------------------------|-----------|
| 6/30/2019                    | (185,409) |
| 6/30/2020                    | (185,409) |
| 6/30/2021                    | (185,356) |
| 6/30/2022                    | (41,686)  |
| 6/30/2023                    | (28,071)  |
| Thereafter                   | (469)     |

*Actuarial assumptions.* The total OPEB liability in the December 31, 2017 actuarial valuation was determined using 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 percent in aggregate                                             |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | 7.25 percent                                                          |
| Discount rate                                                                                        | 7.25 percent                                                          |
| Health care cost trend rates                                                                         |                                                                       |
| PERA benefit structure:                                                                              |                                                                       |
| Service-based premium subsidy                                                                        | 0.00 percent                                                          |
| PERACare Medicare plans                                                                              | 5.00 percent                                                          |
| Medicare Part A premiums                                                                             | 3.25 percent for 2018,<br>gradually rising to 5.00<br>percent in 2025 |

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

The actuarial assumptions used in the December 31, 2017, valuations 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 the PERA 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's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

| <b>Medicare Plan</b>                     | <b>Cost for Members Without Medicare Part A</b> | <b>Premiums for Members Without Medicare Part A</b> |
|------------------------------------------|-------------------------------------------------|-----------------------------------------------------|
| Self-Funded Medicare Supplement Plans    | \$736                                           | \$367                                               |
| Kaiser Permanente Medicare Advantage HMO | 602                                             | 236                                                 |
| Rocky Mountain Health Plans Medicare HMO | 611                                             | 251                                                 |
| UnitedHealthcare Medicare HMO            | 686                                             | 213                                                 |

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

| <b>Medicare Plan</b>                     | <b>Cost for Members Without Medicare Part A</b> |
|------------------------------------------|-------------------------------------------------|
| Self-Funded Medicare Supplement Plans    | \$289                                           |
| Kaiser Permanente Medicare Advantage HMO | 300                                             |
| Rocky Mountain Health Plans Medicare HMO | 270                                             |
| UnitedHealthcare Medicare HMO            | 400                                             |

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

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

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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, 2017, 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:

| Year  | PERACare<br>Medicare Plans | Medicare Part A<br>Premiums |
|-------|----------------------------|-----------------------------|
| 2018  | 5.00%                      | 3.25%                       |
| 2019  | 5.00%                      | 3.50%                       |
| 2020  | 5.00%                      | 3.75%                       |
| 2021  | 5.00%                      | 4.00%                       |
| 2022  | 5.00%                      | 4.25%                       |
| 2023  | 5.00%                      | 4.50%                       |
| 2024  | 5.00%                      | 4.75%                       |
| 2025+ | 5.00%                      | 5.00%                       |

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.

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 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.

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

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- 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 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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 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 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:

| <b>Asset Class</b>                | <b>Target Allocation</b> | <b>30 Year Expected Geometric Real Rate of Return</b> |
|-----------------------------------|--------------------------|-------------------------------------------------------|
| 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%.

*Sensitivity of the district proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates

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applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

|                                     | 1% Decrease in<br>Trend Rates | Current Trend<br>Rates | 1% Increase in<br>Trend Rates |
|-------------------------------------|-------------------------------|------------------------|-------------------------------|
| PERACare Medicare Trend Rate        | 4.00%                         | 5.00%                  | 6.00%                         |
| Initial Medicare Part A trend rate  | 2.25%                         | 3.25%                  | 4.25%                         |
| Ultimate Medicare Part A trend rate | 4.00%                         | 5.00%                  | 6.00%                         |
| Net OPEB Liability                  | \$34,991,078                  | \$35,984,761           | \$37,127,668                  |

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- 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 middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected 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, and therefore, the discount rate is 7.25 percent.

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

|                                               | 1% Decrease<br>(6.25%) | Current Discount<br>Rate (7.25%) | 1% Increase<br>(8.25%) |
|-----------------------------------------------|------------------------|----------------------------------|------------------------|
| Discount Rate:                                |                        |                                  |                        |
| Proportionate share of the net OPEB liability | \$40,263,813           | \$35,984,761                     | \$32,326,568           |

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

**NOTE M: RISK MANAGEMENT**

The district is exposed to various risks of loss; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The district uses the Insurance Reserve sub fund of the General Fund to account for and finance; risks for workers' compensation, general liability and property damage. The district contracts and purchases insurance coverage through Pinnacol Assurance for workers' compensation claims. For liability and property coverage, the district contracts with the Colorado School District Self Insurance Pool (CSDSIP).

**Colorado School District Self Insurance Pool**

The Colorado School District Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. CSDSIP is administered by the Pool Board. The district pays an annual premium to CSDSIP for property and liability insurance coverage. The Pool Agreement provides that CSDSIP will be self-sustaining through member premiums, and will reinsure through a duly authorized insurer. The reinsurance covers claims against CSDSIP in excess of specific claim amounts, and the aggregate and limits are determined by CSDSIP to be adequate to protect their solvency.

The district had no significant reductions in insurance coverage in the prior year, and had no settlements that exceeded insurance coverage for each of the past three fiscal years.

**Workers' Compensation**

Workers' Compensation is administered through Pinnacol Assurance, and the district is responsible for the first \$16,500 of each loss for the policy year of July 1, 2018 through June 30, 2019. Beginning July 1, 2019, the threshold for losses will increase to \$500,000 per claim with a maximum aggregate of \$1.5 million in total claims. There is also an 8% claim handling fee that is applied to each claim up to the deductible. This change reflects a significant reduction in premium costs and reduces the district's overall expense exposure from prior years.

The district had no significant reductions in insurance coverage in the prior year, and had no settlements that exceeded insurance coverage for each of the past three fiscal years.

**Past Practice**

Prior to July 1, 2017 the district participated with four other Adams County school districts to form the Rocky Mountain Risk Insurance Group Self-Insurance Pool (the "Pool"). The Pool provides insurance to the participating districts in the areas of liability, property and workers' compensation. Assets held by the Pool include reserves restricted under the various pool agreements, and statutory reserves required by the Colorado Commissioner of Insurance. Pool assets consist primarily of direct obligations of the U.S. government, or funds collateralized by such obligations. The district has recorded as a deposit, its portion of the surplus in the Pool as of June 30, 2019. The surplus of \$720,378 is a capitalization contribution which may be returned to the entity once the dissolution of the withdrawal from the Pool has been finalized.

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

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

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Article X calls for various spending and revenue limitations and other restrictions to growth in government. Compliance may ultimately be determined by numerous legal opinions and court interpretations. However, the district believes it is in compliance with Article X, Section 20 of the Colorado Constitution and recognizes this in its reservation for emergencies of fund balance in the General Fund. Said reservation is 3% of fiscal year 2018-2019 spending.

In November 1999, the voters of the district approved a ballot issue authorizing the district to "...collect, retain and expend all revenues and other funds collected in the current fiscal year and each subsequent year without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution or any other law".

**NOTE O: COMMITMENTS AND CONTINGENCIES**

**1. Litigation**

The district is involved in several matters that are in litigation and is aware of several claims of potential litigation. However, the district believes that the final resolution of these matters will not have a materially adverse effect on the financial position of the district due to the strength of its defenses to these matters, budgeted amounts/reserves, and the existence of adequate insurance.

**2. Grants**

The district has received several federal and state 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 disallowances, if any, will be immaterial.

**3. Construction Contract Commitments**

Commitments for construction and improvement contracts in the Building-Capital Projects Fund totals \$219,443,319 as of June 30, 2019.

**NOTE P: RELATED PARTY TRANSACTIONS**

The district provides administrative and other service to its charter schools, shown in this report as component units. The amount charged for services, in accordance with governing state statutes, range from 1% to 5% of per pupil funding under the Colorado Public School Finance Act. Amounts charged to all charter schools for the fiscal year ended June 30, 2019 were \$828,854.

The district's Food Services program is a member of a food co-operative along with other school districts in the state of Colorado. During the year ended June 30, 2019, the district paid \$2,689,358 for food related costs. Administrative costs were paid by membership fees.

**ADAMS 12 FIVE STAR SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE Q: SUBSEQUENT EVENTS**

On August 20, 2019 the district entered into an agreement to purchase 9.6 acres of additional land at the northwest corner of 126<sup>th</sup> and Washington Street.

On September 18, 2019 the district's Board of Education approved the purchase of four buses.

**NOTE R: NEW PRONOUNCEMENTS**

Effective with the reporting period beginning July 1, 2019 the district will implement and adopt the GASB Statement No. 84 *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. In fiscal year 2017-2018 the district evaluated the Pupil Activity Agency Fund to determine criteria for reporting in compliance with Statement No. 84. The evaluation resulted in the district reporting a restatement of net position in relationship to activities associated with student fees, clubs, school-based fundraising and local revenue grants which are now appropriately reported in Special Revenue Funds. During fiscal year 2018-19 all funds that remained in the Pupil Activity Agency Fund were expended resulting in a closure of the agency fund as of June 30, 2019.

The GASB issued Statement No. 87 *Leases* (Statement No. 87), which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Statement No. 87 is effective for fiscal year 2021, however early application is encouraged. At this time, management is currently evaluating the effects that Statement No. 87 will have on the district's financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

#### PERA Pension Plan – School Division Trust Fund

Last 10 Years\*

|                                                                                                    | 2018                  | 2017                    | 2016                    | 2015                  | 2014                  | 2013                  |
|----------------------------------------------------------------------------------------------------|-----------------------|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the net pension liability                                                 | 4.0690374%            | 4.6958516%              | 4.8777381%              | 4.8314652%            | 4.8866711%            | 5.1084488%            |
| District's proportionate share of the net pension liability                                        | \$ 720,506,652        | \$ 1,518,471,530        | \$ 1,452,291,268        | \$ 738,938,497        | \$ 662,308,071        | \$ 651,581,259        |
| State's Proportionate Share of the Net Pension Liability associated with the District **           | 98,519,279            | -                       | -                       | -                     | -                     | -                     |
| Total                                                                                              | <u>\$ 819,025,931</u> | <u>\$ 1,518,471,530</u> | <u>\$ 1,452,291,268</u> | <u>\$ 738,938,497</u> | <u>\$ 662,308,071</u> | <u>\$ 651,581,259</u> |
| District's covered payroll                                                                         | 223,695,798           | 216,614,182             | 218,921,565             | 210,551,876           | \$ 204,716,575        | \$ 206,170,605        |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 322.09%               | 701.00%                 | 663.38%                 | 350.95%               | 323.52%               | 316.04%               |
| Plan fiduciary net position as a percentage of the total pension liability                         | 57.01%                | 43.96%                  | 43.13%                  | 59.20%                | 62.80%                | 64.06%                |

\*\* A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

\*The amounts presented for each year were determined using a calendar year ending as of December 31.

Note: Information for the prior four years was not available to report.

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PERA Pension Plan – School Division Trust Fund

|                                                                   | Last 10 Fiscal Years* |               |               |               |
|-------------------------------------------------------------------|-----------------------|---------------|---------------|---------------|
|                                                                   | <u>2019</u>           | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
| Statutorily required contribution                                 | \$ 44,958,386         | \$ 41,212,203 | \$ 39,735,628 | \$ 38,564,555 |
| Contribution in relation to the statutorily required contribution | (44,958,386)          | (41,212,203)  | (39,735,628)  | (38,564,555)  |
| Annual contribution deficiency (excess)                           | <u>\$ -</u>           | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's covered payroll                                        | 231,913,692           | 218,250,104   | 216,169,864   | 217,388,594   |
| Contribution as a percentage of covered payroll.                  | 19.39%                | 18.88%        | 18.38%        | 17.74%        |

\*The amounts presented in this schedule represent a fiscal year, July 1 through June 30.  
Contributions and covered payroll includes component units pension amounts through 2014.

| <u>2015</u>   | <u>2014</u>   | <u>2013</u>   | <u>2012</u>   | <u>2011</u>   | <u>2010</u>   |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 34,508,020 | \$ 33,093,081 | \$ 30,951,475 | \$ 29,618,525 | \$ 27,921,084 | \$ 26,608,313 |
| (34,508,020)  | (33,093,081)  | (30,951,475)  | (29,618,525)  | (27,921,084)  | (26,608,313)  |
| <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| 204,298,944   | 207,042,843   | 205,348,253   | 208,750,579   | 210,019,550   | 214,687,049   |
| 16.89%        | 15.98%        | 15.07%        | 14.19%        | 13.29%        | 12.39%        |

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
PERA Health Care Trust Fund

Last 10 Years\*

|                                                                                                 | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
|-------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| District's proportion of the net OPEB liability                                                 | 2.6448842146% | 2.6681661839% | 2.7725640212% |
| District's proportionate share of the net OPEB liability                                        | \$ 35,984,761 | \$ 34,675,488 | \$ 35,947,235 |
| District's covered payroll                                                                      | 216,614,182   | 216,614,182   | 218,921,565   |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 16.61%        | 16.01%        | 16.42%        |
| Plan fiduciary net position as a percentage of the total OPEB liability                         | 17.03%        | 17.53%        | 16.72%        |

\*The amounts presented for each year were determined using a calendar year ending as of December 31.

Note: Information for the prior seven years was not available to report.



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SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PERA Health Care Trust Fund

Last 10 Fiscal Years\*

|                                                                     | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  |
|---------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                 | \$ 2,365,520 | \$ 2,226,151 | \$ 2,204,933 | \$ 2,217,364 |
| Contribution in relation to the contractually required contribution | 2,365,520    | 2,226,151    | 2,204,933    | 2,217,364    |
| Contribution deficiency (excess)                                    | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| District's covered payroll                                          | 231,913,692  | 218,250,104  | 216,169,864  | 217,388,594  |
| Contribution as a percentage of covered payroll.                    | 1.02%        | 1.02%        | 1.02%        | 1.02%        |

\*The amounts presented in this schedule represent a fiscal year, July 1 through June 30.  
Contributions and covered payroll includes component units pension amounts through 2014.

| <u>2015</u>  | <u>2014</u>  | <u>2013</u>  | <u>2012</u>  | <u>2011</u>  | <u>2010</u>  |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 2,083,849 | \$ 2,111,837 | \$ 2,094,552 | \$ 2,129,256 | \$ 2,142,199 | \$ 2,189,808 |
| 2,083,849    | 2,111,837    | 2,094,552    | 2,129,256    | 2,142,199    | 2,189,808    |
| <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| 204,298,944  | 207,042,843  | 205,348,253  | 208,750,579  | 210,019,550  | 214,687,049  |
| 1.02%        | 1.02%        | 1.02%        | 1.02%        | 1.02%        | 1.02%        |



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**SUPPLEMENTARY INFORMATION**  
**INDIVIDUAL FUND**  
**FINANCIAL STATEMENTS AND SCHEDULES**

The Individual Fund Financial Statements represent the second level of financial reporting for the district. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type. For those fund types with a single fund, individual fund financial statements are presented.



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## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds:

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Pupil Activity Special Revenue Fund – This fund accounts for revenues collected from student fees and fines and expenditures associated with intrascholastic and interscholastic activities, classroom materials, technology, and damages paid for by the revenue collected. This fund was created in fiscal year 2016-2017 to more accurately track these types of activities. In prior years, these activities were included in the Pupil Activity Agency Fund.

Other Special Revenue Fund – This fund is used to account for activities associated with self-funded high school lunch programs, school vending sales, vendor rebates, and small local grants. In prior years, these activities were included in the Pupil Activity Agency Fund. This fund was created in fiscal year 2016-2017 to more accurately differentiate and track these types of activities.

Instructional Special Revenue Fund – This fund accounts for the Extended Day Kindergarten Program (EDKP) and reports the revenue collected from tuition and expenses incurred for running the all day kindergarten programs. This fund also accounts for revenues collected from student fees and expenditures associated with textbooks and classroom instructional materials.

Food Service Special Revenue Fund – This fund accounts for financial transactions related to food service operations for student breakfast and lunch.

Before, After, and Summer Enrichment Special Revenue Fund – This fund accounts for Before, After, and Summer Enrichment operations offered at 30 locations in the district.

Interscholastic Athletic Special Revenue Fund - This fund accounts for the activities of the interscholastic athletic programs in the district.

## MAJOR GOVERNMENTAL FUNDS

Bond Redemption-Debt Service Fund – This fund is authorized by Colorado School Law. It provides revenues based upon a property tax mill levy set by the School Board to satisfy the district's bonded indebtedness on an annualized basis.

Building Fund-Capital Projects Fund – This fund is used to account for the major capital outlays for facilities funded by the proceeds from general obligation bonds.

Capital Reserve-Capital Projects Fund – This fund is authorized by Colorado School Law and is used to fund ongoing capital needs including the acquisition of sites, buildings, equipment, and vehicles.

Governmental Designated-Purpose Grants Special Revenue Fund – This fund accounts for the various federal and state grants awarded to the district to accomplish specific activities.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Non-Major Governmental Funds - Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

|                                                                     | <u>Pupil Activity Special<br/>Revenue</u> | <u>Other Special Revenue</u> | <u>Instructional Special<br/>Revenue</u> |
|---------------------------------------------------------------------|-------------------------------------------|------------------------------|------------------------------------------|
| <b>ASSETS</b>                                                       |                                           |                              |                                          |
| Cash and Investments                                                | \$ 4,070,438                              | \$ 3,193,960                 | \$ 7,534,265                             |
| Accounts Receivable                                                 | 3,702                                     | 14,017                       | -                                        |
| Due from Other Governments                                          | -                                         | -                            | 14,140                                   |
| Inventories                                                         | -                                         | 840                          | -                                        |
| Prepaid Items                                                       | 11,596                                    | -                            | -                                        |
| Total Assets                                                        | <u>\$ 4,085,736</u>                       | <u>\$ 3,208,817</u>          | <u>\$ 7,548,405</u>                      |
| <b><u>Liabilities and Fund Balances</u></b>                         |                                           |                              |                                          |
| <b>LIABILITIES</b>                                                  |                                           |                              |                                          |
| Accounts Payable                                                    | \$ 120,285                                | \$ 30,349                    | \$ 199,715                               |
| Accrued Salaries and Benefits                                       | 4,252                                     | 13,616                       | 324,337                                  |
| Unearned Revenue-Other                                              | -                                         | -                            | 33,675                                   |
| Total Liabilities                                                   | <u>124,537</u>                            | <u>43,965</u>                | <u>557,727</u>                           |
| <b>FUND BALANCES</b>                                                |                                           |                              |                                          |
| <b>Nonspendable:</b>                                                |                                           |                              |                                          |
| Inventory                                                           | -                                         | 840                          | -                                        |
| Prepaid Items                                                       | 11,596                                    | -                            | -                                        |
| <b>Restricted for:</b>                                              |                                           |                              |                                          |
| Tabor 3% Emergency Reserve                                          | 269,838                                   | 128,358                      | 196,204                                  |
| Food Service                                                        | -                                         | -                            | -                                        |
| <b>Committed to:</b>                                                |                                           |                              |                                          |
| Pupil Activity Special Revenue                                      | 3,679,765                                 | -                            | -                                        |
| Other Special Revenue                                               | -                                         | 3,035,654                    | -                                        |
| Instructional Special Revenue                                       | -                                         | -                            | 6,794,474                                |
| Child Care                                                          | -                                         | -                            | -                                        |
| Athletics                                                           | -                                         | -                            | -                                        |
| Total Fund Balances                                                 | <u>3,961,199</u>                          | <u>3,164,852</u>             | <u>6,990,678</u>                         |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 4,085,736</u>                       | <u>\$ 3,208,817</u>          | <u>\$ 7,548,405</u>                      |

| <b>Food Service Special<br/>Revenue</b> | <b>Before, After, and<br/>Summer Enrichment<br/>Special Revenue</b> | <b>Interscholastic Athletic<br/>Special Revenue</b> | <b>Total Non-Major<br/>Governmental Funds</b> |
|-----------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------|
| \$ 3,759,321                            | \$ 1,498,347                                                        | \$ 653,533                                          | \$ 20,709,864                                 |
| 29,726                                  | 141,190                                                             | 53,440                                              | 242,075                                       |
| 44,418                                  | -                                                                   | -                                                   | 58,558                                        |
| 97,355                                  | -                                                                   | -                                                   | 98,195                                        |
| 2,500                                   | 19,507                                                              | 750                                                 | 34,353                                        |
| <u>\$ 3,933,320</u>                     | <u>\$ 1,659,044</u>                                                 | <u>\$ 707,723</u>                                   | <u>\$ 21,143,045</u>                          |
| <br>                                    |                                                                     |                                                     |                                               |
| \$ 41,053                               | \$ 133,044                                                          | \$ 25,445                                           | \$ 549,891                                    |
| 36,183                                  | 353,737                                                             | 98,917                                              | 831,042                                       |
| 262,883                                 | 430,062                                                             | 3,050                                               | 729,670                                       |
| <u>340,119</u>                          | <u>916,843</u>                                                      | <u>127,412</u>                                      | <u>2,110,603</u>                              |
| <br>                                    |                                                                     |                                                     |                                               |
| 97,355                                  | -                                                                   | -                                                   | 98,195                                        |
| 2,500                                   | 19,507                                                              | 750                                                 | 34,353                                        |
| <br>                                    |                                                                     |                                                     |                                               |
| 120,205                                 | 257,924                                                             | 74,196                                              | 1,046,725                                     |
| 3,373,141                               | -                                                                   | -                                                   | 3,373,141                                     |
| <br>                                    |                                                                     |                                                     |                                               |
| -                                       | -                                                                   | -                                                   | 3,679,765                                     |
| -                                       | -                                                                   | -                                                   | 3,035,654                                     |
| -                                       | -                                                                   | -                                                   | 6,794,474                                     |
| -                                       | 464,770                                                             | -                                                   | 464,770                                       |
| -                                       | -                                                                   | 505,365                                             | 505,365                                       |
| <u>3,593,201</u>                        | <u>742,201</u>                                                      | <u>580,311</u>                                      | <u>19,032,442</u>                             |
| <br>                                    |                                                                     |                                                     |                                               |
| <u>\$ 3,933,320</u>                     | <u>\$ 1,659,044</u>                                                 | <u>\$ 707,723</u>                                   | <u>\$ 21,143,045</u>                          |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Non-Major Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2019**

|                                                              | <b>Pupil Activity Special<br/>Revenue</b> | <b>Other Special Revenue</b> | <b>Instructional Special<br/>Revenue</b> |
|--------------------------------------------------------------|-------------------------------------------|------------------------------|------------------------------------------|
| <b>REVENUES</b>                                              |                                           |                              |                                          |
| State                                                        | \$ -                                      | \$ 356                       | \$ 14,140                                |
| Federal                                                      | -                                         | -                            | -                                        |
| Local                                                        | 5,059,601                                 | 2,605,777                    | 2,349,713                                |
| Investment Earnings                                          | 11,095                                    | 28,553                       | -                                        |
| Miscellaneous                                                | -                                         | 129,356                      | -                                        |
| Total Revenues                                               | <u>5,070,696</u>                          | <u>2,764,042</u>             | <u>2,363,853</u>                         |
| <b>EXPENDITURES</b>                                          |                                           |                              |                                          |
| Current:                                                     |                                           |                              |                                          |
| Direct Instruction                                           |                                           |                              |                                          |
| Elementary Education                                         | 421,040                                   | 14,556                       | 2,734,132                                |
| K-8 Education                                                | 86,560                                    | -                            | 12                                       |
| Middle School Education                                      | 151,581                                   | 11,355                       | -                                        |
| High School Education                                        | 948,649                                   | 218,659                      | 1,254,783                                |
| Other Regular Education                                      | 3,377,269                                 | 503,885                      | -                                        |
| Special Programs                                             | 5,442                                     | 3,064                        | 60,772                                   |
| Total Direct Instruction                                     | <u>4,990,541</u>                          | <u>751,519</u>               | <u>4,049,699</u>                         |
| Indirect Instruction                                         |                                           |                              |                                          |
| Pupil Support Services                                       | 146                                       | 19,645                       | -                                        |
| Instructional Staff Services                                 | -                                         | 98,099                       | 192,836                                  |
| School Administration                                        | 25,006                                    | 154,825                      | 30,521                                   |
| Total Indirect Instruction                                   | <u>25,152</u>                             | <u>272,569</u>               | <u>223,357</u>                           |
| Other Support Programs                                       |                                           |                              |                                          |
| Business/Fiscal Services                                     | -                                         | 10,854                       | -                                        |
| Procurement and Warehouse                                    | -                                         | 47,468                       | -                                        |
| Operations and Maintenance                                   | 27,836                                    | 734,492                      | -                                        |
| Pupil Transportation Services                                | 15,158                                    | 11,206                       | -                                        |
| Staff Services                                               | -                                         | 2,212                        | -                                        |
| Other Support Services                                       | -                                         | -                            | -                                        |
| Community Programs                                           | -                                         | 30,141                       | -                                        |
| Food Service Operations                                      | -                                         | 7,973                        | -                                        |
| Child Care Operations                                        | -                                         | -                            | -                                        |
| Total Other Support Programs                                 | <u>42,994</u>                             | <u>844,346</u>               | <u>-</u>                                 |
| Total Expenditures                                           | <u>5,058,687</u>                          | <u>1,868,434</u>             | <u>4,273,056</u>                         |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 12,009                                    | 895,608                      | (1,909,203)                              |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                           |                              |                                          |
| Transfers In                                                 | <u>213,713</u>                            | <u>22,403</u>                | <u>4,176,287</u>                         |
| Total Other Financing Sources (Uses)                         | <u>213,713</u>                            | <u>22,403</u>                | <u>4,176,287</u>                         |
| Net Change in Fund Balances                                  | 225,722                                   | 918,011                      | 2,267,084                                |
| Fund Balances, July 1, 2018                                  | <u>3,735,477</u>                          | <u>2,246,841</u>             | <u>4,723,594</u>                         |
| Fund Balances, June 30, 2019                                 | <u>\$ 3,961,199</u>                       | <u>\$ 3,164,852</u>          | <u>\$ 6,990,678</u>                      |

| <b>Food Service Special<br/>Revenue</b> | <b>Before, After, and<br/>Summer Enrichment<br/>Special Revenue</b> | <b>Interscholastic Athletic<br/>Special Revenue</b> | <b>Total Non-Major<br/>Governmental Funds</b> |
|-----------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------|
| \$ 259,802                              | \$ -                                                                | \$ -                                                | \$ 274,298                                    |
| 7,470,929                               | -                                                                   | -                                                   | 7,470,929                                     |
| 3,705,025                               | 8,516,991                                                           | 1,040,345                                           | 23,277,452                                    |
| 18,262                                  | -                                                                   | 4,836                                               | 62,746                                        |
| 34,859                                  | -                                                                   | -                                                   | 164,215                                       |
| <u>11,488,877</u>                       | <u>8,516,991</u>                                                    | <u>1,045,181</u>                                    | <u>31,249,640</u>                             |
| -                                       | -                                                                   | -                                                   | 3,169,728                                     |
| -                                       | -                                                                   | 1,429                                               | 88,001                                        |
| -                                       | -                                                                   | 8,717                                               | 171,653                                       |
| -                                       | -                                                                   | 1,936,774                                           | 4,358,865                                     |
| -                                       | -                                                                   | 79,884                                              | 3,961,038                                     |
| -                                       | -                                                                   | <u>172,524</u>                                      | <u>241,802</u>                                |
| -                                       | -                                                                   | <u>2,199,328</u>                                    | <u>11,991,087</u>                             |
| -                                       | -                                                                   | -                                                   | 19,791                                        |
| -                                       | -                                                                   | 98,627                                              | 389,562                                       |
| -                                       | -                                                                   | -                                                   | 210,352                                       |
| -                                       | -                                                                   | <u>98,627</u>                                       | <u>619,705</u>                                |
| -                                       | -                                                                   | -                                                   | 10,854                                        |
| -                                       | -                                                                   | -                                                   | 47,468                                        |
| -                                       | 592,752                                                             | 490                                                 | 1,355,570                                     |
| -                                       | -                                                                   | -                                                   | 26,364                                        |
| -                                       | -                                                                   | -                                                   | 2,212                                         |
| 201,185                                 | 41,179                                                              | -                                                   | 242,364                                       |
| -                                       | -                                                                   | 13,302                                              | 43,443                                        |
| 11,201,404                              | 130                                                                 | -                                                   | 11,209,507                                    |
| -                                       | <u>8,272,349</u>                                                    | -                                                   | <u>8,272,349</u>                              |
| <u>11,402,589</u>                       | <u>8,906,410</u>                                                    | <u>13,792</u>                                       | <u>21,210,131</u>                             |
| <u>11,402,589</u>                       | <u>8,906,410</u>                                                    | <u>2,311,747</u>                                    | <u>33,820,923</u>                             |
| 86,288                                  | (389,419)                                                           | (1,266,566)                                         | (2,571,283)                                   |
| -                                       | 80,461                                                              | 1,428,019                                           | 5,920,883                                     |
| -                                       | 80,461                                                              | 1,428,019                                           | 5,920,883                                     |
| 86,288                                  | (308,958)                                                           | 161,453                                             | 3,349,600                                     |
| 3,506,913                               | 1,051,159                                                           | 418,858                                             | 15,682,842                                    |
| <u>\$ 3,593,201</u>                     | <u>\$ 742,201</u>                                                   | <u>\$ 580,311</u>                                   | <u>\$ 19,032,442</u>                          |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Bond Redemption - Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                                              | <b>Budget Amounts</b> |                    | <b>Actual Amounts</b> | <b>Variance with</b> |
|--------------------------------------------------------------|-----------------------|--------------------|-----------------------|----------------------|
|                                                              | <b>Original</b>       | <b>Final</b>       |                       | <b>Final Budget</b>  |
| <b>REVENUES</b>                                              |                       |                    |                       |                      |
| Taxes:                                                       |                       |                    |                       |                      |
| Property                                                     | \$ 53,741,519         | \$ 53,741,519      | \$ 54,593,988         | \$ 852,469           |
| Ownership                                                    | -                     | -                  | 344,015               | 344,015              |
| Delinquent Taxes and Interest                                | 98,000                | 98,000             | 90,799                | (7,201)              |
| Investment Earnings                                          | -                     | -                  | 170,460               | 170,460              |
| Total Revenues                                               | <u>53,839,519</u>     | <u>53,839,519</u>  | <u>55,199,262</u>     | <u>1,359,743</u>     |
| <b>EXPENDITURES</b>                                          |                       |                    |                       |                      |
| Reserves                                                     | <u>68,441,352</u>     | <u>72,250,518</u>  | -                     | <u>72,250,518</u>    |
| Total Other Support Programs                                 | <u>68,441,352</u>     | <u>72,250,518</u>  | -                     | <u>72,250,518</u>    |
| Debt Service                                                 |                       |                    |                       |                      |
| Principal Retirement                                         | 23,275,000            | 23,275,000         | 23,275,000            | -                    |
| Interest and Fiscal Charges                                  | 22,830,050            | 24,716,856         | 24,716,856            | -                    |
| Bond Issuance and Other Costs                                | -                     | 8,500              | 7,500                 | 1,000                |
| Total Expenditures                                           | <u>114,546,402</u>    | <u>120,250,874</u> | <u>47,999,356</u>     | <u>72,251,518</u>    |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | (60,706,883)          | (66,411,355)       | 7,199,906             | 73,611,261           |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                       |                    |                       |                      |
| Transfers Out                                                | -                     | -                  | -                     | -                    |
| Total Other Financing Sources (Uses)                         | <u>-</u>              | <u>-</u>           | <u>-</u>              | <u>-</u>             |
| Net Change in Fund Balances                                  | (60,706,883)          | (66,411,355)       | 7,199,906             | 73,611,261           |
| Fund Balances, July 1, 2018                                  | <u>60,706,883</u>     | <u>66,411,355</u>  | <u>66,411,355</u>     | <u>-</u>             |
| Fund Balances, June 30, 2019                                 | <u>\$ -</u>           | <u>\$ -</u>        | <u>\$ 73,611,261</u>  | <u>\$ 73,611,261</u> |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Building - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                                           | <b>Budget Amounts</b> |               | <b>Variance with</b>  |                     |
|-----------------------------------------------------------|-----------------------|---------------|-----------------------|---------------------|
|                                                           | <b>Original</b>       | <b>Final</b>  | <b>Actual Amounts</b> | <b>Final Budget</b> |
| <b>REVENUES</b>                                           |                       |               |                       |                     |
| Investment Earnings                                       | \$ 1,317,100          | \$ 2,035,947  | \$ 6,553,592          | \$ 4,517,645        |
| Miscellaneous                                             | -                     | -             | 57,486                | 57,486              |
| Total Revenues                                            | 1,317,100             | 2,035,947     | 6,611,078             | 4,575,131           |
| <b>EXPENDITURES</b>                                       |                       |               |                       |                     |
| Reserves                                                  | 102,000,412           | 164,605,807   | -                     | 164,605,807         |
| Total Other Support Programs                              | 102,000,412           | 164,605,807   | -                     | 164,605,807         |
| Capital Outlay:                                           |                       |               |                       |                     |
| Sites, Buildings, and Ground Improvements                 | 22,515,943            | 22,545,076    | 15,063,891            | 7,481,185           |
| School Additions, Improvements, and Repairs               | 81,989,892            | 81,989,892    | 64,909,942            | 17,079,950          |
| Equipment/Vehicles/Operation Systems                      | 21,576,485            | 21,576,485    | 18,538,630            | 3,037,855           |
| Debt Service                                              |                       |               |                       |                     |
| Bond Issuance and Other Costs                             | -                     | 351,811       | 348,311               | 3,500               |
| Total Expenditures                                        | 228,082,732           | 291,069,071   | 98,860,774            | 192,208,297         |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (226,765,632)         | (289,033,124) | (92,249,696)          | 196,783,428         |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                       |               |                       |                     |
| Issuance of bond proceeds                                 | -                     | 65,000,000    | 65,000,000            | -                   |
| Premium/discount on bonds issued                          | -                     | 11,048,721    | 11,048,720            | (1)                 |
| Total Other Financing Sources (Uses)                      | -                     | 76,048,721    | 76,048,720            | (1)                 |
| Net Change in Fund Balances                               | (226,765,632)         | (212,984,403) | (16,200,976)          | 196,783,427         |
| Fund Balances, July 1, 2018                               | 226,765,632           | 212,984,403   | 212,984,403           | -                   |
| Fund Balances, June 30, 2019                              | \$ -                  | \$ -          | \$ 196,783,427        | \$ 196,783,427      |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Capital Reserve - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                                           | Budget Amounts |              | Actual Amounts |    | Variance with |
|-----------------------------------------------------------|----------------|--------------|----------------|----|---------------|
|                                                           | Original       | Final        |                |    | Final Budget  |
| <b>REVENUES</b>                                           |                |              |                |    |               |
| Local                                                     | \$ 4,532,519   | \$ 4,532,519 | \$ 3,871,687   | \$ | (660,832)     |
| Investment Earnings                                       | 1,028,572      | 1,028,572    | 1,418,051      |    | 389,479       |
| Miscellaneous                                             | 338,190        | 578,190      | 306,363        |    | (271,827)     |
| Total Revenues                                            | 5,899,281      | 6,139,281    | 5,596,101      |    | (543,180)     |
| <b>EXPENDITURES</b>                                       |                |              |                |    |               |
| Reserves                                                  | 16,242,577     | 16,736,982   | -              |    | 16,736,982    |
| Total Other Support Programs                              | 16,242,577     | 16,736,982   | -              |    | 16,736,982    |
| Capital Outlay:                                           |                |              |                |    |               |
| Sites, Buildings, and Ground Improvements                 | 3,900,330      | 3,900,330    | 1,390,302      |    | 2,510,028     |
| School Additions, Improvements, and Repairs               | 2,781,912      | 2,781,912    | 1,934,109      |    | 847,803       |
| Equipment/Vehicles/Operation Systems                      | 242,234        | 242,234      | 49,066         |    | 193,168       |
| Debt Service                                              |                |              |                |    |               |
| Principal Retirement                                      | 5,020,696      | 5,020,696    | 5,020,696      |    | -             |
| Interest and Fiscal Charges                               | 792,678        | 792,678      | 792,678        |    | -             |
| Total Expenditures                                        | 28,980,427     | 29,474,832   | 9,186,851      |    | 20,287,981    |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (23,081,146)   | (23,335,551) | (3,590,750)    |    | 19,744,801    |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                |              |                |    |               |
| Transfers In                                              | 7,871,056      | 8,226,056    | 11,526,056     |    | 3,300,000     |
| Total Other Financing Sources (Uses)                      | 7,871,056      | 8,226,056    | 11,526,056     |    | 3,300,000     |
| Net Change in Fund Balances                               | (15,210,090)   | (15,109,495) | 7,935,306      |    | 23,044,801    |
| Fund Balances, July 1, 2018                               | 15,210,090     | 15,109,495   |                |    | -             |
| Fund Balances, June 30, 2019                              | \$ -           | \$ -         | \$ 23,044,801  | \$ | 23,044,801    |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Pupil Activity Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                              | <b>Budget Amounts</b> |                  | <b>Actual Amounts</b> | <b>Variance with</b> |
|----------------------------------------------|-----------------------|------------------|-----------------------|----------------------|
|                                              | <b>Original</b>       | <b>Final</b>     |                       | <b>Final Budget</b>  |
| <b>REVENUES</b>                              |                       |                  |                       |                      |
| Local                                        | \$ 4,871,238          | \$ 4,834,238     | \$ 5,059,601          | \$ 225,363           |
| Investment Earnings                          | 3,034                 | 3,034            | 11,095                | 8,061                |
| Total Revenues                               | <u>4,874,272</u>      | <u>4,837,272</u> | <u>5,070,696</u>      | <u>233,424</u>       |
| <b>EXPENDITURES</b>                          |                       |                  |                       |                      |
| Current:                                     |                       |                  |                       |                      |
| Direct Instruction:                          |                       |                  |                       |                      |
| Elementary Education                         | -                     | -                | 421,040               | (421,040)            |
| K-8 Education                                | -                     | -                | 86,560                | (86,560)             |
| Middle School Education                      | -                     | -                | 151,581               | (151,581)            |
| High School Education                        | -                     | -                | 948,649               | (948,649)            |
| Other Regular Education                      | 4,321,687             | 4,321,687        | 3,377,269             | 944,418              |
| Special Programs                             | -                     | -                | 5,442                 | (5,442)              |
| Total Direct Instruction                     | <u>4,321,687</u>      | <u>4,321,687</u> | <u>4,990,541</u>      | <u>(668,854)</u>     |
| Indirect Instruction:                        |                       |                  |                       |                      |
| Pupil Support Services                       | -                     | -                | 146                   | (146)                |
| School Administration                        | -                     | -                | 25,006                | (25,006)             |
| Total Indirect Instruction                   | <u>-</u>              | <u>-</u>         | <u>25,152</u>         | <u>(25,152)</u>      |
| Other Support Programs:                      |                       |                  |                       |                      |
| Operations and Maintenance                   | -                     | -                | 27,836                | (27,836)             |
| Pupil Transportation Services                | -                     | -                | 15,158                | (15,158)             |
| Reserves                                     | 4,630,639             | 4,464,775        | -                     | 4,464,775            |
|                                              | <u>-</u>              | <u>4,464,775</u> | <u>42,994</u>         | <u>4,421,781</u>     |
| Total Expenditures                           | <u>8,952,326</u>      | <u>8,786,462</u> | <u>5,058,687</u>      | <u>3,727,775</u>     |
| Excess (Deficiency) of Revenues Over (Under) |                       |                  |                       |                      |
| Expenditures                                 | (4,078,054)           | (3,949,190)      | 12,009                | 3,961,199            |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                       |                  |                       |                      |
| Transfers In                                 | -                     | 213,713          | 213,713               | -                    |
| Total Other Financing Sources (Uses)         | <u>-</u>              | <u>213,713</u>   | <u>213,713</u>        | <u>-</u>             |
| Net Change in Fund Balances                  | (4,078,054)           | (3,735,477)      | 225,722               | 3,961,199            |
| Fund Balances, July 1, 2018                  | 4,078,054             | 3,735,477        | 3,735,477             | -                    |
| Fund Balances, June 30, 2019                 | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ 3,961,199</u>   | <u>\$ 3,961,199</u>  |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Other Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                                           | Budget Amounts   |                  | Actual Amounts      |           | Variance with    |
|-----------------------------------------------------------|------------------|------------------|---------------------|-----------|------------------|
|                                                           | Original         | Final            |                     |           | Final Budget     |
| <b>REVENUES</b>                                           |                  |                  |                     |           |                  |
| State                                                     | \$ -             | \$ -             | \$ 356              | \$        | 356              |
| Local                                                     | 1,426,062        | 1,426,062        | 2,605,777           |           | 1,179,715        |
| Investment Earnings                                       | -                | -                | 28,553              |           | 28,553           |
| Miscellaneous                                             | 125,000          | 125,000          | 129,356             |           | 4,356            |
| Total Revenues                                            | <u>1,551,062</u> | <u>1,551,062</u> | <u>2,764,042</u>    |           | <u>1,212,980</u> |
| <b>EXPENDITURES</b>                                       |                  |                  |                     |           |                  |
| Current:                                                  |                  |                  |                     |           |                  |
| Direct Instruction:                                       |                  |                  |                     |           |                  |
| Elementary Education                                      | 200,000          | 200,000          | 14,556              |           | 185,444          |
| Middle School Education                                   | -                | -                | 11,355              |           | (11,355)         |
| High School Education                                     | 356,832          | 356,832          | 218,659             |           | 138,173          |
| Other Regular Education                                   | 225,000          | 225,000          | 503,885             |           | (278,885)        |
| Special Programs                                          | -                | -                | 3,064               |           | (3,064)          |
| Total Direct Instruction                                  | <u>781,832</u>   | <u>781,832</u>   | <u>751,519</u>      |           | <u>30,313</u>    |
| Indirect Instruction:                                     |                  |                  |                     |           |                  |
| Pupil Support Services                                    | 189,229          | 189,229          | 19,645              |           | 169,584          |
| Instructional Staff Services                              | 140,283          | 140,283          | 98,099              |           | 42,184           |
| School Administration                                     | 75,000           | 75,000           | 154,825             |           | (79,825)         |
| Total Indirect Instruction                                | <u>404,512</u>   | <u>404,512</u>   | <u>272,569</u>      |           | <u>131,943</u>   |
| Other Support Programs:                                   |                  |                  |                     |           |                  |
| Business/Fiscal Services                                  | -                | -                | 10,854              |           | (10,854)         |
| Procurement and Warehouse                                 | 60,444           | 60,968           | 47,468              |           | 13,500           |
| Operations and Maintenance                                | 592,168          | 597,474          | 734,492             |           | (137,018)        |
| Pupil Transportation Services                             | -                | -                | 11,206              |           | (11,206)         |
| Staff Services                                            | -                | -                | 2,212               |           | (2,212)          |
| Community Programs                                        | -                | -                | 30,141              |           | (30,141)         |
| Food Service Operations                                   | -                | -                | 7,973               |           | (7,973)          |
| Reserves                                                  | 1,392,388        | 1,953,117        | -                   |           | 1,953,117        |
| Total Other Support Programs                              | <u>2,045,000</u> | <u>2,611,559</u> | <u>844,346</u>      |           | <u>1,767,213</u> |
| Total Expenditures                                        | <u>3,231,344</u> | <u>3,797,903</u> | <u>1,868,434</u>    |           | <u>1,929,469</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,680,282)      | (2,246,841)      | 895,608             |           | 3,142,449        |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |                  |                     |           |                  |
| Transfers In                                              | -                | -                |                     |           | 22,403           |
| Total Other Financing Sources (Uses)                      | <u>-</u>         | <u>-</u>         | <u>22,403</u>       |           | <u>22,403</u>    |
| Net Change in Fund Balances                               | (1,680,282)      | (2,246,841)      | 918,011             |           | 3,164,852        |
| Fund Balances, July 1, 2018                               | <u>1,680,282</u> | <u>2,246,841</u> | <u>2,246,841</u>    |           | <u>-</u>         |
| Fund Balances, June 30, 2019                              | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 3,164,852</u> | <u>\$</u> | <u>3,164,852</u> |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Instructional Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                                           | <b>Budget Amounts</b> |              | <b>Actual Amounts</b> | <b>Variance with</b> |
|-----------------------------------------------------------|-----------------------|--------------|-----------------------|----------------------|
|                                                           | <b>Original</b>       | <b>Final</b> |                       | <b>Final Budget</b>  |
| <b>REVENUES</b>                                           |                       |              |                       |                      |
| State                                                     | \$ -                  | \$ -         | \$ 14,140             | \$ 14,140            |
| Local                                                     | 2,849,610             | 2,243,110    | 2,349,713             | 106,603              |
| Total Revenues                                            | 2,849,610             | 2,243,110    | 2,363,853             | 120,743              |
| <b>EXPENDITURES</b>                                       |                       |              |                       |                      |
| Current:                                                  |                       |              |                       |                      |
| Direct Instruction:                                       |                       |              |                       |                      |
| Elementary Education                                      | 2,394,799             | 2,410,868    | 2,734,132             | (323,264)            |
| K-8 Education                                             | -                     | -            | 12                    | (12)                 |
| Middle School Education                                   | 467,438               | 467,438      | -                     | 467,438              |
| High School Education                                     | 2,636,701             | 2,636,701    | 1,254,783             | 1,381,918            |
| Special Programs                                          | 215,709               | 215,709      | 60,772                | 154,937              |
| Total Direct Instruction                                  | 5,714,647             | 5,730,716    | 4,049,699             | 1,681,017            |
| Indirect Instruction:                                     |                       |              |                       |                      |
| Pupil Support Services                                    | -                     | -            | -                     | -                    |
| Instructional Staff Services                              | -                     | -            | 192,836               | (192,836)            |
| School Administration                                     | -                     | -            | 30,521                | (30,521)             |
| Total Indirect Instruction                                | -                     | -            | 223,357               | (223,357)            |
| Reserves                                                  | 3,056,061             | 2,625,988    | -                     | 2,625,988            |
| Total Expenditures                                        | 8,770,708             | 8,356,704    | 4,273,056             | 4,083,648            |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,921,098)           | (6,113,594)  | (1,909,203)           | 4,204,391            |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                       |              |                       |                      |
| Transfers In                                              | 1,390,000             | 1,390,000    | 4,176,287             | 2,786,287            |
| Total Other Financing Sources (Uses)                      | 1,390,000             | 1,390,000    | 4,176,287             | 2,786,287            |
| Net Change in Fund Balances                               | (4,531,098)           | (4,723,594)  | 2,267,084             | 6,990,678            |
| Fund Balances, July 1, 2018                               | 4,531,098             | 4,723,594    | 4,723,594             | -                    |
| Fund Balances, June 30, 2019                              | \$ -                  | \$ -         | \$ 6,990,678          | \$ 6,990,678         |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Food Service Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                              | Budget Amounts    |                   | Actual Amounts      |                     | Variance with |
|----------------------------------------------|-------------------|-------------------|---------------------|---------------------|---------------|
|                                              | Original          | Final             |                     |                     | Final Budget  |
| <b>REVENUES</b>                              |                   |                   |                     |                     |               |
| Taxes:                                       |                   |                   |                     |                     |               |
| State                                        | \$ 216,310        | \$ 216,310        | \$ 259,802          | \$ 43,492           |               |
| Federal                                      | 7,567,610         | 7,567,610         | 7,470,929           | (96,681)            |               |
| Local                                        | 3,711,254         | 3,711,254         | 3,705,025           | (6,229)             |               |
| Investment Earnings                          | 7,403             | 7,403             | 18,262              | 10,859              |               |
| Miscellaneous                                | -                 | -                 | 34,859              | 34,859              |               |
| Total Revenues                               | <u>11,502,577</u> | <u>11,502,577</u> | <u>11,488,877</u>   | <u>(13,700)</u>     |               |
| <b>EXPENDITURES</b>                          |                   |                   |                     |                     |               |
| Other Support Programs:                      |                   |                   |                     |                     |               |
| Business/Fiscal Services                     | 7,115             | -                 | -                   | -                   |               |
| Other Support Services                       | -                 | 134,625           | 201,185             | (66,560)            |               |
| Facilities: Planning & Development           | 7,430             | -                 | -                   | -                   |               |
| Food Service Operations                      | 12,098,258        | 11,978,178        | 11,201,404          | 776,774             |               |
| Reserves                                     | <u>3,091,175</u>  | <u>2,896,687</u>  | <u>-</u>            | <u>2,896,687</u>    |               |
| Total Expenditures                           | <u>15,203,978</u> | <u>15,009,490</u> | <u>11,402,589</u>   | <u>3,606,901</u>    |               |
| Excess (Deficiency) of Revenues Over (Under) |                   |                   |                     |                     |               |
| Expenditures                                 | (3,701,401)       | (3,506,913)       | 86,288              | 3,593,201           |               |
| Net Change in Fund Balances                  | (3,701,401)       | (3,506,913)       | 86,288              | 3,593,201           |               |
| Fund Balances, July 1, 2018                  | <u>3,701,401</u>  | <u>3,506,913</u>  | <u>3,506,913</u>    | <u>-</u>            |               |
| Fund Balances, June 30, 2019                 | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ 3,593,201</u> | <u>\$ 3,593,201</u> |               |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Before, After, and Summer Enrichment Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                       | <b>Budget Amounts</b> |              | <b>Actual Amounts</b> | <b>Variance with</b> |
|---------------------------------------|-----------------------|--------------|-----------------------|----------------------|
|                                       | <b>Original</b>       | <b>Final</b> |                       | <b>Final Budget</b>  |
| <b>REVENUES</b>                       |                       |              |                       |                      |
| Tuition                               | \$ 9,012,413          | \$ 8,393,356 | \$ 8,516,991          | \$ 123,635           |
| Total Revenues                        | 9,012,413             | 8,393,356    | 8,516,991             | 123,635              |
| <b>EXPENDITURES</b>                   |                       |              |                       |                      |
| Current:                              |                       |              |                       |                      |
| Other Support Programs:               |                       |              |                       |                      |
| Operations and Maintenance            | -                     | -            | 592,752               | (592,752)            |
| Other Support Services                | 25,573                | 25,573       | 41,309                | (15,736)             |
| Child Care Operations                 | 9,181,319             | 9,265,596    | 8,272,349             | 993,247              |
| Reserves                              | 1,579,200             | 270,372      | -                     | 270,372              |
| Total Expenditures                    | 10,786,092            | 9,561,541    | 8,906,410             | 655,131              |
| Excess (Deficiency) of Revenues       |                       |              |                       |                      |
| Over (Under) Expenditures             | (1,773,679)           | (1,168,185)  | (389,419)             | 778,766              |
| <b>OTHER FINANCING SOURCES (USES)</b> |                       |              |                       |                      |
| Transfers In                          | -                     | 117,026      | 80,461                | (36,565)             |
| Total Other Financing Sources (Uses)  | -                     | 117,026      | 80,461                | (36,565)             |
| Net Change in Fund Balances           | (1,773,679)           | (1,051,159)  | (308,958)             | 742,201              |
| Fund Balances, July 1, 2018           | 1,773,679             | 1,051,159    | 1,051,159             | -                    |
| Fund Balances, June 30, 2019          | \$ -                  | \$ -         | \$ 742,201            | \$ 742,201           |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Interscholastic Athletic Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                       | <b>Budget Amounts</b> |                  |                   | <b>Variance with</b> |
|---------------------------------------|-----------------------|------------------|-------------------|----------------------|
|                                       | <b>Original</b>       | <b>Final</b>     |                   | <b>Final Budget</b>  |
| <b>REVENUES</b>                       |                       |                  |                   |                      |
| Local                                 | \$ 958,085            | \$ 958,085       | \$ 1,040,345      | \$ 82,260            |
| Investment Earnings                   | 2,500                 | 2,500            | 4,836             | 2,336                |
| Total Revenues                        | <u>960,585</u>        | <u>960,585</u>   | <u>1,045,181</u>  | <u>84,596</u>        |
| <b>EXPENDITURES</b>                   |                       |                  |                   |                      |
| Current:                              |                       |                  |                   |                      |
| Direct Instruction:                   |                       |                  |                   |                      |
| K-8 Education                         | 2,550                 | 2,550            | 1,429             | 1,121                |
| Middle School Education               | 9,949                 | 9,949            | 8,717             | 1,232                |
| High School Education                 | 464,800               | 464,800          | 1,936,774         | (1,471,974)          |
| Other Regular Education               | 1,550,932             | 1,549,449        | 79,884            | 1,469,565            |
| Special Programs                      | <u>305,732</u>        | <u>307,215</u>   | <u>172,524</u>    | <u>134,691</u>       |
| Total Direct Instruction              | <u>2,333,963</u>      | <u>2,333,963</u> | <u>2,199,328</u>  | <u>134,635</u>       |
| Indirect Instruction:                 |                       |                  |                   |                      |
| Instructional Staff Services          | <u>115,245</u>        | <u>117,240</u>   | <u>98,627</u>     | <u>18,613</u>        |
| Total Indirect Instruction            | <u>115,245</u>        | <u>117,240</u>   | <u>98,627</u>     | <u>18,613</u>        |
| Other Support Programs:               |                       |                  |                   |                      |
| Operations and Maintenance            | 15,000                | 15,000           | 490               | 14,510               |
| Community Programs                    | 17,024                | 17,024           | 13,302            | 3,722                |
| Reserves                              | <u>277,000</u>        | <u>324,235</u>   | <u>-</u>          | <u>324,235</u>       |
| Total Other Support Programs          | <u>309,024</u>        | <u>356,259</u>   | <u>13,792</u>     | <u>342,467</u>       |
| Total Expenditures                    | <u>2,758,232</u>      | <u>2,807,462</u> | <u>2,311,747</u>  | <u>495,715</u>       |
| Excess (Deficiency) of Revenues       |                       |                  |                   |                      |
| Over (Under) Expenditures             | (1,797,647)           | (1,846,877)      | (1,266,566)       | 580,311              |
| <b>OTHER FINANCING SOURCES (USES)</b> |                       |                  |                   |                      |
| Transfers In                          | <u>1,428,019</u>      | <u>1,428,019</u> | <u>1,428,019</u>  | <u>-</u>             |
| Total Other Financing Sources (Uses)  | <u>1,428,019</u>      | <u>1,428,019</u> | <u>1,428,019</u>  | <u>-</u>             |
| Net Change in Fund Balances           | (369,628)             | (418,858)        | 161,453           | 580,311              |
| Fund Balances, July 1, 2018           | <u>369,628</u>        | <u>418,858</u>   | <u>418,858</u>    | <u>-</u>             |
| Fund Balances, June 30, 2019          | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ 580,311</u> | <u>\$ 580,311</u>    |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Pupil Activity Agency Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                               | Balance at<br>June 30, 2018 | Additions         | Deletions         | Balance at<br>June 30, 2019 |
|-----------------------------------------------|-----------------------------|-------------------|-------------------|-----------------------------|
| <b>ASSETS</b>                                 |                             |                   |                   |                             |
| Pooled Cash and Investments                   | \$ 606,994                  | \$ 353,185        | \$ 942,322        | \$ 17,857                   |
| Total Assets                                  | <u>\$ 606,994</u>           | <u>\$ 353,185</u> | <u>\$ 942,322</u> | <u>\$ 17,857</u>            |
| <b>LIABILITIES</b>                            |                             |                   |                   |                             |
| Accounts Payable                              | \$ 11,380                   | \$ 17,857         | \$ 11,380         | \$ 17,857                   |
| Due to student groups and other organizations | 595,614                     | 335,328           | 930,942           | -                           |
| Total Liabilities                             | <u>\$ 606,994</u>           | <u>\$ 353,185</u> | <u>\$ 942,322</u> | <u>\$ 17,857</u>            |



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## **COMPONENT UNITS**

The component units consist of four charter school administrative units: Stargate Charter School, Westgate Charter School, Prospect Ridge Academy, and New America Charter School - Thornton. The schools have separate governing boards, but are dependent upon the district for the majority of their funding.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Combining Statement of Net Position**  
**Component Units**  
**June 30, 2019**

|                                                  | <b>Stargate<br/>Charter School</b> | <b>Westgate<br/>Charter School</b> | <b>Prospect<br/>Ridge Charter<br/>School</b> | <b>New America-<br/>Thornton<br/>Charter<br/>School</b> | <b>Total Charter<br/>Schools</b> |
|--------------------------------------------------|------------------------------------|------------------------------------|----------------------------------------------|---------------------------------------------------------|----------------------------------|
| <b><u>Assets</u></b>                             |                                    |                                    |                                              |                                                         |                                  |
| Cash and Investments - Unrestricted              | \$ 3,031,990                       | \$ 1,889,962                       | \$ 3,372,402                                 | \$ 782,523                                              | \$ 9,076,877                     |
| Cash and Investments - Restricted                | 2,903,724                          | 2,018,876                          | 2,713,664                                    | 597,713                                                 | 8,233,977                        |
| Accounts Receivable                              | 91,482                             | 1,842                              |                                              | 50,956                                                  | 144,280                          |
| Prepaid Expenses                                 | 5,345                              | 228,347                            | 78,061                                       | 10,064                                                  | 321,817                          |
| Due from Primary Government                      | 16,906                             | 12,326                             | 20,687                                       | -                                                       | 49,919                           |
| Due from other governments                       | -                                  | -                                  | -                                            | 166,890                                                 | 166,890                          |
| Capital Assets, not being Depreciated:           |                                    |                                    |                                              |                                                         |                                  |
| Land and Construction in Progress                | 3,503,069                          | 2,956,312                          | 4,758,319                                    | -                                                       | 11,217,700                       |
| Capital Assets, Net of Accumulated Depreciation: |                                    |                                    |                                              |                                                         |                                  |
| Buildings                                        | 41,760,867                         | 5,700,646                          | 30,014,372                                   | 5,893,554                                               | 83,369,439                       |
| Equipment/Vehicles                               | 453,226                            | 4,416                              | -                                            | 25,043                                                  | 482,685                          |
| Total Assets                                     | <u>51,766,609</u>                  | <u>12,812,727</u>                  | <u>40,957,505</u>                            | <u>7,526,743</u>                                        | <u>113,063,584</u>               |
| <b><u>Deferred Outflows of Resources</u></b>     |                                    |                                    |                                              |                                                         |                                  |
| Deferred Charges on Refunding                    | 190,347                            | -                                  | -                                            | -                                                       | 190,347                          |
| Deferred Outflows Related to Pensions            | 8,914,133                          | 1,466,305                          | 8,397,071                                    | 1,217,795                                               | 19,995,304                       |
| Deferred Outflows Related to OPEB                | 127,690                            | 34,630                             | 146,937                                      | 9,351                                                   | 318,608                          |
| Total Deferred Outflows of Resources             | <u>9,232,170</u>                   | <u>1,500,935</u>                   | <u>8,544,008</u>                             | <u>1,227,146</u>                                        | <u>20,504,259</u>                |
| <b><u>Liabilities</u></b>                        |                                    |                                    |                                              |                                                         |                                  |
| Accounts Payable                                 | 136,202                            | 35,606                             | 52,613                                       | 16,977                                                  | 241,398                          |
| Retainages Payable                               | -                                  | -                                  | -                                            | -                                                       | -                                |
| Arbitrage payable                                | -                                  | -                                  | -                                            | -                                                       | -                                |
| Payroll withholdings Payable                     | -                                  | -                                  | -                                            | -                                                       | -                                |
| Accrued Expenses                                 | -                                  | -                                  | 54,732                                       | -                                                       | 54,732                           |
| Accrued Salaries and Benefits                    | 867,280                            | 126,659                            | 524,627                                      | 106,138                                                 | 1,624,704                        |
| Accrued Interest Payable                         | 152,325                            | 30,959                             | 483,890                                      | -                                                       | 667,174                          |
| Due to Primary Government                        | 16,672                             | 2,919                              | 8,690                                        | 1,716                                                   | 29,997                           |
| Due to Other Governments                         | -                                  | -                                  | -                                            | 352,549                                                 | 352,549                          |
| Unearned Revenue                                 | -                                  | -                                  | 127,475                                      | 126,156                                                 | 253,631                          |
| Noncurrent Liabilities                           |                                    |                                    |                                              |                                                         |                                  |
| Due within One Year:                             |                                    |                                    |                                              |                                                         |                                  |
| Compensated Absences                             | -                                  | -                                  | 42,100                                       | -                                                       | 42,100                           |
| Loans                                            | -                                  | 35,781                             | -                                            | -                                                       | 35,781                           |
| Revenue Bonds                                    | 380,000                            | 235,911                            | 595,000                                      | 141,084                                                 | 1,351,995                        |
| Due in more than One Year:                       |                                    |                                    |                                              |                                                         |                                  |
| Compensated Absences                             | 32,897                             | -                                  | -                                            | 25,795                                                  | 58,692                           |
| Loans                                            | -                                  | 27,794                             | -                                            | -                                                       | 27,794                           |
| Revenue Bonds                                    | 42,276,726                         | 8,203,299                          | 33,685,000                                   | 5,905,865                                               | 90,070,890                       |
| Net Pension Liability                            | 19,211,817                         | 5,614,892                          | 18,284,802                                   | 4,013,573                                               | 47,125,084                       |
| Net OPEB Liability                               | 959,512                            | 280,430                            | 913,214                                      | 200,454                                                 | 2,353,610                        |
| Total Liabilities                                | <u>64,033,431</u>                  | <u>14,594,250</u>                  | <u>54,772,143</u>                            | <u>10,890,307</u>                                       | <u>144,290,131</u>               |
| <b><u>Deferred Inflows of Resources</u></b>      |                                    |                                    |                                              |                                                         |                                  |
| Deferred Inflows Related to Pensions             | 13,673,848                         | 2,871,208                          | 11,371,180                                   | 3,778,833                                               | 31,695,069                       |
| Deferred Inflows Related to OPEB                 | 1,461                              | 356                                | 1,390                                        | 14,487                                                  | 17,694                           |
| Total Deferred Inflows of Resources              | <u>13,675,309</u>                  | <u>2,871,564</u>                   | <u>11,372,570</u>                            | <u>3,793,320</u>                                        | <u>31,712,763</u>                |
| <b><u>Net Position</u></b>                       |                                    |                                    |                                              |                                                         |                                  |
| Net Investment in Capital Assets                 | 3,060,436                          | 158,589                            | 1,271,464                                    | 5,918,597                                               | 10,409,086                       |
| Restricted for:                                  |                                    |                                    |                                              |                                                         |                                  |
| Capital Projects                                 | -                                  | 1,211,606                          | -                                            | -                                                       | 1,211,606                        |
| Debt Service                                     | 2,751,399                          | 1,987,917                          | 1,425,064                                    | -                                                       | 6,164,380                        |
| TABOR                                            | 350,000                            | 143,768                            | 373,332                                      | 70,053                                                  | 937,153                          |
| Special Education                                | 200,000                            | 200,000                            | 200,005                                      | -                                                       | 600,005                          |
| Unrestricted                                     | (23,071,796)                       | (6,854,032)                        | (19,913,065)                                 | (11,918,388)                                            | (61,757,281)                     |
| Total Net Position                               | <u>\$ (16,709,961)</u>             | <u>\$ (3,152,152)</u>              | <u>\$ (16,643,200)</u>                       | <u>\$ (5,929,738)</u>                                   | <u>\$ (42,435,051)</u>           |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Combining Statement of Activities**  
**Component Units**  
**For the Fiscal Year Ended June 30, 2019**

|                                                 | <b>Expenses</b>      | <b>Charges for Services</b> | <b>Operating Grants and Contributions</b> | <b>Capital Grants and Contributions</b> | <b>Net (Expense) Revenue and Changes in Net Position</b> |
|-------------------------------------------------|----------------------|-----------------------------|-------------------------------------------|-----------------------------------------|----------------------------------------------------------|
| Schools:                                        |                      |                             |                                           |                                         |                                                          |
| Stargate Charter School                         | \$ 16,759,690        | \$ 772,152                  | \$ 294,119                                | \$ -                                    | \$ (15,693,419)                                          |
| Westgate Charter School                         | 3,430,592            | 388,515                     | 167,118                                   | 149,487                                 | (2,725,472)                                              |
| Prospect Ridge Charter School                   | 7,545,336            | 610,793                     | 374,778                                   | 411,380                                 | (6,148,385)                                              |
| New America-Thornton Charter School             | 3,171,300            | -                           | 634,805                                   | 85,762                                  | (2,450,733)                                              |
| Total Expenditures                              | <u>\$ 30,906,918</u> | <u>\$ 1,771,460</u>         | <u>\$ 1,470,820</u>                       | <u>\$ 646,629</u>                       | <u>(27,018,009)</u>                                      |
| General Revenues:                               |                      |                             |                                           |                                         |                                                          |
| School Finance Act:                             |                      |                             |                                           |                                         |                                                          |
| Stargate Charter School                         |                      |                             |                                           |                                         | 10,746,829                                               |
| Westgate Charter School                         |                      |                             |                                           |                                         | 3,854,171                                                |
| Prospect Ridge Charter School                   |                      |                             |                                           |                                         | 10,895,164                                               |
| New America-Thornton Charter School             |                      |                             |                                           |                                         | 2,271,083                                                |
| Other:                                          |                      |                             |                                           |                                         |                                                          |
| Stargate Charter School                         |                      |                             |                                           |                                         | 787,047                                                  |
| Westgate Charter School                         |                      |                             |                                           |                                         | 423,003                                                  |
| Prospect Ridge Charter School                   |                      |                             |                                           |                                         | 1,444,512                                                |
| New America-Thornton Charter School             |                      |                             |                                           |                                         | 190,947                                                  |
| Total General Revenues:                         |                      |                             |                                           |                                         | <u>30,612,756</u>                                        |
| Change in Net Position                          |                      |                             |                                           |                                         | 3,594,747                                                |
| Net Position July 1, 2018, as previously stated |                      |                             |                                           |                                         | (43,286,387)                                             |
| Restatements                                    |                      |                             |                                           |                                         | <u>(2,743,411)</u>                                       |
| Net Position July 1, 2018 as restated           |                      |                             |                                           |                                         | <u>(46,029,798)</u>                                      |
| Net Position June 30, 2019                      |                      |                             |                                           |                                         | <u>\$ (42,435,051)</u>                                   |

## **STATE REQUIRED REPORT**

### **COLORADO DEPARTMENT OF EDUCATION AUDITOR'S ELECTRONIC FINANCIAL DATA INTEGRITY CHECK FIGURES**

The Auditor's electronic financial data integrity check figures report is a fiscal year report of receipts and expenditures of each fund in accordance with the Financial Policies and Procedures Handbook adopted by the State Board of Education. Article 29 of the Colorado Revised Statutes requires that the audit report of each district contain a copy of this report.



**Colorado Department of Education**  
**Auditors Integrity Report**

District: 0020 - Adams 12 Five Star Schools

Fiscal Year 2018-19

Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

| Fund Type & Number                                      | Beg Fund Balance & Prior Per Adj (6880*)<br>+ | 1000 - 5999 Total Revenues & Other Sources | 0001-0999 Total Expenditures & Other Uses<br>- | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance<br>= |
|---------------------------------------------------------|-----------------------------------------------|--------------------------------------------|------------------------------------------------|------------------------------------------------------------|
| <b>Governmental</b>                                     |                                               |                                            |                                                |                                                            |
| 10 General Fund                                         | 43,614,892                                    | 335,598,422                                | 315,723,354                                    | 63,489,960                                                 |
| 18 Risk Mgmt Sub-Fund of General Fund                   | 4,113,142                                     | 3,933,293                                  | 3,653,143                                      | 4,393,293                                                  |
| 19 Colorado Preschool Program Fund                      | 42,367                                        | 2,783,268                                  | 2,825,635                                      | 0                                                          |
| Sub- Total                                              | 47,770,401                                    | 342,314,983                                | 322,202,132                                    | 67,883,253                                                 |
| 11 Charter School Fund                                  | 11,462,164                                    | 39,320,985                                 | 39,783,236                                     | 10,999,913                                                 |
| 20,26-29 Special Revenue Fund                           | 8,440,452                                     | 20,397,238                                 | 17,359,647                                     | 11,478,042                                                 |
| 06 Supplemental Cap Const, Tech, Main, Fund             | 0                                             | 0                                          | 0                                              | 0                                                          |
| 21 Food Service Spec Revenue Fund                       | 3,506,913                                     | 11,488,878                                 | 11,402,589                                     | 3,593,201                                                  |
| 22 Govt Designated-Purpose Grants Fund                  | 0                                             | 24,495,946                                 | 24,495,946                                     | 0                                                          |
| 23 Pupil Activity Special Revenue Fund                  | 3,735,477                                     | 5,284,409                                  | 5,058,687                                      | 3,961,199                                                  |
| 24 Full Day Kindergarten Mill Levy Override             | 0                                             | 0                                          | 0                                              | 0                                                          |
| 25 Transportation Fund                                  | 0                                             | 0                                          | 0                                              | 0                                                          |
| 31 Bond Redemption Fund                                 | 66,411,355                                    | 55,199,262                                 | 47,999,356                                     | 73,611,261                                                 |
| 39 Certificate of Participation (COP) Debt Service Fund | 0                                             | 0                                          | 0                                              | 0                                                          |
| 41 Building Fund                                        | 212,984,403                                   | 82,659,798                                 | 98,860,774                                     | 196,783,427                                                |
| 42 Special Building Fund                                | 0                                             | 0                                          | 0                                              | 0                                                          |
| 43 Capital Reserve Capital Projects Fund                | 15,109,495                                    | 17,122,157                                 | 9,186,851                                      | 23,044,801                                                 |
| 46 Supplemental Cap Const, Tech, Main Fund              | 0                                             | 0                                          | 0                                              | 0                                                          |
| Totals                                                  | 369,420,659                                   | 598,283,655                                | 576,349,218                                    | 391,355,097                                                |
| <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                                                          |
| Totals                                                  | 0                                             | 0                                          | 0                                              | 0                                                          |
| <b>Fiduciary</b>                                        |                                               |                                            |                                                |                                                            |
| 70 Other Trust and Agency Funds                         | 0                                             | 0                                          | 0                                              | 0                                                          |
| 72 Private Purpose Trust Fund                           | 0                                             | 0                                          | 0                                              | 0                                                          |
| 73 Agency Fund                                          | 0                                             | 0                                          | 0                                              | 0                                                          |
| 74 Pupil Activity Agency Fund                           | 595,614                                       | 335,328                                    | 930,942                                        | 0                                                          |
| 79 GASB 34, Permanent Fund                              | 0                                             | 0                                          | 0                                              | 0                                                          |
| 85 Foundations                                          | 0                                             | 0                                          | 0                                              | 0                                                          |
| Totals                                                  | 595,614                                       | 335,328                                    | 930,942                                        | 0                                                          |

FINAL

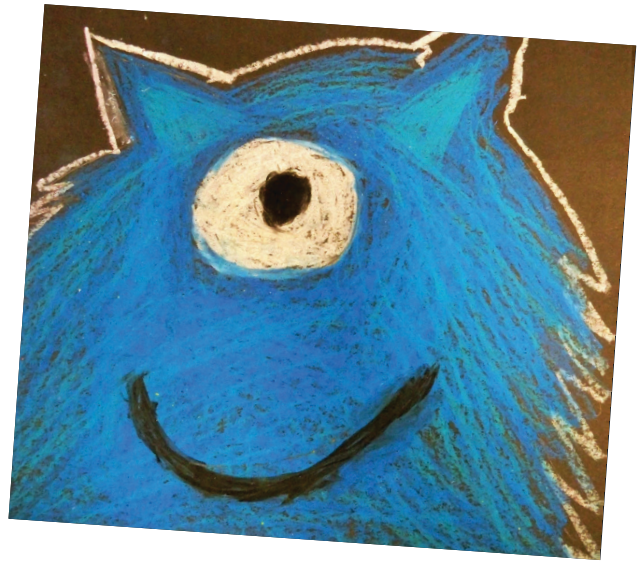
\*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.

12/16/19

12:24 PM



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Artist: Blaze Feltis  
School: Arapahoe Ridge Elementary School



Artist: Kayla Hall  
School: Westlake Middle School



Artist: Mikayla Geeve  
School: Silver Hills Middle School

## **ADAMS 12 FIVE STAR SCHOOLS**

### **Statistical Section**

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

| <b><u>Contents</u></b>                                                                                                                                                                                                                                                                          | <b><u>Pages</u></b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <u>Financial Trends</u> – These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.                                                                                                               | 124-131             |
| <u>Revenue Capacity</u> – These schedules contain information to help the reader understand and assess the District's ability to generate own-source revenues.                                                                                                                                  | 132-136             |
| <u>Debt Capacity</u> – These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.                                                                  | 137-141             |
| <u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.                                                                              | 142-143             |
| <u>Operating Information</u> – These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 144-149             |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Financial Trends Schedule 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|                                             | 2010                 | 2011                 | 2012                 | 2013                 |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities                     |                      |                      |                      |                      |
| Net investment in capital assets            | \$114,481,427        | \$138,799,116        | \$144,815,482        | \$157,898,594        |
| Restricted                                  | 55,066,663           | 49,107,034           | 44,641,164           | 28,001,800           |
| Unrestricted                                | 42,489,892           | 23,587,271           | 20,042,222           | 27,474,100           |
| Total governmental activities net position  | <u>\$212,037,982</u> | <u>\$211,493,421</u> | <u>\$209,498,868</u> | <u>\$213,374,394</u> |
| Business-type activities                    |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 1,489,450         | \$ 1,250,821         | \$ 994,103           | \$ 848,479           |
| Unrestricted                                | 7,304,890            | 8,037,608            | 8,896,706            | 9,077,241            |
| Total business-type activities net position | <u>\$ 8,794,340</u>  | <u>\$ 9,288,429</u>  | <u>\$ 9,890,809</u>  | <u>\$ 9,925,720</u>  |
| Primary government                          |                      |                      |                      |                      |
| Net investment in capital assets            | \$115,970,877        | \$140,049,937        | \$145,809,585        | \$158,747,073        |
| Restricted                                  | 55,066,663           | 49,107,034           | 44,641,164           | 28,001,800           |
| Unrestricted                                | 49,794,782           | 31,624,879           | 28,938,928           | 36,551,341           |
| Total primary government net position       | <u>\$220,832,322</u> | <u>\$220,781,850</u> | <u>\$219,389,677</u> | <u>\$223,300,214</u> |

Note: In Fiscal Year 2015, due to the implementation of GASB 68, the District recognized its share of the net pension liability which resulted in a deficit net position.

| 2014                  | 2015                    | 2016                    | 2017                    | 2018                    | 2019                    |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 161,427,987        | \$ 145,038,966          | \$ 163,015,412          | \$ 147,159,979          | \$ 178,067,913          | \$ 196,339,493          |
| 33,474,816            | 63,890,686              | 70,250,428              | 71,516,770              | 78,607,227              | 86,699,788              |
| 20,724,391            | (625,268,715)           | (657,867,115)           | (858,420,907)           | (1,160,986,216)         | (1,036,700,759)         |
| <u>\$ 215,627,194</u> | <u>\$ (416,339,063)</u> | <u>\$ (424,601,275)</u> | <u>\$ (639,744,158)</u> | <u>\$ (904,311,076)</u> | <u>\$ (753,661,478)</u> |
| \$ 686,574            | \$ -                    | \$ -                    | \$ -                    | \$ -                    | \$ -                    |
| 9,936,435             | -                       | -                       | -                       | -                       | -                       |
| <u>\$ 10,623,009</u>  | <u>\$ -</u>             | <u>\$ -</u>             | <u>\$ -</u>             | <u>\$ -</u>             | <u>\$ -</u>             |
| \$ 162,114,561        | \$ 145,038,966          | \$ 163,015,412          | \$ 147,159,979          | \$ 178,067,913          | \$ 196,339,493          |
| 33,474,816            | 63,890,686              | 70,250,428              | 71,516,770              | 78,607,227              | 86,699,788              |
| 30,660,826            | (625,268,715)           | (657,867,115)           | (858,420,907)           | (1,160,986,216)         | (1,036,700,759)         |
| <u>\$ 226,250,203</u> | <u>\$ (416,339,063)</u> | <u>\$ (424,601,275)</u> | <u>\$ (639,744,158)</u> | <u>\$ (904,311,076)</u> | <u>\$ (753,661,478)</u> |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Financial Trends Schedule 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|                                                           | 2010                    | 2011                    | 2012                    | 2013                    |
|-----------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Expenses</b>                                           |                         |                         |                         |                         |
| Governmental activities:                                  |                         |                         |                         |                         |
| Direct Instruction                                        | \$ 212,201,199          | \$ 204,116,371          | \$ 202,400,390          | \$ 200,660,934          |
| Indirect Instruction                                      | 49,647,730              | 49,532,839              | 43,868,253              | 42,520,108              |
| Other Support Programs                                    | 58,050,462              | 56,866,813              | 54,781,017              | 58,617,994              |
| Charter school funding                                    | 47,747,380              | 43,910,735              | 49,760,754              | 51,583,887              |
| Interest expense, unallocated                             | 17,430,439              | 20,016,965              | 24,610,420              | 18,649,158              |
| Total governmental activities expenses                    | <u>385,077,210</u>      | <u>374,443,723</u>      | <u>375,420,834</u>      | <u>372,032,082</u>      |
| Business-type activities:                                 |                         |                         |                         |                         |
| Food services                                             | 9,168,538               | 9,124,435               | 9,572,148               | 9,769,874               |
| Child care                                                | 6,064,318               | 6,003,305               | 5,984,358               | 5,807,797               |
| Total business-type activities expenses                   | <u>15,232,856</u>       | <u>15,127,740</u>       | <u>15,556,506</u>       | <u>15,577,671</u>       |
| Total primary government expenses                         | <u>\$ 400,310,066</u>   | <u>\$ 389,571,463</u>   | <u>\$ 390,977,340</u>   | <u>\$ 387,609,753</u>   |
| <b>Program Revenues</b>                                   |                         |                         |                         |                         |
| Governmental activities:                                  |                         |                         |                         |                         |
| Charges for services:                                     |                         |                         |                         |                         |
| Direct Instruction                                        | \$ 2,029,950            | \$ 1,479,152            | \$ 3,549,584            | \$ 3,285,911            |
| Indirect Instruction                                      | 730,131                 | 602,470                 | 525,653                 | 546,271                 |
| Other Support Programs                                    | 2,099,203               | 2,956,240               | 2,154,280               | 2,772,177               |
| Charter School Funding                                    | 647,567                 | 530,874                 | 639,861                 | 656,182                 |
| Operating grants and contributions:                       |                         |                         |                         |                         |
| Direct Instruction                                        | 23,273,441              | 32,027,827              | 18,750,842              | 18,738,679              |
| Indirect Instruction                                      | 7,619,341               | 8,519,699               | 7,807,215               | 6,835,264               |
| Other Support Programs                                    | 1,714,297               | 1,959,642               | 2,041,845               | 2,046,461               |
| Capital grants and contributions:                         |                         |                         |                         |                         |
| Direct Instruction                                        | 1,540,210               | 169,519                 | 63,138                  | -                       |
| Total governmental activities program revenues            | <u>39,654,140</u>       | <u>48,245,423</u>       | <u>35,532,418</u>       | <u>34,880,945</u>       |
| Business-type activities:                                 |                         |                         |                         |                         |
| Charges for services:                                     |                         |                         |                         |                         |
| Food service                                              | 4,393,297               | 3,973,120               | 3,624,894               | 3,443,467               |
| Child care                                                | 6,452,068               | 6,539,911               | 6,450,628               | 6,430,706               |
| Operating grants and contributions:                       |                         |                         |                         |                         |
| Food service                                              | 5,611,774               | 6,103,394               | 6,079,140               | 6,135,587               |
| Total business-type activities program revenues           | <u>16,457,139</u>       | <u>16,616,425</u>       | <u>16,154,662</u>       | <u>16,009,760</u>       |
| Total primary government program revenues                 | <u>\$ 56,111,279</u>    | <u>\$ 64,861,848</u>    | <u>\$ 51,687,080</u>    | <u>\$ 50,890,705</u>    |
| Net (Expense)/Revenue                                     |                         |                         |                         |                         |
| Governmental activities                                   | \$ (345,423,070)        | \$ (326,198,300)        | \$ (339,888,416)        | \$ (337,151,137)        |
| Business-type activities                                  | 1,224,283               | 1,488,685               | 598,156                 | 432,089                 |
| Total primary government net expense                      | <u>\$ (344,198,787)</u> | <u>\$ (324,709,615)</u> | <u>\$ (339,290,260)</u> | <u>\$ (336,719,048)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                         |                         |                         |                         |
| Governmental activities:                                  |                         |                         |                         |                         |
| Taxes:                                                    |                         |                         |                         |                         |
| Local property taxes                                      | \$ 122,733,076          | \$ 122,541,664          | \$ 121,200,202          | \$ 121,511,993          |
| Specific ownership taxes                                  | 8,475,048               | 7,994,040               | 8,140,240               | 8,644,074               |
| Intergovernmental, unrestricted                           | 224,988,909             | 202,372,669             | 208,047,852             | 209,276,528             |
| Intergovernmental agreements                              | -                       | -                       | -                       | -                       |
| Other                                                     | 1,262,982               | 1,306,961               | 885,902                 | 737,988                 |
| Earnings on investments                                   | 1,440,595               | 564,593                 | 511,328                 | 456,080                 |
| Transfers                                                 | (82,917)                | 1,000,000               | -                       | 400,000                 |
| Gain (loss) on disposal of assets                         | 1,707,518               | 130,157                 | -                       | -                       |
| Total governmental activities:                            | <u>360,525,211</u>      | <u>335,910,084</u>      | <u>338,785,524</u>      | <u>341,026,663</u>      |
| Business-type activities:                                 |                         |                         |                         |                         |
| Earnings on investments                                   | 21,962                  | 5,404                   | 4,220                   | -                       |
| Other                                                     | -                       | -                       | -                       | -                       |
| Transfers                                                 | 82,917                  | (1,000,000)             | -                       | (400,000)               |
| Loss on disposal of assets                                | -                       | -                       | -                       | -                       |
| Total business-type activities:                           | <u>104,879</u>          | <u>(994,596)</u>        | <u>4,220</u>            | <u>(397,178)</u>        |
| Total primary government                                  | <u>\$ 360,630,090</u>   | <u>\$ 334,915,488</u>   | <u>\$ 338,789,744</u>   | <u>\$ 340,629,485</u>   |
| <b>Change in Net Position</b>                             |                         |                         |                         |                         |
| Governmental activities                                   | \$ 15,102,141           | \$ 9,711,784            | \$ (1,102,892)          | \$ 3,875,526            |
| Business-type activities                                  | 1,329,162               | 494,089                 | 602,376                 | 34,911                  |
| Total primary government                                  | <u>\$ 16,431,303</u>    | <u>\$ 10,205,873</u>    | <u>\$ (500,516)</u>     | <u>\$ 3,910,437</u>     |

Note: In May 2014, CDE's Financial Policies and Procedures (FPP) Committee approved the following recommendation: In order to align the compliance, accounting, and reporting of the federal grant program that is the food service fund, the required basis of accounting to be used by the food service fund shall be the modified accrual basis of accounting, and such fund shall be isolated as a special revenue fund.

| 2014                    | 2015                    | 2016                    | 2017                    | 2018                    | 2019                    |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 201,406,574          | \$ 217,179,196          | \$ 232,478,810          | \$ 367,274,260          | \$ 382,902,884          | \$ 173,813,445          |
| 47,999,681              | 58,613,866              | 65,909,683              | 66,270,495              | 72,239,890              | 69,539,489              |
| 68,402,400              | 72,883,709              | 80,863,780              | 156,778,489             | 181,577,452             | 65,012,278              |
| 43,472,016              | 19,391,201              | 23,186,915              | 35,740,446              | 23,164,902              | 29,981,478              |
| 13,191,487              | 34,388,947              | 23,185,957              | 28,356,597              | 18,544,253              | 19,685,817              |
| <u>374,472,158</u>      | <u>402,456,919</u>      | <u>425,625,145</u>      | <u>654,420,287</u>      | <u>678,429,381</u>      | <u>358,032,507</u>      |
| 10,116,781              | -                       | -                       | -                       | -                       | -                       |
| 6,184,005               | -                       | -                       | -                       | -                       | -                       |
| <u>16,300,786</u>       | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <u>\$ 390,772,944</u>   | <u>\$ 402,456,919</u>   | <u>\$ 425,625,145</u>   | <u>\$ 654,420,287</u>   | <u>\$ 678,429,381</u>   | <u>\$ 358,032,507</u>   |
| <br>                    |                         |                         |                         |                         |                         |
| \$ 3,266,656            | \$ 3,130,072            | \$ 3,436,695            | \$ 11,628,380           | \$ 11,552,685           | \$ 11,962,972           |
| 652,191                 | 792,885                 | 676,633                 | -                       | -                       | -                       |
| 3,892,302               | 14,427,437              | 14,938,507              | 14,677,103              | 14,945,360              | 17,540,837              |
| 631,056                 | 382,008                 | 443,099                 | 414,677                 | 501,988                 | 828,854                 |
| <br>                    |                         |                         |                         |                         |                         |
| 21,374,486              | 20,126,032              | 20,487,996              | 20,569,291              | 23,721,969              | 21,072,215              |
| 5,911,727               | 7,752,585               | 7,943,535               | 7,394,343               | 8,019,330               | 8,551,922               |
| 2,414,066               | 10,700,393              | 10,486,734              | 11,856,009              | 9,849,959               | 12,915,586              |
| -                       | -                       | -                       | -                       | -                       | -                       |
| <u>38,142,484</u>       | <u>57,311,412</u>       | <u>58,413,199</u>       | <u>66,539,803</u>       | <u>68,591,291</u>       | <u>72,872,385</u>       |
| <br>                    |                         |                         |                         |                         |                         |
| 3,279,697               | -                       | -                       | -                       | -                       | -                       |
| 6,879,261               | -                       | -                       | -                       | -                       | -                       |
| <br>                    |                         |                         |                         |                         |                         |
| 6,837,064               | -                       | -                       | -                       | -                       | -                       |
| 16,996,022              | -                       | -                       | -                       | -                       | -                       |
| <u>\$ 55,138,506</u>    | <u>\$ 57,311,412</u>    | <u>\$ 58,413,199</u>    | <u>\$ 66,539,803</u>    | <u>\$ 68,591,291</u>    | <u>\$ 72,872,385</u>    |
| <br>                    |                         |                         |                         |                         |                         |
| \$ (336,329,674)        | \$ (345,145,507)        | \$ (367,211,946)        | \$ (587,880,484)        | \$ (609,838,090)        | \$ (285,160,122)        |
| 695,236                 | -                       | -                       | -                       | -                       | -                       |
| <u>\$ (335,634,438)</u> | <u>\$ (345,145,507)</u> | <u>\$ (367,211,946)</u> | <u>\$ (587,880,484)</u> | <u>\$ (609,838,090)</u> | <u>\$ (285,160,122)</u> |
| <br>                    |                         |                         |                         |                         |                         |
| \$ 121,590,268          | \$ 122,794,404          | \$ 136,517,005          | \$ 138,732,861          | \$ 157,040,586          | \$ 186,202,843          |
| 9,366,253               | 10,222,765              | 11,093,715              | 12,034,731              | 13,862,710              | 14,658,993              |
| 209,026,802             | 200,859,028             | 206,985,977             | 206,131,592             | 205,047,241             | 221,675,173             |
| -                       | 2,302,560               | 2,733,756               | -                       | -                       | -                       |
| 163,280                 | 103,728                 | -                       | 2,964,474               | 428,313                 | 2,071,028               |
| 394,470                 | 576,636                 | 1,619,236               | 2,715,194               | 3,729,733               | 11,201,683              |
| -                       | -                       | -                       | -                       | -                       | -                       |
| -                       | 1,525                   | -                       | -                       | -                       | -                       |
| <u>340,541,073</u>      | <u>336,860,646</u>      | <u>358,949,689</u>      | <u>362,578,852</u>      | <u>380,108,583</u>      | <u>435,809,720</u>      |
| <br>                    |                         |                         |                         |                         |                         |
| 2,053                   | -                       | -                       | -                       | -                       | -                       |
| -                       | -                       | -                       | -                       | -                       | -                       |
| -                       | -                       | -                       | -                       | -                       | -                       |
| -                       | -                       | -                       | -                       | -                       | -                       |
| <u>2,053</u>            | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <u>\$ 340,543,126</u>   | <u>\$ 336,860,646</u>   | <u>\$ 358,949,689</u>   | <u>\$ 362,578,852</u>   | <u>\$ 380,108,583</u>   | <u>\$ 435,809,720</u>   |
| <br>                    |                         |                         |                         |                         |                         |
| \$ 4,211,399            | \$ (8,284,861)          | \$ (8,262,257)          | \$ (227,999,058)        | \$ (229,729,507)        | \$ 150,649,598          |
| 697,289                 | -                       | -                       | -                       | -                       | -                       |
| <u>\$ 4,908,688</u>     | <u>\$ (8,284,861)</u>   | <u>\$ (8,262,257)</u>   | <u>\$ (227,999,058)</u> | <u>\$ (229,729,507)</u> | <u>\$ 150,649,598</u>   |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Financial Trends Schedule 3**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|                                           | 2010                 | 2011                 | 2012                 | 2013                 |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |
| Nonspendable                              | \$ -                 | \$ 1,039,078         | \$ 691,093           | \$ 673,651           |
| Restricted                                | -                    | 18,028,812           | 18,572,049           | 19,131,027           |
| Committed                                 | -                    | 2,392,938            | 2,314,378            | 2,978,017            |
| Assigned                                  | -                    | 2,995,764            | -                    | 17,611,085           |
| Unassigned                                | -                    | 28,474,372           | 28,294,086           | 9,286,389            |
| Reserved                                  | 25,060,414           | -                    | -                    | -                    |
| Unreserved                                | 26,937,265           | -                    | -                    | -                    |
| <b>Total general fund</b>                 | <b>\$ 51,997,679</b> | <b>\$ 52,930,964</b> | <b>\$ 49,871,606</b> | <b>\$ 49,680,169</b> |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |
| Nonspendable:                             |                      |                      |                      |                      |
| Capital projects                          | \$ -                 | \$ 400,591           | \$ -                 | \$ -                 |
| Inventory                                 | -                    | -                    | -                    | -                    |
| Prepaid Items                             | -                    | -                    | -                    | -                    |
| Restricted for:                           |                      |                      |                      |                      |
| Tabor 3% Emergency Reserve                | -                    | -                    | -                    | -                    |
| Debt Service projects                     | -                    | 37,500,858           | 39,400,485           | 39,803,375           |
| Capital projects                          | -                    | 17,367,367           | 14,376,982           | -                    |
| Food Service                              | -                    | -                    | -                    | -                    |
| Committed to:                             |                      |                      |                      |                      |
| Athletics                                 | -                    | 342,158              | 383,942              | 367,360              |
| Child Care                                | -                    | -                    | -                    | -                    |
| Transportation                            | -                    | -                    | -                    | -                    |
| Capital projects                          | -                    | -                    | -                    | 7,952,899            |
| Activity Special Revenue                  | -                    | -                    | -                    | -                    |
| Assigned to:                              |                      |                      |                      |                      |
| Capital projects                          | -                    | 8,074,417            | 4,639,035            | 3,526,175            |
| Designated Purpose Grants                 | -                    | -                    | -                    | -                    |
| Reserved                                  | 66,343,674           | -                    | -                    | -                    |
| Unreserved, reported in:                  |                      |                      |                      |                      |
| Special revenue funds                     | 15,979               | -                    | -                    | -                    |
| Capital projects funds                    | 14,040,347           | -                    | -                    | -                    |
| <b>Total all other governmental funds</b> | <b>\$ 80,400,000</b> | <b>\$ 63,685,391</b> | <b>\$ 58,800,444</b> | <b>\$ 51,649,809</b> |

Note: In Fiscal Year 2011, the District adopted GASB 54, Fund Balance Reporting and Fund Type Definitions, changing the titles and classifications of fund balances.

| 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 839,223           | \$ 899,916           | \$ 1,854,645         | \$ 1,521,776         | \$ 2,452,889         | \$ 2,420,674         |
| 19,202,758           | 19,154,089           | 18,894,678           | 18,868,915           | 19,199,644           | 19,381,266           |
| 3,029,680            | 2,492,101            | 11,103,922           | 11,679,868           | 12,389,195           | 12,658,458           |
| 10,003,569           | 13,951,419           | 4,062,219            | 841,530              | 5,181,523            | 27,287,783           |
| 11,955,673           | 5,893,576            | -                    | 4,671,160            | 8,547,150            | 6,135,072            |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| <u>\$ 45,030,903</u> | <u>\$ 42,391,101</u> | <u>\$ 35,915,464</u> | <u>\$ 37,583,249</u> | <u>\$ 47,770,401</u> | <u>\$ 67,883,253</u> |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| -                    | 210,395              | 147,083              | 149,139              | 121,812              | 98,195               |
| -                    | 54,641               | 47,557               | 83,613               | 88,535               | 46,323               |
| -                    | -                    | 761,737              | 1,096,140            | 1,001,283            | 1,560,390            |
| 46,639,747           | 53,111,796           | 58,654,446           | 58,855,679           | 66,411,355           | 73,611,261           |
| 6,939,248            | 26,866,762           | 24,997,937           | 269,711,636          | 212,984,403          | 196,778,514          |
| -                    | 5,409,523            | 4,194,883            | 3,887,732            | 3,279,535            | 3,373,141            |
| 432,246              | 364,592              | -                    | 359,998              | 343,832              | 505,365              |
| -                    | 3,145,553            | 2,391,491            | 1,929,598            | 792,548              | 464,770              |
| -                    | 669,158              | -                    | -                    | -                    | -                    |
| 9,463,425            | 10,111,685           | 12,248,536           | 33,766,084           | 14,884,608           | 22,524,079           |
| -                    | -                    | -                    | 6,468,253            | 10,280,184           | 13,509,893           |
| 2,044,029            | 2,506,772            | -                    | -                    | -                    | -                    |
| -                    | -                    | (33,491)             | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| <u>\$ 65,518,695</u> | <u>\$102,450,877</u> | <u>\$103,834,126</u> | <u>\$376,307,872</u> | <u>\$310,188,095</u> | <u>\$312,471,931</u> |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Financial Trends Schedule 4**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|                                                         | 2010                  | 2011                   | 2012                  | 2013                  |
|---------------------------------------------------------|-----------------------|------------------------|-----------------------|-----------------------|
| <b>Revenues</b>                                         |                       |                        |                       |                       |
| Taxes                                                   | \$ 131,021,544        | \$ 131,549,891         | \$ 129,104,686        | \$ 130,814,942        |
| State                                                   | 236,555,734           | 225,698,244            | 219,519,011           | 221,251,686           |
| Federal                                                 | 22,674,497            | 19,351,112             | 17,132,769            | 15,645,246            |
| Local                                                   | 772                   | -                      | 25,118                | 20,884                |
| Mineral Leases                                          | -                     | -                      | -                     | -                     |
| Investment Earnings                                     | 1,440,595             | 564,593                | 511,328               | 456,080               |
| Miscellaneous                                           | 6,831,809             | 6,875,698              | 7,814,392             | 7,998,529             |
| Total revenues                                          | <u>398,524,951</u>    | <u>384,039,538</u>     | <u>374,107,304</u>    | <u>376,187,367</u>    |
| <b>Expenditures</b>                                     |                       |                        |                       |                       |
| Direct Instruction                                      | 196,173,403           | 187,724,932            | 186,273,435           | 184,188,632           |
| Indirect Instruction                                    | 49,461,367            | 49,400,171             | 43,771,488            | 42,342,107            |
| Other Support Programs                                  | 55,326,963            | 53,776,443             | 50,344,628            | 50,405,364            |
| Charter school funding                                  | 47,747,380            | 43,910,735             | 49,760,754            | 51,583,887            |
| Debt service:                                           |                       |                        |                       |                       |
| Principal                                               | 24,593,173            | 25,219,323             | 21,071,120            | 22,247,787            |
| Interest                                                | 17,878,787            | 16,889,485             | 21,828,525            | 19,880,225            |
| Bond issuance costs                                     | -                     | -                      | 792,243               | -                     |
| Capital outlay                                          | 24,339,334            | 25,035,243             | 9,826,488             | 11,215,035            |
| Total expenditures                                      | <u>415,520,407</u>    | <u>401,956,332</u>     | <u>383,668,681</u>    | <u>381,863,037</u>    |
| Excess of revenues over (under) expenditure             | (16,996,228)          | (17,916,794)           | (9,586,495)           |                       |
| <b>Other Financing Sources (Uses)</b>                   |                       |                        |                       |                       |
| Transfers in                                            | 612,774               | 6,578,177              | 5,454,759             | 11,338,921            |
| Transfers out                                           | (612,774)             | (5,578,177)            | (5,454,759)           | (10,938,921)          |
| Payments to refunded bonds escrow agent                 | -                     | -                      | -                     | -                     |
| Payments to refunded COPs escrow agent                  | -                     | -                      | (138,199,482)         | -                     |
| Refunding bonds                                         | -                     | -                      | 120,537,083           | -                     |
| Issuance of bonds                                       | -                     | -                      | -                     | -                     |
| Bond premium                                            | -                     | -                      | 20,196,250            | -                     |
| Land/building sales                                     | 7,592,711             | 132,599                | -                     | -                     |
| Lease purchase                                          | -                     | 1,002,873              | -                     | 217,500               |
| Total other financing sources (uses)                    | <u>7,592,711</u>      | <u>2,135,472</u>       | <u>2,533,851</u>      | <u>617,500</u>        |
| Net change in fund balance                              | <u>\$ (9,403,517)</u> | <u>\$ (15,781,322)</u> | <u>\$ (7,052,644)</u> | <u>\$ (5,079,054)</u> |
| Debt service as a percentage of noncapital expenditures | 10.9%                 | 11.2%                  | 11.5%                 | 11.2%                 |

| 2014                | 2015                 | 2016                  | 2017                  | 2018                   | 2019                 |
|---------------------|----------------------|-----------------------|-----------------------|------------------------|----------------------|
| \$ 131,427,784      | \$ 133,716,439       | \$ 146,675,513        | \$ 151,450,944        | \$ 170,631,184         | \$ 199,729,916       |
| 222,550,056         | 216,715,737          | 223,377,140           | 222,924,367           | 223,040,936            | 245,676,336          |
| 15,855,381          | 24,037,648           | 24,470,458            | 23,479,402            | 23,883,740             | 25,847,555           |
| 1,330,180           | 7,133,593            | 19,633,379            | 25,882,394            | 26,451,141             | 29,460,666           |
| -                   | 37,520               | 31,946                | 19,551                | 17,338                 | 21,007               |
| 394,470             | 576,636              | 1,619,236             | 2,715,194             | 3,729,733              | 11,201,683           |
| 7,596,949           | 12,653,755           | 620,009               | 632,729               | 673,690                | 958,265              |
| <u>379,154,820</u>  | <u>394,871,328</u>   | <u>416,427,681</u>    | <u>427,104,581</u>    | <u>448,427,762</u>     | <u>512,895,428</u>   |
| 185,347,582         | 191,442,866          | 200,880,489           | 203,923,568           | 200,899,049            | 218,715,822          |
| 47,962,804          | 54,922,617           | 60,590,339            | 59,791,273            | 64,409,299             | 72,742,263           |
| 58,606,031          | 78,201,170           | 82,031,282            | 82,915,251            | 83,519,090             | 88,532,937           |
| 43,472,016          | 19,391,201           | 23,186,915            | 35,740,446            | 23,164,902             | 29,981,478           |
| 21,792,134          | 25,988,689           | 30,614,131            | 30,344,633            | 27,575,188             | 28,808,286           |
| 13,326,531          | 13,958,345           | 15,699,284            | 20,860,230            | 24,654,890             | 25,524,923           |
|                     | 931,108              | 454,878               | 1,568,249             | 26,258                 | 355,811              |
| <u>12,655,188</u>   | <u>13,654,621</u>    | <u>11,060,329</u>     | <u>13,712,204</u>     | <u>80,111,711</u>      | <u>101,885,940</u>   |
| <u>383,640,773</u>  | <u>398,490,617</u>   | <u>424,517,647</u>    | <u>448,855,854</u>    | <u>504,360,387</u>     | <u>566,547,460</u>   |
| (4,485,953)         | (3,619,289)          | (8,089,966)           | (21,751,273)          | (55,932,625)           | (53,652,032)         |
| 13,961,433          | 20,123,032           | 18,632,079            | 9,592,463             | 9,261,549              | 17,446,939           |
| (13,961,433)        | (20,123,032)         | (18,632,079)          | (9,592,463)           | (9,261,549)            | (17,446,939)         |
| -                   | (99,241,278)         | (54,472,766)          | (65,222,756)          | -                      | -                    |
| -                   | -                    | -                     | -                     | -                      | -                    |
| -                   | 81,245,325           | -                     | -                     | -                      | -                    |
| -                   | 15,822,745           | 2,836,956             | 319,845,000           | -                      | 65,000,000           |
| -                   | -                    | -                     | 37,697,041            | -                      | 11,048,720           |
| -                   | -                    | -                     | -                     | -                      | -                    |
| <u>13,705,573</u>   | <u>30,148,442</u>    | <u>54,633,388</u>     | <u>-</u>              | <u>-</u>               | <u>-</u>             |
| <u>13,705,573</u>   | <u>27,975,234</u>    | <u>2,997,578</u>      | <u>292,319,285</u>    | <u>-</u>               | <u>76,048,720</u>    |
| <u>\$ 9,219,620</u> | <u>\$ 24,355,945</u> | <u>\$ (5,092,388)</u> | <u>\$ 270,568,012</u> | <u>\$ (55,932,625)</u> | <u>\$ 22,396,688</u> |
| 9.3%                | 10.4%                | 11.2%                 | 11.7%                 | 12.3%                  | 11.7%                |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Revenue Capacity Schedule 5**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| <b>Levy Year/<br/>Collection<br/>Year</b> | <b>Residential<br/>Property</b> | <b>Commercial<br/>Property</b> | <b>Industrial<br/>Property</b> | <b>Vacant<br/>Land</b> | <b>Agricultural<br/>Property</b> | <b>Natural<br/>Resources</b> |
|-------------------------------------------|---------------------------------|--------------------------------|--------------------------------|------------------------|----------------------------------|------------------------------|
| 2009/2010                                 | \$ 1,167,515,312                | \$ 359,605,712                 | \$ 23,954,040                  | \$ 50,797,860          | \$ 550,350                       | \$ 9,880                     |
| 2010/2011                                 | 1,165,020,123                   | 369,028,959                    | 17,284,040                     | 43,495,190             | 549,090                          | 9,880                        |
| 2011/2012                                 | 1,146,833,573                   | 363,974,574                    | 17,197,190                     | 36,316,440             | 462,540                          | 9,880                        |
| 2012/2013                                 | 1,161,229,372                   | 361,190,712                    | 17,377,320                     | 32,756,710             | 435,330                          | 9,880                        |
| 2013/2014                                 | 1,178,393,358                   | 377,471,168                    | 15,268,340                     | 35,759,280             | 463,510                          | 9,880                        |
| 2014/2015                                 | 1,194,583,604                   | 367,039,632                    | 15,580,650                     | 31,487,390             | 459,100                          | 9,880                        |
| 2015/2016                                 | 1,408,185,162                   | 405,637,590                    | 23,257,190                     | 44,509,010             | 599,790                          | 9,880                        |
| 2016/2017                                 | 1,434,937,543                   | 407,167,480                    | 22,823,790                     | 38,051,010             | 511,500                          | 9,880                        |
| 2017/2018                                 | 1,722,063,604                   | 476,237,820                    | 22,138,390                     | 53,304,270             | 440,810                          | 9,910                        |
| 2018/2019                                 | 1,755,716,481                   | 500,061,430                    | 22,860,650                     | 51,350,080             | 424,600                          | 11,000                       |

Sources: Adams County Assessor's Office, Broomfield County Assessor's Office

|    | <b>Oil and<br/>Gas</b> | <b>Public<br/>Utilities</b> | <b>Personal<br/>Property</b> | <b>Total Taxable<br/>Assessed<br/>Value</b> | <b>Mill Levy<br/>General Fund<br/>and Bond</b> | <b>Estimated<br/>Actual<br/>Taxable<br/>Value</b> | <b>Assessed<br/>Value as a<br/>Percentage of<br/>Actual Value</b> |
|----|------------------------|-----------------------------|------------------------------|---------------------------------------------|------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|
| \$ | 7,971,360              | \$ 11,333,320               | \$ 134,769,560               | \$ 1,756,507,394                            | 70.18                                          | \$ 16,946,998,526                                 | 10.36%                                                            |
|    | 3,418,840              | 13,041,800                  | 149,660,920                  | 1,761,508,842                               | 70.36                                          | 17,366,297,047                                    | 10.14%                                                            |
|    | 5,244,990              | 14,899,210                  | 145,633,820                  | 1,730,572,217                               | 70.28                                          | 17,196,373,239                                    | 10.06%                                                            |
|    | 6,020,790              | 16,680,130                  | 141,541,680                  | 1,737,241,924                               | 70.60                                          | 16,948,596,051                                    | 10.25%                                                            |
|    | 4,846,960              | 22,757,260                  | 147,447,010                  | 1,782,416,766                               | 68.61                                          | 17,295,184,533                                    | 10.31%                                                            |
|    | 4,978,500              | 22,009,358                  | 154,645,390                  | 1,790,793,504                               | 68.78                                          | 17,524,070,040                                    | 10.22%                                                            |
|    | 8,430,690              | 22,247,852                  | 163,953,960                  | 2,076,831,124                               | 66.02                                          | 20,705,094,601                                    | 10.03%                                                            |
|    | 10,519,850             | 21,715,380                  | 177,853,770                  | 2,113,590,203                               | 65.92                                          | 21,082,604,911                                    | 10.03%                                                            |
|    | 5,917,280              | 20,476,280                  | 185,786,680                  | 2,486,375,044                               | 63.26                                          | 27,397,199,777                                    | 9.08%                                                             |
|    | 2,194,960              | 20,346,821                  | 176,885,320                  | 2,529,851,342                               | 73.51                                          | 28,087,678,829                                    | 9.01%                                                             |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Revenue Capacity Schedule 6**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(per \$1,000 of Assessed Value)**  
**Last Ten Fiscal/Calendar Years**  
**(Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>School District Rates</b> |                         |              | <b>Overlapping Rates</b> |                              |
|------------------------|------------------------------|-------------------------|--------------|--------------------------|------------------------------|
|                        | <b>General<br/>Fund</b>      | <b>Debt</b>             |              | <b>Adams<br/>County</b>  | <b>Broomfield<br/>County</b> |
|                        |                              | <b>Service<br/>Fund</b> | <b>Total</b> |                          |                              |
| 2010                   | 47.414                       | 22.765                  | 70.179       | 26.824                   | 15.774                       |
| 2011                   | 47.594                       | 22.765                  | 70.359       | 26.883                   | 15.774                       |
| 2012                   | 47.511                       | 22.765                  | 70.276       | 26.806                   | 15.261                       |
| 2013                   | 47.837                       | 22.765                  | 70.602       | 26.903                   | 15.261                       |
| 2014                   | 46.940                       | 21.665                  | 68.605       | 26.815                   | 15.261                       |
| 2015                   | 47.116                       | 21.665                  | 68.781       | 27.042                   | 15.261                       |
| 2016                   | 44.352                       | 21.665                  | 66.017       | 26.817                   | 15.261                       |
| 2017                   | 44.257                       | 21.665                  | 65.922       | 27.055                   | 15.261                       |
| 2018                   | 41.594                       | 21.665                  | 63.259       | 26.929                   | 15.261                       |
| 2019                   | 51.845                       | 21.665                  | 73.510       | 26.864                   | 15.261                       |

Sources: Adams County Assessor's Office, Broomfield County Assessor's Office

**ADAMS 12 FIVE STAR SCHOOLS**  
**Revenue Capacity Schedule 7**  
**Principal Property Taxpayers**  
**Most Current Calendar Year Available and Nine Years Ago**  
**(Unaudited)**

| Taxpayer                                                | 2018                   |      |                                                     | 2009                   |      |                                                     |
|---------------------------------------------------------|------------------------|------|-----------------------------------------------------|------------------------|------|-----------------------------------------------------|
|                                                         | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value |
| Public Service Company of Colorado dba Xcel Energy      | \$ 57,062,727          | 1    | 2.26%                                               | 16,168,920             | 3    | 0.92%                                               |
| Vestar Orchard Town Center Inc                          | 27,966,110             | 2    | 1.11%                                               | 14,452,010             | 4    | 0.82%                                               |
| GC Net Lease Investors                                  | 16,113,700             | 3    | 0.64%                                               |                        |      |                                                     |
| 144 Bull Crossing Associates LLC                        | 15,790,670             | 4    | 0.62%                                               |                        |      |                                                     |
| Denver Premium Outlets LLC                              | 15,527,980             | 5    | 0.61%                                               |                        |      |                                                     |
| Qwest Corp.                                             | 15,359,161             | 6    | 0.61%                                               | 22,144,300             | 2    | 1.26%                                               |
| Marketplace at Northglenn (10410-10450 Melody Lane LLC) | 13,920,000             | 7    | 0.55%                                               | 10,120,060             | 5    | 0.58%                                               |
| Tri State Generation                                    | 13,597,950             | 8    | 0.54%                                               | 10,017,490             | 6    | 0.57%                                               |
| Digital Globe Inc.                                      | 10,310,800             | 9    | 0.41%                                               |                        |      |                                                     |
| SITE C LLC                                              | 9,403,090              | 10   | 0.37%                                               |                        |      |                                                     |
| Avaya Inc (real property)                               |                        |      |                                                     | 24,790,300             | 1    | 1.41%                                               |
| SITE A LLC                                              |                        |      |                                                     | 8,795,280              | 7    | 0.50%                                               |
| Google Inc                                              |                        |      |                                                     | 7,899,260              | 8    | 0.45%                                               |
| Northview Inc.                                          |                        |      |                                                     | 7,493,270              | 9    | 0.43%                                               |
| Target Corporation                                      |                        |      |                                                     | 6,416,380              | 10   | 0.37%                                               |
| Total                                                   | <u>\$ 195,052,188</u>  |      | <u>7.71%</u>                                        | <u>\$ 128,297,270</u>  |      | <u>7.30%</u>                                        |

Sources: Adams County Assessor's Office, Broomfield County Assessor's Office

Note: Total assessed valuation upon which 2018 tax collections are based is \$2,529,851,342

**ADAMS 12 FIVE STAR SCHOOLS**  
**Revenue Capacity Schedule 8**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| <b>Fiscal Year</b> | <b>Total Tax Levy <sup>(1)</sup></b> | <b>Current Tax Collections</b> | <b>Percent of Levy Collected</b> | <b>Delinquent Tax Collected <sup>(2)</sup></b> | <b>Total Tax Collections</b> | <b>Percent of Total Tax Collections To Levy</b> |
|--------------------|--------------------------------------|--------------------------------|----------------------------------|------------------------------------------------|------------------------------|-------------------------------------------------|
| 2010               | 123,269,933                          | 120,691,021                    | 97.9%                            | 133,243                                        | 120,824,265                  | 98.0%                                           |
| 2011               | 123,938,001                          | 121,498,090                    | 98.0%                            | 267,009                                        | 121,765,099                  | 98.2%                                           |
| 2012               | 121,617,694                          | 118,576,640                    | 97.5%                            | 220,565                                        | 118,797,205                  | 97.7%                                           |
| 2013               | 122,652,754                          | 122,008,409                    | 99.5%                            | 272,986                                        | 122,281,395                  | 99.7%                                           |
| 2014               | 122,282,702                          | 121,943,285                    | 99.7%                            | 183,367                                        | 122,126,653                  | 99.9%                                           |
| 2015               | 123,172,568                          | 123,147,865                    | 100.0%                           | 185,885                                        | 123,333,750                  | 100.1%                                          |
| 2016               | 137,106,160                          | 135,396,623                    | 98.8%                            | 56,038                                         | 135,452,660                  | 98.8%                                           |
| 2017               | 139,332,094                          | 139,107,064                    | 99.8%                            | 145,235                                        | 139,252,298                  | 99.9%                                           |
| 2018               | 157,285,599                          | 156,377,039                    | 99.4%                            | 233,052                                        | 156,610,091                  | 99.6%                                           |
| 2019               | 185,969,372                          | 184,797,824                    | 99.4%                            | 90,520                                         | 184,888,344                  | 99.4%                                           |

Sources: Adams & Broomfield County Treasurer's Office  
District Financial Services office for the respective years

Notes:

(1) The above schedule lists property tax information for the assessment year. Property taxes are recognized as revenue by the District when due and payable in the year following the assessment year. Current tax collections listed above represent actual cash collections during the period. For financial purposes, the District includes in property tax revenue amounts received during the sixty days following the end of the fiscal year, resulting in final tax collections consistently representing approximately 99% of taxes levied.

(2) The District does not maintain details on outstanding delinquent taxes as the amounts are considered to be immaterial.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Debt Capacity Schedule 9**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Periods**  
**(Unaudited)**

| Fiscal<br>Year <sup>(1)</sup> | Governmental Activities        |                                     |                   |                                | Percentage<br>of Debt to<br>Assessed<br>Value <sup>(2)</sup> | Percentage<br>of Debt to<br>Personal<br>Income <sup>(3)</sup> | Net<br>Debt Per<br>Capita | Population <sup>(4)</sup> |
|-------------------------------|--------------------------------|-------------------------------------|-------------------|--------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|---------------------------|---------------------------|
|                               | General<br>Obligation<br>Bonds | Certificates<br>of<br>Participation | Capital<br>Leases | Total<br>Primary<br>Government |                                                              |                                                               |                           |                           |
| 2010                          | 377,642,832                    | 37,205,634                          | 776,281           | 415,624,747                    | 23.66%                                                       | 7.60%                                                         | 2,041                     | 203,593                   |
| 2011                          | 367,281,774                    | 35,382,774                          | 1,461,485         | 404,126,033                    | 22.94%                                                       | 7.10%                                                         | 1,926                     | 209,792                   |
| 2012                          | 352,985,794                    | 33,499,914                          | 1,049,183         | 387,534,891                    | 22.40%                                                       | 6.68%                                                         | 1,839                     | 210,736                   |
| 2013                          | 331,866,199                    | 31,552,054                          | 792,645           | 364,210,898                    | 20.96%                                                       | 5.83%                                                         | 1,608                     | 226,448                   |
| 2014                          | 328,946,511                    | 29,534,194                          | 14,006,625        | 372,487,330                    | 20.90%                                                       | 5.80%                                                         | 1,675                     | 222,387                   |
| 2015                          | 315,616,943                    | 54,621,679                          | 9,951,329         | 380,189,951                    | 21.23%                                                       | 5.35%                                                         | 1,692                     | 224,741                   |
| 2016                          | 284,640,274                    | 54,317,570                          | 9,551,402         | 348,509,246                    | 16.78%                                                       | 4.74%                                                         | 1,493                     | 233,505                   |
| 2017                          | 569,700,159                    | 26,126,320                          | 6,583,703         | 602,410,182                    |                                                              | 7.86%                                                         | 2,582                     | 233,342                   |
| 2018                          | 541,586,058                    | 23,570,999                          | 3,573,515         | 568,730,572                    | 22.87%                                                       | 7.03%                                                         | 2,379                     | 239,051                   |
| 2019                          | 588,370,519                    | 20,790,754                          | 520,229           | 609,681,502                    | 24.10%                                                       | 6.81%                                                         | 2,446                     | 249,243                   |

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements

(1) FY 2010 through 2012 were restated to capture general obligated bond net debt

(2) Taxable assessed value data can be found on Schedule 5 - Assessed & Actual Property Values

(3) Personal income and population data can be found on Schedule 14 - Demographic & Economic Statistics

(4) U.S. Census Bureau, 2018 American Community Survey (Estimates)

**ADAMS 12 FIVE STAR SCHOOLS**  
**Debt Capacity Schedule 10**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2019**  
**(Unaudited)**

|                                                    | <b>Debt<br/>Outstanding</b>  | <b>Percentage<br/>Applicable to<br/>Adams 12<br/>Five Star Schools</b> | <b>Estimated Amount<br/>Applicable to<br/>Adams 12<br/>Five Star Schools</b> | <b>Percentage of<br/>General Obligation<br/>Debt to Actual<br/>Property Value <sup>(1)</sup></b> |
|----------------------------------------------------|------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <u>Direct Debt</u>                                 |                              |                                                                        |                                                                              |                                                                                                  |
| Adams 12 Five Star Schools                         | \$ 609,681,502               | 100.00%                                                                | \$ 609,681,502                                                               | 2.171%                                                                                           |
| <u>Overlapping Debt</u>                            |                              |                                                                        |                                                                              |                                                                                                  |
| Adams County Fire Protection District              | 2,016,288                    | 5.87%                                                                  | 118,356                                                                      | 0.000%                                                                                           |
| Anthem West Metropolitan District                  | 57,065,000                   | 100.00%                                                                | 57,065,000                                                                   | 0.203%                                                                                           |
| Aspen Reserve Metropolitan District                | 2,893,365                    | 100.00%                                                                | 2,893,365                                                                    | 0.010%                                                                                           |
| Bradburn Metropolitan District #2                  | 2,580,000                    | 100.00%                                                                | 2,580,000                                                                    | 0.009%                                                                                           |
| Bradburn Metropolitan District #3                  | 8,310,000                    | 100.00%                                                                | 8,310,000                                                                    | 0.030%                                                                                           |
| Bramming Farm Metropolitan District #1             | 4,015,000                    | 100.00%                                                                | 4,015,000                                                                    | 0.014%                                                                                           |
| Broadlands Metro District No. 2                    | 12,346,406                   | 100.00%                                                                | 12,346,406                                                                   | 0.044%                                                                                           |
| Country Club Highlands Metro District              | 2,055,000                    | 100.00%                                                                | 2,055,000                                                                    | 0.007%                                                                                           |
| Country Club Village Metropolitan Dist.            | 2,500,000                    | 100.00%                                                                | 2,500,000                                                                    | 0.009%                                                                                           |
| Cundall Farms Metropolitan District                | 12,012,000                   | 100.00%                                                                | 12,012,000                                                                   | 0.043%                                                                                           |
| Fallbrook Metropolitan Dist.                       | 4,575,000                    | 100.00%                                                                | 4,575,000                                                                    | 0.016%                                                                                           |
| HighPointe Park Metropolitan District              | 5,380,000                    | 100.00%                                                                | 5,380,000                                                                    | 0.019%                                                                                           |
| Huntington Trails Metropolitan Dist.               | 6,645,000                    | 100.00%                                                                | 6,645,000                                                                    | 0.024%                                                                                           |
| Hyland Hills Metro Park<br>and Recreation District | 5,215,000                    | 39.33%                                                                 | 2,051,060                                                                    | 0.007%                                                                                           |
| Lambertson Farms Metropolitan Dist. 1, 2 & 3       | 33,740,000                   | 100.00%                                                                | 33,740,000                                                                   | 0.120%                                                                                           |
| Lambertson Lakes Metro                             | 5,060,000                    | 100.00%                                                                | 5,060,000                                                                    | 0.018%                                                                                           |
| Larkridge Metropolitan District No. 1              | 12,155,000                   | 99.92%                                                                 | 12,145,276                                                                   | 0.043%                                                                                           |
| Lewis Pointe Metropolitan District                 | 11,548,000                   | 100.00%                                                                | 11,548,000                                                                   | 0.041%                                                                                           |
| McKay Landing Metropolitan Dist. No. 2             | 9,025,000                    | 100.00%                                                                | 9,025,000                                                                    | 0.032%                                                                                           |
| North Metro Fire Rescue District                   | 15,685,000                   | 22.02%                                                                 | 3,453,837                                                                    | 0.012%                                                                                           |
| North Park Metropolitan District No. 1             | 65,110,000                   |                                                                        | 65,110,000                                                                   | 0.232%                                                                                           |
| PLA Metropolitan District                          | 945,000                      | 100.00%                                                                | 945,000                                                                      | 0.003%                                                                                           |
| Red Leaf Metropolitan District No. 2               | 4,541,224                    | 100.00%                                                                | 4,541,224                                                                    | 0.016%                                                                                           |
| Spruce Meadows Metropolitan District               | 2,605,000                    | 100.00%                                                                | 2,605,000                                                                    | 0.009%                                                                                           |
| Villas at Eastlake Reservoir Metro. Dist.          | 2,500,000                    | 100.00%                                                                | 2,500,000                                                                    | 0.009%                                                                                           |
| Wildgrass Metropolitan District                    | 10,170,000                   | 89.43%                                                                 | 9,095,031                                                                    | 0.032%                                                                                           |
| York Street Metropolitan District                  | <u>2,490,000</u>             | 100.00%                                                                | <u>2,490,000</u>                                                             | 0.009%                                                                                           |
| Total Overlapping Debt                             | 303,182,283                  |                                                                        | 284,804,556                                                                  |                                                                                                  |
| Total Direct and Overlapping Debt                  | <u><u>\$ 912,863,785</u></u> |                                                                        | <u><u>\$ 894,486,058</u></u>                                                 |                                                                                                  |

**Notes:**

Includes general obligation bonds that are paid with revenues which are restricted for debt repayment. In the event these revenues are insufficient for debt repayment, the taxing jurisdiction may meet its debt service by assessing additional ad valorem taxes.

Although the District has attempted to obtain accurate information as to the outstanding debt of such governmental entities, it does not represent its completeness or accuracy as there is no central reporting entity which has this information available and the statistics are based on information supplied by others. This table, however, should provide a reasonable representation of the overlapping debt which affects the District.

(1) The percentage of each entity's overlapping debt is estimated using the taxable value from Schedule 5-Assessed & Actual Property Values. The percentages were determined by the portion applicable to Adams 12 and dividing it by the total taxable value.

Sources: The District, Adams County and City and County of Broomfield Assessors' Offices, and information obtained from individual entities

**ADAMS 12 FIVE STAR SCHOOLS**  
**Debt Capacity Schedule 11**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>General<br/>Obligation<br/>Bonds <sup>(1)</sup></b> | <b>Capital<br/>Leases</b> | <b>Certificates<br/>of<br/>Participation <sup>(1)</sup></b> | <b>Total<br/>Outstanding<br/>Debt</b> | <b>Percentage of<br/>Personal Income <sup>(2)</sup></b> | <b>Population <sup>(3)</sup></b> | <b>Debt<br/>per<br/>Capita</b> |
|--------------------|--------------------------------------------------------|---------------------------|-------------------------------------------------------------|---------------------------------------|---------------------------------------------------------|----------------------------------|--------------------------------|
| 2009/2010          | \$ 377,642,832                                         | \$ 776,281                | \$ 37,205,634                                               | \$ 415,624,747                        | 7.60%                                                   | 203,593                          | \$ 2,041                       |
| 2010/2011          | 367,281,774                                            | 1,461,485                 | 35,382,774                                                  | 404,126,033                           | 7.09%                                                   | 207,093                          | 1,951                          |
| 2011/2012          | 352,985,794                                            | 1,049,183                 | 33,499,914                                                  | 387,534,891                           | 6.68%                                                   | 210,736                          | 1,839                          |
| 2012/2013          | 331,866,199                                            | 792,645                   | 31,552,054                                                  | 364,210,898                           | 5.83%                                                   | 226,448                          | 1,608                          |
| 2013/2014          | 328,946,511                                            | 14,006,625                | 29,534,194                                                  | 372,487,330                           | 5.80%                                                   | 222,387                          | 1,675                          |
| 2014/2015          | 315,616,943                                            | 9,951,329                 | 54,621,679                                                  | 380,189,951                           | 5.35%                                                   | 224,741                          | 1,692                          |
| 2015/2016          | 284,640,274                                            | 9,551,402                 | 54,317,570                                                  | 348,509,246                           | 4.74%                                                   | 233,505                          | 1,493                          |
| 2016/2017          | 569,700,159                                            | 6,583,703                 | 26,126,320                                                  | 602,410,182                           | 7.86%                                                   | 233,342                          | 2,582                          |
| 2017/2018          | 541,586,058                                            | 3,573,515                 | 23,570,999                                                  | 568,730,572                           | 7.03%                                                   | 239,051                          | 2,379                          |
| 2018/2019          | 588,370,519                                            | 520,229                   | 20,790,754                                                  | 609,681,502                           | 6.81%                                                   | 249,243                          | 2,446                          |

Notes:

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Schedule 14 - Demographic & Economic Statistics

(3) U.S. Census Bureau ACS 2018 1-Year Survey (Estimates)

**ADAMS 12 FIVE STAR SCHOOLS**  
**Debt Capacity Schedule 12**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

| <b>Fiscal<br/>Year Ended<br/>30-Jun</b> | <b>General<br/>Obligation<br/>Bonds <sup>(1)</sup></b> | <b>Less: Amounts<br/>Available in Debt<br/>Service Fund <sup>(2)</sup></b> | <b>Total</b>   | <b>Percentage of<br/>Estimated<br/>Actual Taxable<br/>Value of Property <sup>(3)</sup></b> | <b>Per<br/>Capita <sup>(4)</sup></b> |
|-----------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------|--------------------------------------|
| 2010                                    | \$ 377,642,832                                         | \$ 35,933,846                                                              | \$ 341,708,986 | 2.02%                                                                                      | \$ 1,678                             |
| 2011                                    | 367,281,774                                            | 37,500,858                                                                 | 329,780,916    | 1.90%                                                                                      | 1,592                                |
| 2012                                    | 352,985,794                                            | 39,400,485                                                                 | 313,585,309    | 1.82%                                                                                      | 1,488                                |
| 2013                                    | 331,866,199                                            | 39,803,375                                                                 | 292,062,824    | 1.72%                                                                                      | 1,290                                |
| 2014                                    | 328,946,511                                            | 46,639,747                                                                 | 282,306,764    | 1.63%                                                                                      | 1,269                                |
| 2015                                    | 315,616,943                                            | 53,111,796                                                                 | 262,505,147    | 1.50%                                                                                      | 1,168                                |
| 2016                                    | 284,640,274                                            | 58,654,446                                                                 | 225,985,828    | 1.09%                                                                                      | 968                                  |
| 2017                                    | 569,700,159                                            | 58,855,679                                                                 | 510,844,480    | 2.42%                                                                                      | 2,189                                |
| 2018                                    | 541,586,058                                            | 66,411,355                                                                 | 475,174,703    | 1.73%                                                                                      | 1,988                                |
| 2019                                    | 588,370,519                                            | 73,611,261                                                                 | 514,759,258    | 1.83%                                                                                      | 2,065                                |

**Notes:**

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (2) This is the amount restricted for debt service principal payments
- (3) Estimated actual taxable value can be found on Schedule 5 - Assessed & Actual Property Values
- (4) Population Data can be found on Schedule 14 - Demographic & Economic Statistics

**ADAMS 12 FIVE STAR SCHOOLS**  
**Debt Capacity Schedule 13**  
**Legal Debt Margin Information**  
**June 30, 2019**

| <b>Fiscal Year</b>                                            | <b>Total Taxable Assessed Value</b> | <b>Taxable Assessed Value as a Percentage of Estimated Actual Value</b> | <b>Estimated Actual Taxable Value</b> |
|---------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------|---------------------------------------|
| 2014/2015                                                     | \$ 1,790,793,504                    | 10.22%                                                                  | \$ 17,524,070,040                     |
| 2015/2016                                                     | 2,076,831,124                       | 10.03%                                                                  | 20,705,094,601                        |
| 2016/2017                                                     | 2,113,590,203                       | 10.03%                                                                  | 21,082,604,911                        |
| 2017/2018                                                     | 2,486,375,044                       | 9.08%                                                                   | 27,397,199,777                        |
| 2018/2019                                                     | 2,529,851,342                       | 9.01%                                                                   | 28,087,678,829                        |
| <b>Total Five Year Valuation</b>                              |                                     |                                                                         | <b>\$ 114,796,648,158</b>             |
| Five Year Average Full Valuation of Taxable Real Property     |                                     |                                                                         | <b>\$ 22,959,329,631.60</b>           |
| Constitutional Debt Limit (6%)                                |                                     |                                                                         | <b>\$ 1,377,559,778</b>               |
| Outstanding General Obligation Indebtness as of June 30, 2019 |                                     |                                                                         |                                       |
| Governmental Activities - General Obligation Debt             |                                     |                                                                         | 588,370,519                           |
| Net Indebtness subject to debt limit                          |                                     |                                                                         | <b>588,370,519</b>                    |
| Net debt contracting margin                                   |                                     |                                                                         | <b>\$ 789,189,259</b>                 |
| Percentage of net debt contracting margin available           |                                     |                                                                         | <b>57.29%</b>                         |
| Percentage of net debt contracting power exhausted            |                                     |                                                                         | <b>42.71%</b>                         |

| <b>Last Ten Fiscal years</b> |                                                 |                                       |                                                            |
|------------------------------|-------------------------------------------------|---------------------------------------|------------------------------------------------------------|
| <b>Year</b>                  | <b>Constitutional Debt Limit <sup>(1)</sup></b> | <b>Outstanding Indebtness June 30</b> | <b>Percentage of Net Debt Contracting Margin Available</b> |
| 2009/2010                    | \$ 463,259,898                                  | \$ 377,642,832                        | 18.48%                                                     |
| 2010/2011                    | 371,711,605                                     | 367,281,774                           | 1.19%                                                      |
| 2011/2012                    | 366,650,019                                     | 352,985,794                           | 3.73%                                                      |
| 2012/2013                    | 367,771,159                                     | 331,866,199                           | 9.76%                                                      |
| 2013/2014                    | 377,727,170                                     | 328,946,511                           | 12.91%                                                     |
| 2014/2015                    | 381,274,680                                     | 315,616,943                           | 17.22%                                                     |
| 2015/2016                    | 445,076,446                                     | 284,640,274                           | 36.05%                                                     |
| 2016/2017                    | 1,122,666,602                                   | 569,700,159                           | 49.25%                                                     |
| 2017/2018                    | 1,248,049,846                                   | 541,586,058                           | 56.61%                                                     |
| 2018/2019                    | 1,377,559,778                                   | 588,370,519                           | 57.29%                                                     |

**Note:**

(1) Per Colorado Revised Statute 22-42-104, the Constitutional debt limit of a school district is the greater of: (a) 20% of latest assessed valuation of taxable property in the district, or (b) 6% of the latest actual valuation of taxable property in the district. Beginning in 2016-17, the District switched to using 6% of the actual taxable value of property whereas in prior years 20% of assessed value was used to calculate the debt limit.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Demographic and Economic Information Schedule 14**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal/Calendar Years**  
**(Unaudited)**

| <b>Fiscal/<br/>Calendar Year</b> | <b>Population <sup>(1)</sup></b> | <b>Median Age <sup>(1)</sup></b> | <b>Head Count <sup>(2)</sup></b> | <b>Personal<br/>Income <sup>(3)</sup></b> | <b>Per Capita<br/>Income <sup>(3)</sup></b> | <b>Unemployment<br/>Rate <sup>(4)</sup></b> |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------------------|---------------------------------------------|---------------------------------------------|
| 2009/2010                        | 203,593                          | 33.5                             | 43,929                           | 5,465,657,678                             | 26,846                                      | 8.6%                                        |
| 2010/2011                        | 207,093                          | 33.9                             | 43,903                           | 5,695,471,686                             | 27,502                                      | 9.7%                                        |
| 2011/2012                        | 210,736                          | 33.7                             | 43,946                           | 5,801,351,344                             | 27,529                                      | 11.1%                                       |
| 2012/2013                        | 226,448                          | 33.8                             | 45,362                           | 6,246,568,080                             | 27,585                                      | 8.9%                                        |
| 2013/2014                        | 222,387                          | 33.3                             | 44,354                           | 6,425,205,204                             | 28,892                                      | 7.4%                                        |
| 2014/2015                        | 224,741                          | 35.7                             | 42,668                           | 7,110,805,240                             | 31,640                                      | 4.4%                                        |
| 2015/2016                        | 233,505                          | 35.1                             | 43,205                           | 7,360,077,600                             | 31,520                                      | 4.2%                                        |
| 2016/2017                        | 233,342                          | 34.4                             | 43,626                           | 7,667,618,120                             | 32,860                                      | 3.5%                                        |
| 2017/2018                        | 239,051                          | 34.4                             | 43,689                           | 8,086,378,177                             | 33,827                                      | 3.0%                                        |
| 2018/2019                        | 249,243                          | 34.1                             | 44,094                           | 8,955,051,747                             | 35,929                                      | 3.4%                                        |

Notes:

(1) U.S. Census Bureau (Estimates)

(2) The enrollment figure is based on the one-day pupil count in October and includes Pinnacle, The Academy, and Global Village Academy charter schools, which lie within District boundaries but are affiliated with the Charter School Institute (CSI)

(3) U.S. Census Bureau American Community Survey 1-Year Estimates (Mean Income)

(4) Colorado Department of Labor & Employment, Labor Market Analysis

**ADAMS 12 FIVE STAR SCHOOLS**  
**Demographic and Economic Information Schedule 15**  
**Principal Employers**  
**Current Year and Ten Years Ago**

| Employer                                  | Product/Service                             | 2018      |      |                                      | 2009      |      |                                      |
|-------------------------------------------|---------------------------------------------|-----------|------|--------------------------------------|-----------|------|--------------------------------------|
|                                           |                                             | Employees | Rank | Percent of Total District Employment | Employees | Rank | Percent of Total District Employment |
| Amazon                                    | Retail Distribution                         | 2300      | 1    | 1.68%                                |           |      |                                      |
| Waterworld <sup>(1)</sup>                 | Amusement Park                              | 1682      | 2    | 1.23%                                |           |      |                                      |
| Alliance Data Systems                     | Credit Card Processing                      | 1020      | 3    | 0.74%                                | 428       | 8    | 0.38%                                |
| Centura Health/St. Anthony North          | Hospital                                    | 915       | 4    | 0.67%                                | 750       | 4    | 0.67%                                |
| Health One: North Suburban Medical Center | Medical and Rehabilitation Clinic           | 810       | 5    | 0.59%                                | 618       | 6    | 0.55%                                |
| Digital Globe                             | Satellite Imaging                           | 809       | 6    | 0.59%                                |           |      |                                      |
| Wal-Mart / Sam's Club (3 locations)       | Retail                                      | 737       | 7    | 0.54%                                | 800       | 3    | 0.71%                                |
| Tri State Generation                      | Electric Utilities Generation               | 550       | 8    | 0.40%                                | 400       | 10   | 0.36%                                |
| King Soopers (3 Locations)                | Grocery Retailer                            | 503       | 9    | 0.37%                                | 400       | 9    | 0.36%                                |
| Appliance Factory Outlet                  | Appliance Distribution                      | 500       | 10   | 0.36%                                |           |      |                                      |
| Mtech Mechanical Technologies             | Mechanical Contractor                       |           |      |                                      |           |      |                                      |
| Avaya, Inc.                               | Telecommunications Research and Development |           |      |                                      | 1,318     | 1    | 1.17%                                |
| DISH Network/EchoStar Communications      | Satellite Television Service Provider       |           |      |                                      | 1,100     | 2    | 0.98%                                |
| T-Mobile                                  | Call Center                                 |           |      |                                      | 650       | 5    | 0.58%                                |
| American Furniture Warehouse              | Furniture Retailer                          |           |      |                                      | 506       | 7    | 0.45%                                |
|                                           |                                             | 9,826     |      | 7.17%                                | 6,970     |      | 6.19%                                |

Sources:

Adams & Broomfield County Economic Development (Employer Data)

City of Thornton, Westminster, Federal Heights & Northglenn  
Management of individual entities

Note:

(1) Seasonal Employer

State/local government agencies not included.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Operating Information Schedule 16**  
**Full-time Equivalent District Employees by Category**  
**Last Ten Fiscal Years**

| <b>Employee Category</b>                | <b>As of June 30,<br/>2010</b> | <b>As of June 30,<br/>2011</b> | <b>As of June 30,<br/>2012</b> | <b>As of June 30,<br/>2013</b> |
|-----------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Executive Directors                     | 4.0                            | 4.0                            | 4.0                            | 3.0                            |
| Directors                               | 6.0                            | 7.0                            | 7.0                            | 6.0                            |
| Principals                              | 47.0                           | 47.0                           | 47.0                           | 47.0                           |
| Assistant Principals                    | 57.5                           | 53.5                           | 42.5                           | 42.5                           |
| Dean of Students                        | 22.5                           | 11.0                           | 11.0                           | 12.0                           |
| Teachers                                | 1959.1                         | 1932.3                         | 1883.7                         | 1862.3                         |
| Counselors                              | 53.6                           | 45.6                           | 48.9                           | 48.9                           |
| Library Media Specialists               | 49.0                           | 40.0                           | 24.7                           | 19.5                           |
| Social Workers                          | 20.0                           | 15.1                           | 14.8                           | 14.5                           |
| Secretaries/Bookkeepers/Office Clerks   | 182.4                          | 174.6                          | 168.4                          | 173.1                          |
| Campus Supervisors                      | 38.4                           | 17.0                           | 17.0                           | 18.0                           |
| Physical/Occupational/Speech Therapists | 75.2                           | 63.7                           | 65.4                           | 65.9                           |
| Psychologists                           | 26.4                           | 28.0                           | 32.0                           | 35.6                           |
| Nurses                                  | 9.2                            | 8.7                            | 9.7                            | 9.7                            |
| ParaEducator Classified                 | 440.8                          | 387.7                          | 447.8                          | 471.8                          |
| Childcare ParaEducators Classified      | 102.4                          | 131.2                          | 91.7                           | 95.5                           |
| Coordinators                            | 9.9                            | 10.9                           | 20.4                           | 13.8                           |
| Other (2)                               | 4.1                            | 11.3                           | 13.0                           | 20.1                           |
| Substitute Teachers (3)(4)              | 667.0                          | 676.0                          | 594.0                          | 577.0                          |
| Classified Substitutes (3)              | 154.0                          | 182.0                          | 140.0                          | 174.0                          |
| <b>Total Educational Services</b>       | <b>3928.3</b>                  | <b>3846.6</b>                  | <b>3683.1</b>                  | <b>3710.2</b>                  |
| Support Services                        |                                |                                |                                |                                |
| Assistant Superintendent                | 2.0                            | 0.0                            | 0.0                            | 0.0                            |
| Executive Directors                     | 2.0                            | 3.0                            | 1.0                            | 1.0                            |
| Directors                               | 8.0                            | 8.0                            | 11.5                           | 14.5                           |
| Supervisors                             | 5.0                            | 4.0                            | 5.0                            | 5.0                            |
| Managers                                | 19.0                           | 18.5                           | 27.0                           | 25.0                           |
| Information Systems - Administrative    | 19.0                           | 19.5                           | 24.0                           | 23.3                           |
| Technicians/Specialists Classified      | 86.3                           | 78.9                           | 82.9                           | 88.7                           |
| Professional/Technical                  | 40.3                           | 41.5                           | 32.1                           | 34.8                           |
| Secretaries                             | 39.6                           | 25.2                           | 25.9                           | 18.6                           |
| Custodians                              | 202.6                          | 179.7                          | 181.2                          | 186.2                          |
| Crafts/Trades/Services                  | 79.2                           | 99.7                           | 69.7                           | 77.9                           |
| Food Service Managers                   | 17.7                           | 17.9                           | 24.8                           | 23.7                           |
| Food Service Classified                 | 112.8                          | 96.3                           | 109.6                          | 108.7                          |
| Bus Drivers                             | 82.0                           | 72.4                           | 62.5                           | 78.6                           |
| Other (2)                               | 9.0                            | 25.1                           | 9.7                            | 12.9                           |
| Custodial Substitutes (3)               | 26.0                           | 30.0                           | 19.0                           | 22.0                           |
| <b>Total Support Services</b>           | <b>750.5</b>                   | <b>719.7</b>                   | <b>685.8</b>                   | <b>720.7</b>                   |
| Districtwide Leadership                 |                                |                                |                                |                                |
| Superintendent                          | 1.0                            | 1.0                            | 1.0                            | 1.0                            |
| Assistant Superintendent                | 1.0                            | 0.0                            | 0.0                            | 0.0                            |
| Chief Operations Officer                | 0.0                            | 1.0                            | 1.0                            | 1.0                            |
| Chief Academic Officer                  | 0.0                            | 1.0                            | 1.0                            | 1.0                            |
| Chief Human Resource Officer            | 0.0                            | 1.0                            | 1.0                            | 1.0                            |
| Chief of Staff                          | 1.0                            | 0.0                            | 0.0                            | 0.0                            |
| Chief Communication Officer             | 1.0                            | 1.0                            | 0.0                            | 0.0                            |
| Chief Financial Officer                 | 1.0                            | 1.0                            | 1.0                            | 1.0                            |
| Chief Information Officer               | 1.0                            | 1.0                            | 1.0                            | 1.0                            |
| General Counsel                         | 1.0                            | 1.0                            | 1.0                            | 1.0                            |
| <b>Total Districtwide</b>               | <b>7.0</b>                     | <b>8.0</b>                     | <b>7.0</b>                     | <b>7.0</b>                     |
| Charter School Employees                | 310.3                          | 326.4                          | 474.1                          | 498.3                          |
| <b>Grand Total</b>                      | <b>4996.0</b>                  | <b>4900.7</b>                  | <b>4849.9</b>                  | <b>4936.2</b>                  |

Source: District HR Department Staffing Reports

Notes:

- (1) Employee counts are based on Full-Time Equivalent (FTE)
- (2) Other includes consultants, temporary workers, student workers, and lifeguards
- (3) Substitutes are actual number of employees registered in our sub-system, not FTE
- (4) In FY19, prior year substitute counts re-stated to include only substitute teacher job titles

| As of June 30,<br>2014 | As of June 30,<br>2015 | As of June 30,<br>2016 | As of June 30,<br>2017 | As of June 30,<br>2018 | As of June 30,<br>2019 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 3.0                    | 3.0                    | 4.0                    | 3.0                    | 4.0                    | 4.0                    |
| 5.0                    | 5.0                    | 10.0                   | 8.4                    | 8.0                    | 11.0                   |
| 50.0                   | 49.1                   | 49.1                   | 49.0                   | 49.0                   | 49.0                   |
| 43.5                   | 44.6                   | 51.0                   | 51.5                   | 53.0                   | 61.0                   |
| 12.1                   | 12.1                   | 16.4                   | 15.5                   | 16.1                   | 21.0                   |
| 1927.8                 | 2023.8                 | 2008.3                 | 1963.0                 | 1942.4                 | 1970.9                 |
| 53.0                   | 59.6                   | 65.1                   | 64.6                   | 67.5                   | 71.6                   |
| 21.0                   | 19.0                   | 18.5                   | 17.0                   | 16.0                   | 14.5                   |
| 14.6                   | 17.3                   | 20.2                   | 25.9                   | 28.9                   | 36.0                   |
| 181.2                  | 181.0                  | 166.0                  | 165.1                  | 164.5                  | 162.8                  |
| 23.0                   | 22.5                   | 22.3                   | 23.8                   | 25.3                   | 37.5                   |
| 67.6                   | 71.0                   | 85.3                   | 82.9                   | 94.8                   | 102.1                  |
| 35.6                   | 38.4                   | 41.9                   | 35.6                   | 34.7                   | 40.0                   |
| 11.7                   | 13.7                   | 16.4                   | 16.5                   | 18.1                   | 20.4                   |
| 503.4                  | 502.3                  | 603.2                  | 565.9                  | 571.3                  | 580.5                  |
| 106.3                  | 107.9                  | 108.3                  | 173.1                  | 139.3                  | 133.5                  |
| 14.8                   | 19.9                   | 38.9                   |                        | 44.1                   | 47.6                   |
| 26.4                   | 27.3                   | 13.5                   | 15.5                   | 9.9                    | 10.4                   |
| 572.0                  | 658.0                  | 557.0                  | 616.0                  | 623.0                  | 681.0                  |
| 181.0                  | 199.0                  | 136.0                  | 140.0                  | 161.0                  | 164.0                  |
| 3853.0                 | 4074.5                 | 4031.4                 | 4065.9                 | 4070.7                 | 4218.6                 |
| 0.0                    | 0.0                    | 0.0                    | 0.0                    | 0.0                    | 0.0                    |
| 3.0                    | 3.0                    | 2.0                    | 1.0                    | 0.0                    | 0.0                    |
| 15.0                   | 17.0                   | 11.0                   | 11.0                   | 11.0                   | 9.0                    |
| 3.0                    | 5.0                    | 5.0                    | 5.0                    | 6.0                    | 6.0                    |
| 32.5                   | 31.5                   | 30.5                   | 25.5                   | 30.0                   | 30.0                   |
| 28.3                   | 36.8                   | 34.8                   | 35.5                   | 35.3                   | 35.3                   |
| 87.7                   | 73.7                   | 77.8                   | 64.5                   | 66.7                   | 68.7                   |
| 34.0                   | 58.8                   | 72.1                   | 70.3                   | 69.9                   | 73.1                   |
| 14.9                   | 12.9                   | 12.1                   | 16.3                   | 10.9                   | 10.9                   |
| 179.0                  | 181.2                  | 169.7                  | 168.3                  | 170.7                  | 169.0                  |
| 72.9                   | 78.0                   | 79.0                   | 89.0                   | 95.0                   | 95.8                   |
| 22.9                   | 26.3                   | 30.0                   | 26.6                   | 30.0                   | 36.4                   |
| 114.5                  | 112.1                  | 104.7                  | 95.6                   | 83.6                   | 79.1                   |
| 83.0                   | 81.4                   | 95.1                   | 109.8                  | 104.7                  | 109.1                  |
| 22.0                   | 16.0                   | 19.4                   | 27.7                   | 16.5                   | 17.7                   |
| 28.0                   | 8.0                    | 14.0                   | 15.0                   | 16.0                   | 11.0                   |
| 740.6                  | 741.6                  | 757.2                  | 761.0                  | 746.3                  | 750.9                  |
| 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    |
| 0.0                    | 0.0                    | 0.0                    | 1.0                    | 1.0                    | 1.0                    |
| 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    |
| 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    |
| 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    |
| 0.0                    | 0.0                    | 0.0                    | 0.0                    | 0.0                    | 0.0                    |
| 0.0                    | 0.0                    | 0.0                    | 0.0                    | 0.0                    | 0.0                    |
| 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    |
| 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    |
| 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                    |
| 7.0                    | 7.0                    | 7.0                    | 8.0                    | 8.0                    | 8.0                    |
| 484.8                  | 259.7                  | 331.4                  | 282.0                  | 303.1                  | 286.9                  |
| 5085.4                 | 5082.8                 | 5127.0                 | 5117.0                 | 5128.1                 | 5264.4                 |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Operating Information Schedule 17**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| <b>Fiscal Year</b> | <b>Expenses <sup>(1)</sup></b> | <b>District 12 Head Count <sup>(2)</sup></b> | <b>Cost per Pupil</b> | <b>Teaching Staff <sup>(3)</sup></b> | <b>Pupil Teacher Ratio</b> | <b>High School Graduates <sup>(4)</sup></b> |
|--------------------|--------------------------------|----------------------------------------------|-----------------------|--------------------------------------|----------------------------|---------------------------------------------|
| 2010               | 400,310,066                    | 42,077                                       | 9,514                 | 1,959                                | 21.48                      | 2,041                                       |
| 2011               | 389,571,463                    | 41,957                                       | 9,285                 | 1,932                                | 21.71                      | 1,952                                       |
| 2012               | 390,977,340                    | 42,990                                       | 9,095                 | 1,884                                | 22.82                      | 2,061                                       |
| 2013               | 387,609,753                    | 43,272                                       | 8,958                 | 1,862                                | 23.24                      | 2,192                                       |
| 2014               | 390,772,944                    | 42,230                                       | 9,253                 | 1,928                                | 21.91                      | 2,185                                       |
| 2015               | 402,456,919                    | 38,701                                       | 10,399                | 2,024                                | 19.12                      | 2,047                                       |
| 2016               | 425,625,145                    | 39,287                                       | 10,834                | 2,008                                | 19.56                      | 2,116                                       |
| 2017               | 654,420,287                    | 38,818                                       | 16,859                | 1,963                                | 19.77                      | 2,261                                       |
| 2018               | 678,429,381                    | 38,870                                       | 17,454                | 1,942                                | 20.02                      | 2,317                                       |
| 2019               | 358,032,507                    | 39,282                                       | 9,114                 | 1,971                                | 19.93                      | 2,666                                       |

Sources: District Financial and Staffing Reports, District October Pupil Count

Notes:

- (1) Expenses from Government-Wide Statement of Activities
- (2) Based on one-day pupil count in October of District schools and 4 District Charter Schools: Stargate Charter, Westgate Community Charter, Prospect Ridge Academy, and New America School-Thornton (Pinnacle, The Academy, and Global Village Academy Charter are not included as the District incurs no expenses on their behalf)
- (3) Employee counts based on Full-Time Equivalent (FTE)
- (4) High School Graduate data for 2018-19 is a CDE estimate as final data was not available



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**ADAMS 12 FIVE STAR SCHOOLS**  
**Operating Information Schedule 18**  
**School Building Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                                      | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|
| 30 Elementary Schools                |             |             |             |             |
|                                      | 1,741,914   | 1,744,767   | 1,751,009   | 1,639,977   |
| Total program capacity               | 16,720      | 17,105      | 16,727      | 15,150      |
| Enrollment                           | 17,215      | 17,218      | 16,696      | 14,375      |
| 4 K-8 Schools <sup>(1)</sup>         |             |             |             |             |
| Total square feet                    | -           | -           | -           | 342,778     |
| Total program capacity               | -           | -           | -           | 2,360       |
| Enrollment                           | -           | -           | -           | 2,402       |
| 7 Middle Schools                     |             |             |             |             |
| Total square feet                    | 1,018,104   | 1,018,104   | 1,014,315   | 907,720     |
| Total program capacity               | 8,726       | 9,355       | 9,355       | 7,390       |
| Enrollment                           | 7,506       | 7,737       | 7,800       | 6,810       |
| 5 High Schools & 1 Vocational School |             |             |             |             |
| Total square feet                    | 1,391,222   | 1,391,222   | 1,393,890   | 1,393,890   |
| Total program capacity               | 9,885       | 9,940       | 9,885       | 9,885       |
| Enrollment                           | 9,434       | 9,299       | 9,387       | 9,446       |
| 2 Alternative Schools                |             |             |             |             |
| Total square feet                    | 81,417      | 81,416      | 81,416      | 100,751     |
| Total program capacity               | 310         | 530         | 585         | 635         |
| Enrollment                           | 447         | 505         | 509         | 568         |
| 4 Charter Schools <sup>(2)</sup>     |             |             |             |             |
| Enrollment                           | 7,475       | 7,198       | 8,598       | 8,886       |
| District wide Facilities             |             |             |             |             |
| Total square feet                    | 659,918     | 604,333     | 610,850     | 625,004     |

Source: District Business Services Department

Notes:

(1) Thunder Vista K-8 opened at the beginning of the 2018-19 school year

(2) The New America School-Thornton joined Adams 12 at the beginning of 2018-19 school year

| 2014      |           | 2016      | 2017      | 2018      | 2019      |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 1,678,322 | 1,678,322 | 1,678,914 | 1,693,335 | 1,693,335 | 1,705,218 |
| 15,634    | 15,690    | 15,570    | 15,090    | 14,802    | 14,610    |
| 15,688    | 15,980    | 15,942    | 15,805    | 15,590    | 15,170    |
| 301,440   | 301,440   | 301,440   | 301,440   | 301,440   | 414,383   |
| 1,929     | 1,904     | 1,979     | 2,251     | 1,856     | 2,892     |
| 1,955     | 1,938     | 2,007     | 2,058     | 2,000     | 2,567     |
| 907,720   | 907,720   | 916,365   | 916,365   | 916,365   | 916,365   |
| 8,377     | 8,275     | 8,173     | 8,125     | 8,350     | 8,410     |
| 7,019     | 7,311     | 7,398     | 7,281     | 7,255     | 7,004     |
| 1,393,890 | 1,404,285 | 1,404,293 | 1,404,293 | 1,404,293 | 1,389,957 |
| 10,274    | 10,572    | 10,572    | 10,572    | 10,627    | 10,572    |
| 9,661     | 9,840     | 9,893     | 10,030    | 10,122    | 10,185    |
| 100,751   | 100,751   | 100,751   | 100,751   | 100,751   | 100,751   |
| 310       | 310       | 650       | 700       | 700       | 700       |
| 659       | 641       | 630       | 744       | 715       | 740       |
| 7,248     | 2,991     | 3,417     | 2,900     | 3,188     | 3,616     |
| 625,004   | 625,004   | 625,004   | 610,582   | 610,582   | 610,582   |



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Artist: Christian Alexander  
School: Mountain View Elementary School



Artist: Zach Morgan  
School: Skyview Elementary School



Artist: Charlotte Malpica-Redmond  
School: Westview Elementary School

## **SINGLE AUDIT**

The Single Audit Act Amendments of 1996, and related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) mandate independent financial and compliance audits of federal financial assistance programs. In addition to the required auditor's reports, the schedule of expenditures of federal awards and summary of instances of noncompliance are provided to support the requirements for compliance with Uniform Guidance. These schedules provide more detailed financial information related to federal grant activity and other federal revenue.



**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  
Adams 12 Five Star Schools  
Adams County, 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 units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2019, 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 20, 2019. Our report includes a reference to other auditors who audited the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters as those financial statements were not audited in accordance with *Government Auditing Standards*.

**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. However, material weaknesses may exist that have not been identified.

### **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*.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
November 20, 2019



**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  
Adams 12 Five Star Schools  
Adams County, Colorado

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

We have audited Adams 12 Five Star Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Adams 12 Five Star Schools' major federal programs for the year ended June 30, 2019. Adams 12 Five Star Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Adams 12 Five Star Schools' basic financial statements include the operations of the discretely presented component units, Stargate Charter School, Westgate Charter School, Prospect Ridge Academy, and New America School – Thornton, which received \$280,753 in federal awards, which is not included in Adams 12 Five Star Schools' schedule of expenditures of federal awards during the year ended June 30, 2019. Our audit, described below, did not include the operations of the discretely presented component units, Stargate Charter School, Westgate Charter School, Prospect Ridge Academy, and New America School – Thornton, because other auditors were engaged to perform audits of these discretely presented component units.

***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 each of Adams 12 Five Star Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Adams 12 Five Star Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Adams 12 Five Star Schools' compliance.

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

In our opinion, Adams 12 Five Star Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

Management of Adams 12 Five Star Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Adams 12 Five Star Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Adams 12 Five Star Schools' 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**

Broomfield, Colorado  
November 20, 2019

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2019**

| <b>Federal Grantor / Pass-Thru Grantor / Program or Cluster Title</b> | <b>CFDA<br/>Number</b> | <b>Pass-through<br/>Entity<br/>Identifying<br/>Number</b> | <b>Total<br/>Expenditures</b> |
|-----------------------------------------------------------------------|------------------------|-----------------------------------------------------------|-------------------------------|
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                   |                        |                                                           |                               |
| <b>Passed through Colorado Department of Education</b>                |                        |                                                           |                               |
| <b>Special Education Cluster</b>                                      |                        |                                                           |                               |
| Special Education                                                     | 84.027                 | 4027                                                      | \$ 6,423,546                  |
| Special Education - Preschool                                         | 84.173                 | 4173                                                      | 127,843                       |
| <b>Subtotal Special Education Cluster</b>                             |                        |                                                           | <b>6,551,389</b>              |
|                                                                       |                        | 4010 /5010 /                                              |                               |
| Title I - Improving the Academic Achievement of the Disadvantaged     | 84.010                 | 92xx                                                      | 4,368,277                     |
| Title IX - Education for Homeless Children and Youth                  | 84.196                 | 5196                                                      | 42,295                        |
| 21st Century Community Learning Centers                               | 84.287                 | 5287                                                      | 998,965                       |
| Title III - English Language Acquisition                              | 84.365                 | 4365 / 7365                                               | 501,054                       |
| Title II - Supporting Effective Instruction                           | 84.367                 | 4367                                                      | 933,109                       |
| Title IV - Student Support and Academic Enrichment                    | 84.424                 | 4424                                                      | 153,652                       |
| <b>Passed through Colorado Community College System</b>               |                        |                                                           |                               |
| Career and Technical Education                                        | 84.048                 | 4048                                                      | 230,322                       |
| <b>Subtotal Passed-Through Programs</b>                               |                        |                                                           | <b>13,779,063</b>             |
| <b>Direct Federal Programs</b>                                        |                        |                                                           |                               |
| Title VI - Indian Education                                           | 84.060                 | 4060                                                      | 45,058                        |
| <b>Subtotal Direct Programs</b>                                       |                        |                                                           | <b>45,058</b>                 |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>                             |                        |                                                           | <b>13,824,121</b>             |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                                 |                        |                                                           |                               |
| <b>Child Nutrition Cluster</b>                                        |                        |                                                           |                               |
| <b>Passed through Colorado Department of Human Services</b>           |                        |                                                           |                               |
| Donated Commodities                                                   | 10.555                 | 4555                                                      | 798,005                       |
| <b>Passed through Colorado Department of Education</b>                |                        |                                                           |                               |
| School Breakfast Program                                              | 10.553                 | 4553                                                      | 1,305,402                     |
| National School Lunch Program                                         | 10.555                 | 4555                                                      | 5,210,628                     |
| Summer Food Service Program for Children                              | 10.559                 | 4559                                                      | 62,418                        |
| <b>Subtotal Child Nutrition Cluster</b>                               |                        |                                                           | <b>7,376,453</b>              |
| Fresh Fruit and Vegetable Program                                     | 10.582                 | 4582                                                      | 94,476                        |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                           |                        |                                                           | <b>7,470,929</b>              |

**ADAMS 12 FIVE STAR SCHOOLS**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2019**

| <b>Federal Grantor / Pass-Thru Grantor / Program or Cluster Title</b>            | <b>CFDA<br/>Number</b> | <b>Pass-through<br/>Entity<br/>Identifying<br/>Number</b> | <b>Total<br/>Expenditures</b> |
|----------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------|-------------------------------|
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                              |                        |                                                           |                               |
| <b>Passed through Colorado Department of Public Health and Environment</b>       |                        |                                                           |                               |
| Injury Prevention and Control Research and State and Community<br>Based Programs | 93.136                 | 4136                                                      | 356                           |
| <b>TOTAL U.S. DEPARTMENT OF HEALTH OF HUMAN SERVICES</b>                         |                        |                                                           | <b>356</b>                    |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                      |                        |                                                           | <b>\$ 21,295,406</b>          |

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ADAMS 12 FIVE STAR SCHOOLS**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2019**

**NOTE 1 – GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Adams 12 Five Star Schools (the District). The information in this Schedule is presented in accordance with the 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). 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, changes in net assets or cash flows of the District.

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note A-3 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – NONCASH PROGRAMS**

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of \$798,005 are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue and expenses when received and are reported as part of the National School Lunch Program (CFDA 10.555).

**NOTE 4 - INDIRECT COST RATE**

The District's negotiated restricted indirect cost rate for FY 2018-2019 is 8.29%, as provided by the Colorado Department of Education. The District has chosen to use the lesser indirect rate of 5.99% for all allowable grants, unless otherwise specified by the prevailing grant terms. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**NOTE 5 - SUBRECIPIENTS**

The District provided no federal awards to subrecipients.



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**ADAMS 12 FIVE STAR SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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

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***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? \_\_\_\_\_ yes            x       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)**

10.553, 10.555, 10.559  
84.287  
84.367

**Name of Federal Program or Cluster**

Child Nutrition Cluster  
Twenty-First Century Community Learning Centers  
Title II, Part A – Supporting Effective Instruction  
State Grants

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

\$750,000

Auditee qualified as low-risk auditee?

      x       yes      \_\_\_\_\_ no

**ADAMS 12 FIVE STAR SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

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

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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

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



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**ADAMS 12 FIVE STAR SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2019**

Adams 12 Five Star Schools respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2019.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the prior year.

**FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

There were no federal award program audit findings in the prior year.



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