



COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2019
El Paso County, Colorado



ACADEMY DISTRICT TWENTY
1110 Chapel Hills Drive
COLORADO SPRINGS, COLORADO 80920
(719) 234-1200
www.asd20.org

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY:
FISCAL SERVICES

Marita Vogrin
DIRECTOR OF FINANCE

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



**ACADEMY SCHOOL DISTRICT TWENTY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

Title Page

I. INTRODUCTORY SECTION

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

II. FINANCIAL SECTION

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

REQUIRED SUPPLEMENTARY INFORMATION

Description of Required Supplementary Information	56
<u>General Fund</u>	
Description of Fund	57
Budgetary Comparison Schedule	58
Note to Required Supplementary Information	60
Schedule of the District's Proportionate Share of the Net Pension Liability	61
Schedule of the District's Contributions and Related Ratios	62
Schedule of the District's Proportionate Share of the Net OPEB Liability	63
Schedule of the District's Contributions and Related Ratios	64

OTHER SUPPLEMENTARY INFORMATION

OTHER MAJOR GOVERNMENTAL FUNDS

Description of Funds	66
<u>Debt Service Fund</u>	
<u>Bond Redemption Fund</u>	
Budgetary Comparison Schedule	67
<u>Capital Project Funds</u>	
<u>Building Fund</u>	
Budgetary Comparison Schedule	68

NON-MAJOR GOVERNMENTAL FUNDS

Description of Funds	69
Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	71
<u>Special Revenue Funds</u>	
<u>Food Service Fund</u>	
Budgetary Comparison Schedule	72
<u>Designated Purpose Grants Fund</u>	
Budgetary Comparison Schedule	73
<u>Transportation Fund</u>	
Budgetary Comparison Schedule	74
<u>Capital Project Funds</u>	
<u>Capital Reserve Capital Projects Fund</u>	
Budgetary Comparison Schedule	75
<u>Technology Fund</u>	
Budgetary Comparison Schedule	76

FIDUCIARY FUNDS

<u>Trust and Agency Fund</u>	
Description of Fund	78
<u>Pupil Activity Agency Fund</u>	
Statement of Changes in Assets and Liabilities	79

COMPONENT UNITS

Combining Statement of Net Position	80
Combining Statement of Activities	81

III. STATISTICAL SECTION

FINANCIAL TREND INFORMATION

List of Tables and Graphs	83
Net Position by Component (Table 1)	84
Change in Net Position (Table 2)	85
Fund Balances, Governmental Funds – Last Ten Years (Table 3)	86
Change in Fund Balances, Governmental Funds (Table 4)	87
Summary of Expenditures by Function and other Financing Uses General Fund – Last Ten Years (Table 5)	88
Revenues/Sources vs. Expenditures/Uses (Graph)	89
Fiscal Health Tracking Ratios - Last Ten Years (Table 6.1)	90
Asset Sufficiency Ratio - Last Ten Years (Table 6.2)	91
Debt Burden Ratio - Last Ten Years (Table 6.3)	92
Operating Reserve Ratio - Last Ten Years (Table 6.4)	93
Operating Margin Ratio - Last Ten Years (Table 6.5)	94
Deficit Fund Balance Ratio - Last Ten Years (Table 6.6)	95
Change in Fund Balance Ratio - Last Ten Years (Table 6.7)	96

REVENUE CAPACITY INFORMATION

List of Tables and Graph.....	97
Summary of Revenues by Source and other Financing Sources General Fund – Last Ten Years (Table 7)	98
Assessed and Estimated Actual Value of Taxable Property Academy School District Boundaries – Last Ten Years (Table 8)	100
Property Tax Rates – Direct and Overlapping Governments Last Ten Years (Table 9)	101
Principal Taxpayers (Table 10)	102
Property Tax Levies and Collections General Fund - Last Ten Years (Table 11)	104
Property Tax Levy vs. Collections (Graph)	105

DEBT CAPACITY INFORMATION

List of Tables	106
Net Bonded Debt - Last Ten Years (Table 12)	107
Computation of Direct and Overlapping Debt General Obligation Bonded Debt (Table 13)	108
Computation of Legal Debt Margin (Table 14)	109
Percent of Annual Debt Service for General Bonded Debt to General Fund Expenditures – Last Ten Years (Table 15)	110

DEMOGRAPHIC AND ECONOMIC INFORMATION

List of Tables	111
Demographic Data - El Paso County – Last Ten Years (Table 16)	112
El Paso County Property Values and Construction Last Ten Years (Table 17)	113
El Paso County Principal Employers (Table 18)	114

OPERATING INFORMATION

List of Tables	115
District Building Information (Table 19)	116
Schedule of Insurance Policies (Table 20)	118
Full-time Equivalent Employees by Functional Program (Table 21)	120
Operating Statistics (Table 22)	121

IV. COMPLIANCE SECTION

Single Audit Section

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with Government Auditing Standards.....	123
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	125

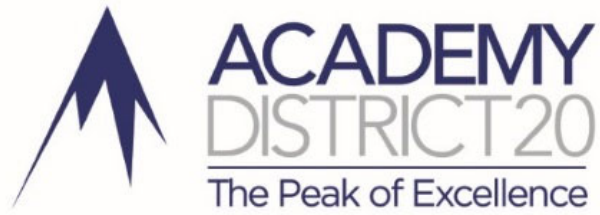
Schedule of Findings and Questioned Costs	127
Schedule of Expenditures of Federal Awards	130
Notes to Schedule of Expenditures of Federal Awards	131

Colorado Department of Education Electronic Data Report

Description of Requirement	132
Auditors' Electronic Financial Data Integrity Check Figures Revenues, Expenditures and Fund Balance by Fund	133

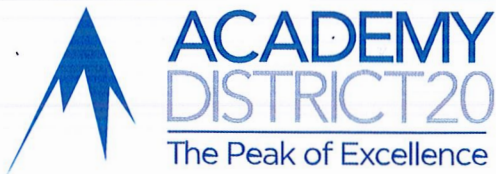
Art Students

Art Work Credit	134
-----------------------	-----



I. Introductory Section





November 11, 2019

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

Dear Members of the Board of Education,

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Academy School District Twenty for the fiscal year ended June 30, 2019.

The CAFR for the fiscal year ended June 30, 2018 received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the nineteenth consecutive year. These awards represent acknowledgement from our peers that our District has prepared and presented our fiscal information in a clear, open and user-friendly format for stakeholders that qualifies the report for its' recognition of excellence. I am confident that this year's CAFR will continue to qualify for these prestigious awards.

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

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

Sincerely,

Tom Gregory
Superintendent of Schools



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



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



November 11, 2019

**TO THE CITIZENS AND BOARD OF EDUCATION OF
ACADEMY SCHOOL DISTRICT 20:**

State law requires that all public school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of Academy School District 20, El Paso County, Colorado for the fiscal year ended June 30, 2019.

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

The District's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

PROFILE OF THE DISTRICT

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

During the 2018-19 school year, the district served 26,178 students. These students were housed in 19 elementary schools, 5 middle schools, 5 high schools, an alternative middle school/ high school campus, a K-12 campus, a new Center for Modern Learning facility (which houses both K-8 and 9-12 online schools, a home school program, and cybersecurity and coding programs), one K-12 charter school spread over multiple campuses, and a second newly-opened K-6 charter school. The district has grown by 3,285 students (15%) since 2010 and, based on current demographer estimates, is projected to continue to grow over the next 20 to 25 years.

In 2016, district voters approved a \$230 million general obligation bond in the General election to address the district's continued growth and projected need for additional facilities. After a January 2017 issuance of \$160 million (the first issuance in a multi-phase approach), construction began on an elementary school and Center for Modern Learning facility in the southeast portion of the district. That elementary school (Legacy Peak Elementary) and the Center for Modern Learning facility opened for the beginning of the 2018-2019 school year. Because the average age of the District's other 28 school buildings is 29 years, a significant portion of the bond money has also been allocated to renovate and add capacity to existing buildings. The oldest building (Douglass Valley Elementary, on the Air Force Academy) is 61 years old and the newest (Chinook Trail Elementary, Ranch Creek Elementary, and Discovery Canyon Campus) are 12 years old, opening in August 2007. All school facilities have received improvements from bond proceeds.

Academy School District 20 offers an extensive choice program that is open to students throughout the district. Choice schools offer programs or opportunities that may be unique to a particular building. Differences may include the school schedule or it's curricular focus. Current examples of the variety of choices available include: a K-12 technology strand, PK-12 International Baccalaureate strand, K-8 and high school online programs, programming for students who are

home schooled, , an alternative middle/high school campus, charter schools, math/science school, various immersion programs, and a 4th grade earth/environmental full-year program.

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

Both of the District's charters, The Classical Academy (TCA) and New Summit Charter Academy (NSCA), meet the criteria for reporting as Discretely Presented Component Units, detailed in the accompanying notes to the financial statements. NSCA opened to students at the beginning of the 2018-2019SY. The following entities have not met the criteria for component units, and accordingly, are excluded from this report: Pikes Peak Board of Cooperative Education Services (BOCES), Parent/Teacher Organizations, D20 Foundation, and Athletic/Music Booster Groups.

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

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

ECONOMIC CONDITION

Local Economy

The District is located in Northern El Paso County, which is located in the central part of Colorado. El Paso County's estimated 2018 population is 713,856 with a growth rate of 1.86% in the past year according to the most recent United States census data, an increase of 3.7 percent (or 25,169) people from 2016 to 2018. Given this continued growth, it is likely that demand for residential building permits will continue, especially if mortgage rates stay within reach during and after 2019. Several factors contributed to the population increases: the strong state economy, growing key industries, economic development efforts, quality of life, natural beauty of the region, and an educated work force.

According to Southern Colorado economists, El Paso County continues to improve in the areas of employment and income/wages. Colorado is outperforming the nation with a 3.3 percent non-seasonally adjusted unemployment rate in September of 2019, a 3.7 percent rate for the U.S. and a 3.9 percent rate for El Paso County, which is below the "natural" rate of unemployment (between 4.5% and 5%). Academy School District 20 has been fortunate to maintain a level of excellence in support for students and staff in the face of state funding difficulties. Through the voter-approved Mill Levy Override in November of 2008 and careful planning and budgeting, the District has been able to mitigate classroom impact, minimize staff layoffs, and provide salary increases to our highly-valued staff.

The military is a major factor in the Colorado Springs area economy. The United States Air Force Academy is within the boundaries of the District and several other military installations are located

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

Long-term Financial Planning

In the next few years, the last phase of the bond projects will include an additional elementary school near Pine Creek High School and a swimming pool and stadium at Pine Creek High School. The three issuances of the \$230m voter-approved bond will accommodate the additional students, which are inevitable as the existing master-planned communities are built out. We realize that as areas of the district population age, these yields will trend downward. The issue remains 'how fast will this happen' and 'how rapidly will it affect the future student yield planning standard'. Demographers predict that, based on today's yield, full build-out of all master-planned units will produce an estimated additional 8,300 students in the district over the next 20-25 years.

Financial Policies

Detailed descriptions of the District's accounting policies are contained in Note 1 of the Notes to the Financial Statements on pages 25-54 of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for investments, capital assets, and other significant accounting information.

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

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

Major Initiatives

The final issuance of approximately \$61m from the \$230m authorization will take place in the 2019-20 school year and will be used to construct the new PK-5 elementary school in the North Fork development near Pine Creek High School and ongoing remodels/additions at existing schools. Additionally, the District continues to support district safety and security needs, development of a competitive staff compensation package, resources to accommodate student growth and maintenance of current class sizes, and protecting student programs.

AWARDS AND ACKNOWLEDGMENTS

Academy School District 20 received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2018. This award certifies that the CAFR for the fiscal year ended June 30, 2018, substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

The Government Finance Officers Association of the United States and Canada (GFOA) also awarded a Certificate of Achievement of Excellence in Financial Reporting to Academy School District 20 for its CAFR for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

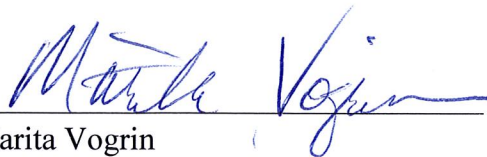
Finally, we would like to offer special thanks to the individuals who are employed in the District's Business Services Department, whose efforts and contributions made completion of the audit and preparation of this CAFR a success.

Respectfully Submitted,



Becky Allan

Chief Financial Officer



Marita Vogrin

Director of Finance



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

BOARD OF EDUCATION

Mrs. Tracey Johnson, President

Mrs. Karin Reynolds, Vice-President

Mr. Doug Lundberg, Treasurer

Mr. Glenn Strebe, Director

Mr. Thomas LaValley, Director

Col. Troy Harting, USAF Academy Liaison

CENTRAL OFFICE ADMINISTRATION

Dr. Mark Hatchell, Superintendent

Mr. Tom Gregory, Deputy Superintendent/Chief Financial Officer

Dr. Susan Field, Assistant Superintendent/Learning Services

Dr. Jim Smith, Assistant Superintendent/Administrative Services

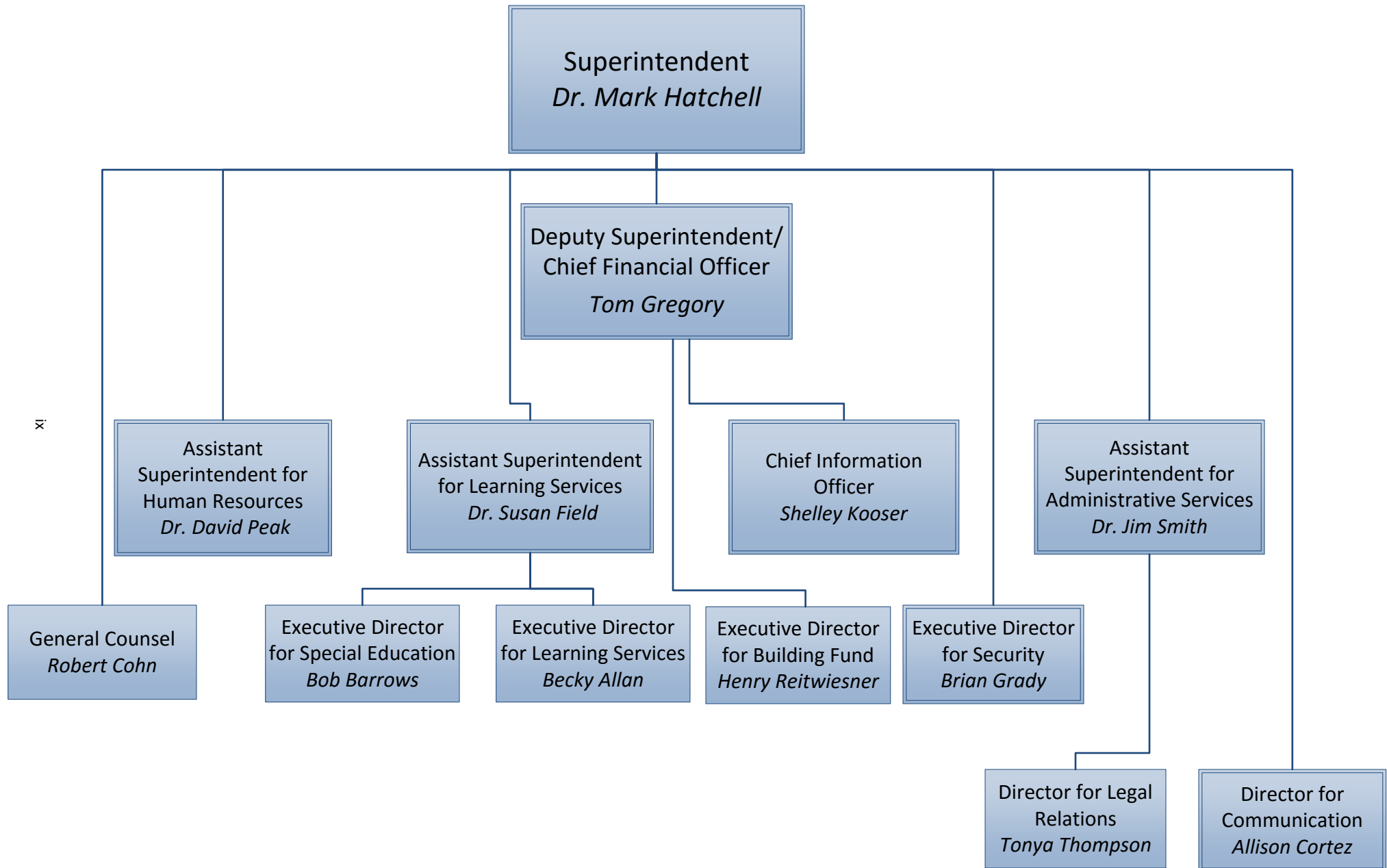
Dr. David Peak, Assistant Superintendent/Human Resources

Mrs. Shelley Kooser, Chief Information Officer

Mrs. Allison Cortez, Director for Communication

Academy District 20 Organizational Chart

2018-2019



Academy School District 20

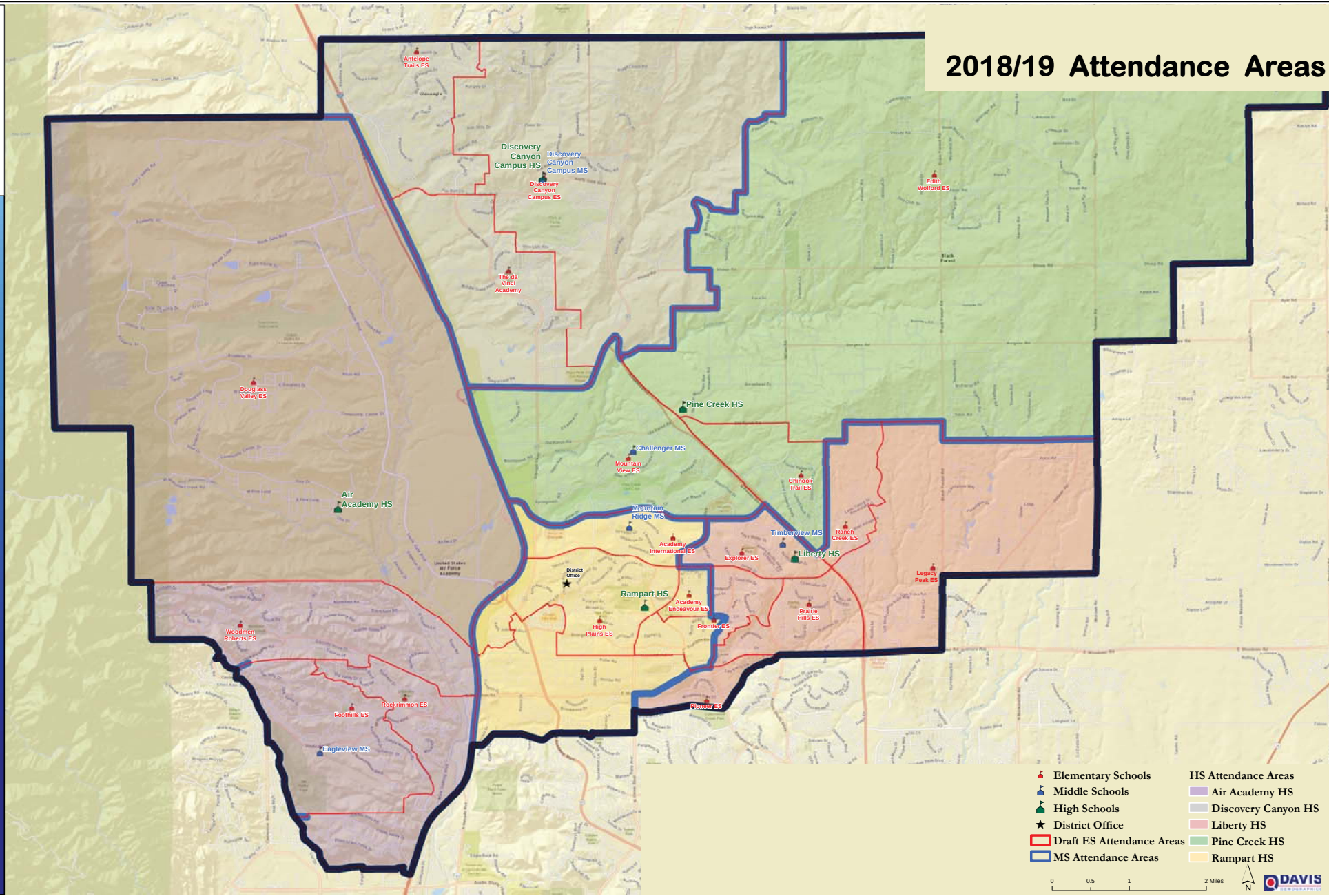
2018/19 Attendance Areas



2018/19 Attendance Areas

- Elementary Schools
- Middle Schools
- High Schools
- District Office
- Draft ES Attendance Areas
- MS Attendance Areas
- HS Attendance Areas
 - Air Academy HS
 - Discovery Canyon HS
 - Liberty HS
 - Pine Creek HS
 - Rampart HS

0 0.5 1 2 Miles



Contact Information

- 1 Academy Calvert K-8 Online
Donna Heinrich, Principal
3475 Hampton Park Drive, 80920
PHONE: 258-1550
- 2 Academy Endeavour Elementary
Bobbi Wolf, Principal
3475 Hampton Park Drive, 80920
PHONE: 234-5600 FAX: 234-5699
- 3 Academy International Elementary
Laura McNally, Principal
8550 Charity Drive, 80920
PHONE: 234-4000 FAX: 234-4099
- 4 Academy Online High School
Nathan Gorsch, Principal
1110 Chapel Hills Drive, 80920
PHONE: 234-1670, FAX: 234-1732
- 5 Air Academy High School
Dan Olson, Principal
6910 Carlton Drive, 80840
PHONE: 234-2400 FAX: 234-2599
- 6 Antelope Trails Elementary
Laura Cresap, Principal
15280 Jessie Drive, 80921
PHONE: 234-4100 FAX: 234-4199
- 7 Aspen Valley Campus 9-12
George Stone, Principal
1450 Chapel Hills, 80920
PHONE: 234-6000 FAX: 234-6099
- 7A Aspen Valley Campus 7-8
Randy Thomas, Program Facilitator
1470 Chapel Hills Drive, 80920
PHONE: 234-6100
- 8 Center for Modern Lrng
8701B Wolf Valley Drive, 80920
- 9 Challenger Middle School
Tony Scott, Principal
10215 Lexington Drive, 80920
PHONE: 234-3000 FAX: 234-3199
- 10 Chinook Trail Campus Patrick Schumaker,
Elementary Principal Tom Andrew, Middle
School Principal, 11795 Grand Lawn Circle,
80924 PHONE: 234-5700 FAX: 234-5799
- 11 Discovery Canyon Campus Andie
Ruskin, Elementary Principal Mario
Romero, Middle School Principal Dr.
Mark Wahlstrom, High School Principal
1810 North Gate Blvd., 80921
PHONE: 234-1800 FAX: 234-1899
- 12 Douglass Valley Elementary
Kelly Farmer, Principal
4610 Douglass Drive, 80840
PHONE: 234-4200 FAX: 234-4299
- 13 Eagleview Middle School
Jamie Lester, Principal
1325 Vindicator Drive, 80919
PHONE: 234-3400 FAX: 234-3599
- 14 Edith Wolford Elementary
Bob Wedel, Principal
13710 Black Forest Road, 80908
PHONE: 234-4300 FAX: 234-4399
- 15 Explorer Elementary
Kay Lynn Waddell, Principal
4190 Bardot Drive, 80920
PHONE: 234-4400 FAX: 234-4499
- 16 Foothills Elementary
Brandan Comfort, Principal
825 Allegheny Drive, 80919
PHONE: 234-4500 FAX: 234-4599
- 17 Frontier Elementary
Kelly Garnhart, Principal
3755 Meadow Ridge Drive, 80920
PHONE: 234-4600 FAX: 234-4699
- 18 High Plains Elementary
Dr. Craig Stevens, Principal
2248 Vintage Drive, 80920
PHONE: 234-4700 FAX: 234-4799
- 19 Home School Academy
Don Begier, Administrator
1110 Chapel Hills Drive, 80920
PHONE: 234-1473 FAX 234-1749
- 20 Legacy Peak Elementary School
Jonathan Johnson, Principal
PHONE: 234-5900 FAX: 234-5999
- 21 Liberty High School
Alan Thimmig, Principal
8720 Scarborough Drive, 80920
PHONE: 234-2200 FAX: 234-2399
- 22 Mountain Ridge Middle School
Jeff Sterk, Principal
9150 Lexington Drive, 80920
PHONE: 234-3200 FAX: 234-3399
- 23 Mountain View Elementary
Jill Hooper, Principal
10095 Lexington Drive, 80920
PHONE: 234-4800 FAX: 234-4899
- 24 New Summit Charter School
Kim McClelland, Principal
7899 Lexington Drive, 80920
PHONE: 749-4010
- 25 Pine Creek High School
Kolette Back, Principal
10750 Thunder Mountain Avenue, 80908
PHONE: 234-2600 FAX: 234-2799
- 26 Pioneer Elementary
Brian Casebeer, Principal
3663 Woodland Hills Drive, 80918
PHONE: 234-5000 FAX: 234-5099
- 27 Prairie Hills Elementary
Dr. Rebecca Harris, Principal
8025 Telegraph Drive, 80920
PHONE: 234-5100 FAX: 234-5199
- 28 Rampart High School
Peter Alvarez, Principal
8250 Lexington Drive, 80920
PHONE: 234-2000 FAX: 234-2199
- 29 Ranch Creek Elementary
Karie Ebbens, Principal
9155 Tutt Boulevard, 80924
PHONE: 234-5500 FAX: 234-5599
- 30 Rockrimmon Elementary
Carre Bonilla, Principal
195 W. Mikado Drive, 80919
PHONE: 234-5200 FAX: 234-5299
- 31 School in the Woods
Bob Wedel, Principal
12002 Vollmer Road, 80908
PHONE: 495-1865
- 32 The Classical Academy Central K-6
Rebecca DeMeyer, Principal
1655 Springcrest Road, 80920
PHONE: 265-9766 FAX: 265-1751
- 33 The Classical Academy
East-K-6, Cottage Program-K-8, College
Pathways Program-7-12
Amy Nelson, East K-6 Principal
Susan Nosal, Cottage K-8 Principal
12201 Cross Peak View, 80921
PHONE: 282-1181 FAX: 260-9743
Justin Peterson, College Pathways Prin.
PHONE: 494-0631 FAX: 484-0087
- 34 The Classical Academy, North K-12
Jodean Peterson, Elementary Principal
975 Stout Road, 80921
PHONE: 484-0081 FAX: 484-0078
Hugh Di Pretore, Jr. High Principal
PHONE: 484-0091 FAX: 487-2339
Sean Shields, High School Principal
PHONE: 484-0091 FAX: 494-0085
- 35 The da Vinci Academy
Cindy Fesgen, Principal
1335 Bridle Oaks Lane, 80921
PHONE: 234-5400 FAX: 234-5499
- 36 Timberview Middle School
Brett Smith, Principal
8680 Scarborough Drive, 80920
PHONE: 234-3600 FAX: 234-3799
- 37 Woodmen-Roberts Elementary
Jenny Sterk, Principal
8365 Orchard Path Road, 80919
PHONE: 234-5300 FAX: 234-5399
- 38 Education and Administration
Center, Learning Services,
Preschool at Briargate, Finance,
Purchasing, Technology
1110 Chapel Hills Drive, 80920
PHONE: 234-1200 FAX: 234-1299
- 39 Facilities and Planning
10221 Lexington Drive, 80920
PHONE: 234-1500
- 40 Sodexo
7408 Duryea Drive, 80920
PHONE: 234-1460
- 41 Transportation
7408 Duryea Drive, 80920
PHONE: 234-1410



Government Finance Officers Association

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

Presented to

**Academy School District Twenty
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Academy School District 20

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

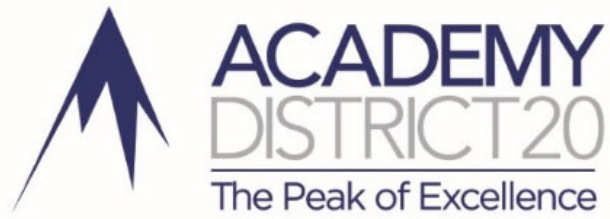
Siobhán McMahon, CAE
Chief Operating Officer



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



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



II. Financial Section





CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Education
Academy School District Twenty
Colorado Springs, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Academy School District Twenty, 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 the New Summit Charter Academy, a discretely presented component unit of Academy School District Twenty, which represents 1 percent, 2 percent, and 12 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for New Summit Charter Academy, is based solely on the report 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 New Summit Charter Academy 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Academy School District Twenty as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

New Summit Charter Academy is a new discretely presented component unit of Academy School District Twenty. Fiscal year 2019 is the first year New Summit charter Academy is reported within Academy School District Twenty's Comprehensive Annual Financial Report. For the year ended June 30, 2019, the beginning net position for the discretely presented component units was restated as a result. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Colorado Department of Education Automated Data Exchange View Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with the auditing standards generally accepted in the United States of America, the basic financial statements of the Academy School District Twenty as of and for the year ended June 30, 2018, and have issued our report thereon dated November 1, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Academy School District Twenty.

The budgetary comparison schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounts and other records used to prepare the 2018 financial statements. The budgetary comparison schedules have been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounts and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with *Governmental Auditing Standards* generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2019 on our consideration of the Academy School District Twenty's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy School District Twenty's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Academy School District Twenty's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 11, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Management's Discussion and Analysis

As management of Academy School District Twenty, "The District", we offer readers of the District's comprehensive annual financial report (CAFR) this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages iii-vii of this report.

Financial Highlights

- The total liabilities and deferred inflows of resources of the Primary Government, including long term bonds payable and net pension liability exceeded its total assets and deferred outflows of resources, including land, buildings and equipment at the close of fiscal year 2018-19 by \$455,535,858 (*deficit net position*). The deficit Unrestricted net position of \$(548,946,975) is the product of the implementation of two GASB statements. GASB Statement No. 68 requires all contributors to PERA to record their share of the net pension liability on the Statement of Net Position. GASB Statement No. 75 requires employers participating in the Health Care Trust Fund to record their share of the net OPEB liability on the Statement of Net Position. More information on GASB Statements No. 68 and No. 75 can be found in the notes to the financial statements.
- The Primary Government's total net position increased by \$53,769,380 during fiscal year 18-19 due in part to a large decrease in the District's proportionate share of net pension liability and a contribution to PERA by the State of Colorado on the District's behalf.
- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$149,051,503, a decrease of \$80,347,202 from the prior year. All of the decrease is recognized in the Building Fund as a result of the spending of a portion of General Obligation bonds Series 2017 and Series 2018 proceeds on projects throughout the District.
- The governmental funds reported combined assigned and unassigned fund balance of \$67,248,476 including \$1,733,923 assigned to school carryover in the General Fund.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$33,534,328 or 15.3 percent of the total general fund expenditures.
- At June 30, 2019, \$6,402,000 of the \$48,467,366 fund balance of the General Fund was restricted for the emergency contingency required by Article X, Section 20 of the Colorado Constitution (TABOR).

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They consist of two statements:

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

The Statement of Activities presents information reporting how the District's net position changed during fiscal year 2018-19. All changes in net position are reported on a full accrual basis: or in other words, as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

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

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

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 25-54 of this report.

Other Information

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

Other Supplementary Information (OSI), including the combining statements and budget schedules referred to earlier in connection with non-major governmental funds, are presented immediately following the RSI, on pages 66-81 of this report.

Financial Analysis of the District as a Whole

As noted earlier, *net position* may serve over time as a useful indicator of the District's financial position. In 2018-19, the District's liabilities plus deferred inflows of resources exceeded its assets plus deferred outflows of resources by \$455,535,858 resulting in a deficit net position. The District recognized an increase in total net position of \$53,769,380 from the 2017-18 ending net position amount of (\$509,305,238).

- A key component of the District's net governmental position is the large net pension liability of \$410,050,052 and related deferred inflows of resources of \$313,307,991. Prior to the implementation of Statement 68 from the Governmental Accounting Standards Board (GASB), the District was not required as a contributor to PERA to record their share of the net pension liability. Note 13 to the basic financial statements outlines GASB 68.
- An additional portion of the District's net position represents resources that are subject to external restriction on how they may be used. At June 30, 2019 a total net position of \$34,383,993 was restricted for debt service in the amount of \$27,402,051, food service in the amount of \$579,942, and TABOR emergency contingency of \$6,402,000.
- The District's ability to finance services in the future can be reflected in the difference of the District's current assets (those that will be converted to cash within a year) and current liabilities (on the following schedule). The District had liquid assets equal to 5.94 times its other liabilities.

Primary Government Condensed Statement of Net Position

	2019	2018
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
ASSETS		
Current and other assets	\$ 180,962,886	\$ 269,293,049
Capital assets	<u>272,647,023</u>	<u>200,338,742</u>
Total assets	<u>453,609,909</u>	<u>469,631,791</u>
DEFERRED OUTFLOWS OF RESOURCES		
Refunding	2,427,731	3,122,526
Related to OPEB	1,198,046	862,321
Related to pension	<u>127,459,463</u>	<u>248,532,061</u>
Total deferred outflows of resources	<u>131,085,240</u>	<u>252,516,908</u>
LIABILITIES		
Other liabilities	30,465,425	38,699,643
Long-term debt and other long-term liabilities	<u>696,426,417</u>	<u>1,155,951,239</u>
Total liabilities	<u>726,891,842</u>	<u>1,194,650,882</u>
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB	31,174	325,929
Related to pension	<u>313,307,991</u>	<u>36,477,126</u>
Total deferred inflows of resources	<u>313,339,165</u>	<u>36,803,055</u>
NET POSITION		
Net Investment in Capital Assets	59,027,124	68,072,443
Restricted	34,383,993	31,559,706
Unrestricted	<u>(548,946,975)</u>	<u>(608,937,387)</u>
Total net position	<u>\$ (455,535,858)</u>	<u>\$ (509,305,238)</u>

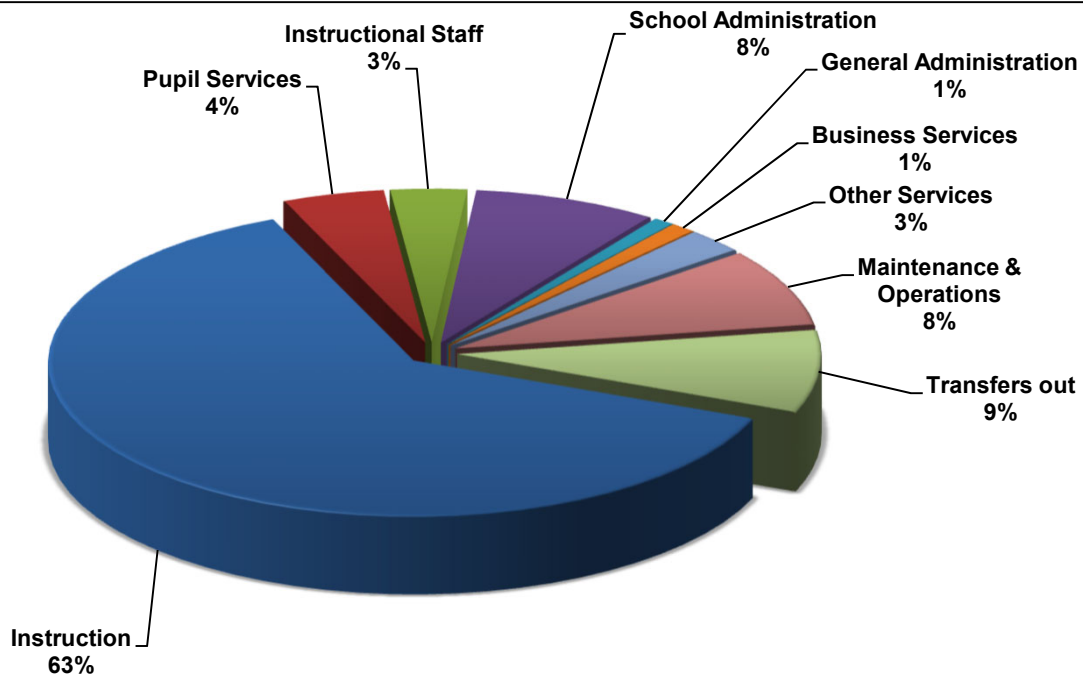
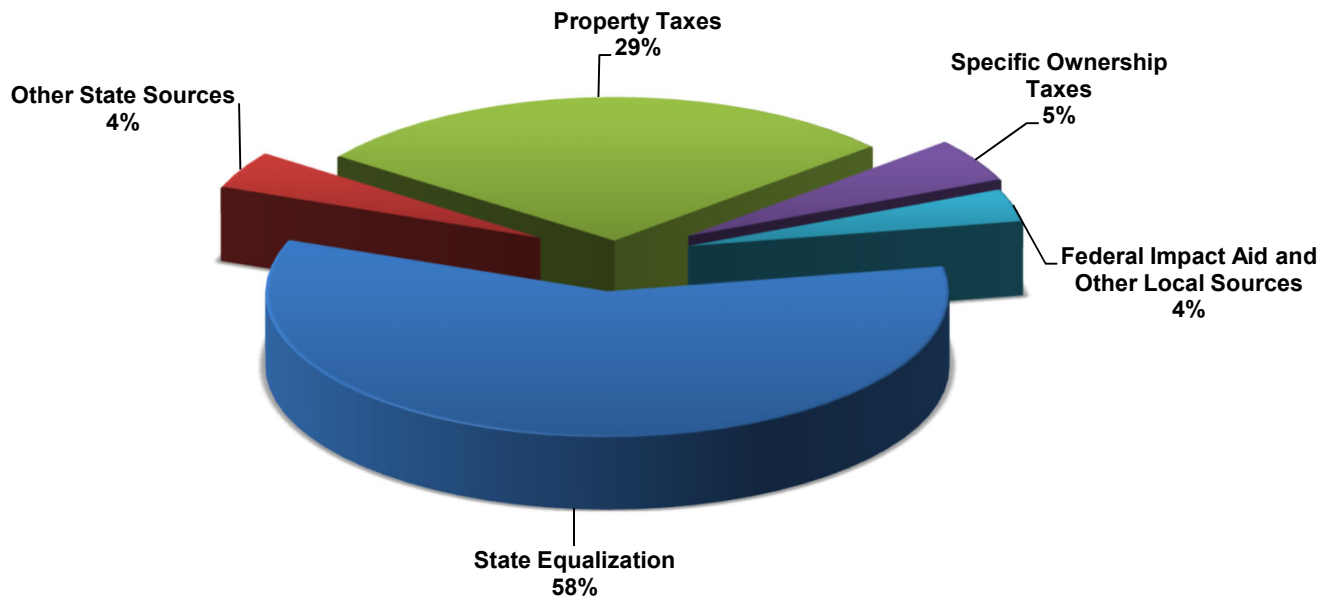
Governmental Activities. Governmental activities increased the District's net position by \$53,769,380. Key elements of the governmental activities are as follows:

- The cost of all governmental activities for fiscal year 2018-19 was \$231,229,648,
- Users of some of the District's governmental programs financed \$7,077,154,
- The federal and state governments subsidized certain programs with operating grants and contributions totaling \$25,918,487,
- All of the District's governmental activities were financed by district and state taxpayers,
- General revenues for governmental activities consists of \$104,126,165 in property taxes, \$141,844,833 of unrestricted state equalization based on the statewide education aid formula, investment earnings of \$4,550,279, and miscellaneous items of \$1,482,110.

Primary Government Condensed Statement of Changes in Net Position

	2019	2018
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
REVENUES		
Program revenues		
Charges for services	\$ 7,077,154	\$ 6,468,409
Operating grants & contributions	25,918,487	21,460,509
General revenues		
Property taxes	104,126,165	102,276,184
State equalization	141,844,833	130,229,064
Other	<u>6,032,389</u>	<u>5,502,417</u>
Total revenues	<u>284,999,028</u>	<u>265,936,583</u>
EXPENSES		
Instruction	108,861,201	238,114,792
Pupil & instructional services	16,760,639	34,095,625
Administration & business	26,960,353	53,857,878
Maintenance & operations	17,061,827	28,842,761
Transportation	7,508,836	14,335,125
Food services	5,444,605	5,194,688
Central & risk management services	10,821,569	14,973,688
Charter school	29,421,262	24,733,091
Interest charges and other	<u>8,389,356</u>	<u>8,761,538</u>
Total expenses	<u>231,229,648</u>	<u>422,909,186</u>
Excess (deficiency) of revenues over expenses	<u>53,769,380</u>	<u>(156,972,603)</u>
Increase (decrease) in net position	53,769,380	(156,972,603)
Beginning net position	<u>(509,305,238)</u>	<u>(352,332,635)</u>
Ending net position	<u>\$ (455,535,858)</u>	<u>\$ (509,305,238)</u>

Academy School District Twenty General Fund Revenues FY 2018-19



Academy School District Twenty General Fund Expenditures FY 2018-19

Financial Analysis of the District's Funds

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

GENERAL FUND

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. Revenues for the General Fund totaled \$242,214,066 in fiscal year 2018-19. The Equalization line item includes the portion of equalization received by the District and passed through to Charter Schools. The following table reflects the amount of revenue from various sources.

<u>Revenues</u>	<u>FY2018-19</u>	<u>FY2017-18</u>	<u>Amount of Change</u>	<u>Percentage of Change</u>
Property taxes	\$ 69,386,232	\$ 68,095,697	\$ 1,290,535	1.9 %
Specific ownership taxes	11,930,761	11,883,278	47,483	0.4
State of Colorado				
Equalization	141,844,833	130,229,064	11,615,769	8.9
Education of handicapped	3,876,053	3,781,961	94,092	2.5
Other state sources	6,303,430	2,686,608	3,616,822	134.6
Federal	3,540,205	3,241,488	298,717	9.2
Other sources				
Investment income	1,710,952	996,328	714,624	71.7
Tuition	1,845,597	1,624,798	220,799	13.6
Miscellaneous	<u>1,776,003</u>	<u>1,575,675</u>	<u>200,328</u>	12.7
Totals	\$ <u>242,214,066</u>	\$ <u>224,114,897</u>	\$ <u>18,099,169</u>	8.1 %

Property Taxes. The 2019 General Fund property tax revenues were based upon a levy of 26.952 applied against an assessed valuation of \$1,587,314,930. The 2018 mill levy was 26.952 mills applied against an assessed valuation of \$1,545,162,890. Although assessed valuation increased from the prior year by 2.7%, there was a lower increase of 1.9% in revenue over the prior year recognized in the General Fund.

Specific Ownership Taxes. Specific ownership tax is applied to the fair value of vehicles registered in Colorado. The tax is collected when vehicle owners renew their vehicle registrations each year. The minimal 0.4% increase in specific ownership tax collections is reflective of the overall decrease in new vehicle registrations during fiscal year 2018-19.

State Equalization. State equalization revenue for kindergarten through 12th grade education is the primary revenue source for the General Fund, providing 58% of total revenue. Local property taxpayers provide 29% toward funding public education in the District. Payments for equalization are received monthly at generally 1/12th of the annual state estimated revenue. State equalization increased by 8.9% in fiscal year 2018-19 compared to fiscal year 2017-18 as a result of the addition of the New Summit Charter School for the 18-19 school year.

Education of Handicapped. The majority of the District's revenue for education of disabled students is received in the fall of each year. Revenue received in fiscal year 2018-19 increased 2.5% mainly due to the increase in the State funding provided for students with significant disabilities.

Other State Sources. Other state sources consist of state vocational revenue, gifted and talented grant revenue, and other miscellaneous state revenues received including an on-behalf payment provided by the State as a result of Senate Bill 18-200. Revenue received in fiscal year 2018-2019 increased 134.6% with the new on-behalf state revenue of \$3.3 million.

Federal Sources. Federal sources of revenue consist of Federal Impact Aid (PL-874), in lieu of property tax revenues, Medicaid, and other federal sources. Federal Impact Aid revenues fluctuate from year to year based on the number of District students whose parents are associated by residence or employment to federally-owned land. The District recorded \$1,789,068 of Federal Impact Aid revenue and \$1,362,823 of Medicaid reimbursement as General Fund revenue in 2018-19.

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

Expenditures

Expenditures in the general fund, including the accrual for teacher salaries and benefits, totaled \$219,611,054 in fiscal year 2018-19. This represents an increase of 8.3% from fiscal year 2017-18 mainly due to the addition of the New Summit Charter School and increases in instructional and school administration expenditures.

Transfers to Other Funds

During the year, the General Fund transferred \$8,108,900 to the Capital Reserve Capital Projects Fund, \$6,300,155 to the Transportation Fund, and \$6,332,644 to the Technology Fund.

OTHER MAJOR FUNDS

On November 8, 2016, district residents passed a \$230 million bond. The general obligation bonds provide funding for capital projects and identified priorities such as building and improving schools. The first issuance, Series 2017, was in the amount of \$160 million and the second issuance, Series 2018, was sold with a par value of \$8,975,000. The Building Fund's fund balance as of June 30, 2019 was \$47,385,100. The Bond Redemption Fund's fund balance increased by \$2,349,540 over the prior year as a result of increased property tax revenue and decreases in principal and interest payments made compared to 2017-18.

General Fund Budgetary Highlights

The original fiscal year 2018-19 budgets adopted by the Board of Education for the District as a whole totaled appropriations of \$530.0 million, including General Fund appropriations of \$278.4 million. The adopted budget was modified in January to reflect changes in funding for a final General Fund budget appropriation of \$284.4 million.

The final budget reflected a decrease in budgeted revenues from the original adopted budget of \$2.0 million in total. The majority of this decrease can be attributed to less than projected student enrollment growth.

Fiscal year 2018-19 budgeted state equalization revenues for the General Fund totaled \$142.3 million, with actual state equalization revenues of \$141.8 million compared to the actual revenue of \$130.2 million in 2017-18. The General Fund received all state equalization revenues and transferred the appropriate amount to its charter schools.

The final budget reflected an increase from the original adopted budget of \$2.4 million for expenditures and transfers. The net increase in appropriation was based on adjustments of the transfers to other funds in the amount of \$5.3 million and a reduction of total expenditures in the amount of \$2.9 million.

Fiscal year 2018-19 final budgeted instruction expenditures for the General Fund totaled \$153.5 million, while actual instruction expenditures totaled \$150.3 million (\$140.1 million in 2017-18). For supporting services, the actual expenditures totaled \$69.2 million with a final budget of \$71.9 million (\$62.7 million in 2017-18).

During the 2018-19 budget development process, some key components the District planned for are salary and retirement benefit increases for all staff, the opening of a new elementary school and a new charter school, and increases in funding to the Capital Reserve Capital Projects, Technology, and Transportation funds. The final budget reflects a \$6,300,155 transfer to the Transportation Fund, a \$6,322,644 transfer to the Technology Fund, and an \$8,108,900 transfer to the Capital Reserve Capital Projects Fund.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2019 amounted to \$272,647,023 (net of accumulated depreciation of \$171,444,689). This investment in capital assets includes land, buildings, improvements, machinery and equipment. During the year, the District invested over \$82 million on various construction projects including a new elementary school completed at the beginning of the 18-19 school year, a new middle school scheduled to open for the 19-20 school year, an addition to a high school for vocational programs, classroom additions at multiple high schools, and secured entries for multiple elementary schools.

Capital Assets	<u>2019</u>	<u>2018</u>
Land and improvements	\$ 25,971,275	\$ 24,367,551
Construction in progress	64,948,655	35,744,449
Building and improvements	299,467,198	251,745,990
Furniture, fixtures, and equipment	<u>53,704,584</u>	<u>50,320,672</u>
	444,091,712	362,178,662
Less: Accumulated depreciation	<u>(171,444,689)</u>	<u>(161,839,920)</u>
Total Investment in Capital Assets	<u><u>\$ 272,647,023</u></u>	<u><u>\$ 200,338,742</u></u>

Long-term debt. At the end of the current fiscal year, the District had total long-term debt outstanding of \$265,896,860 including \$13,680,000 due within the next twelve months.

Long-term Debt	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 237,550,000	\$ 249,810,000
Amounts Related to GO Bonds	<u>27,209,274</u>	<u>30,420,047</u>
Long-term debt related to capital assets	<u>264,759,274</u>	<u>280,230,047</u>
Total Long-term Debt	<u><u>\$ 264,759,274</u></u>	<u><u>\$ 280,230,047</u></u>

As of June 30, 2019, the District's total principal on general obligation bonded debt decreased to \$237,550,000 compared to the prior year. Principal on general obligation bonds represent 15.0% of the assessed valuation of \$1,587,314,930.

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

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

Economic Factors Affecting the District's Future

The El Paso County unemployment rate in June 2019 was 3.5%, a decrease of 2.8% from June 2018. Colorado's rate was 3.0% while the national rate was 3.8% for the same time period. Job gains reported in the region were mainly in the health care and social assistance sector as well as the accommodations & food services, construction, professional & technical services, and finance and insurance sectors. The most significant job losses occurred in administrative & waste services and retail trade.

The Consumer Price Index (CPI) of 266.28 for the Denver-Aurora-Lakewood area increased by 1.6 percent from May 2018 to May of 2019. Higher costs for shelter had the largest upward impact on the index. The current CPI factor of 266.28 means that a market basket of goods and services that cost \$100.00 during the 1982-1984 base period cost \$266.28 in 2019.

Within El Paso County and the City of Colorado Springs area, residential construction decreased slightly from the first 8 months of 2018 to the first 8 months of 2019 for single-family permits. However, permits for multi-family construction seems to have significantly rebounded in the area over prior years. Sales on existing homes have continued to increase as the area maintains its higher employment rates and population growth while experiencing lower mortgage rates. With continued growth, El Paso County is expected to have a population exceeding 1 million people by 2043. These expected increases in population will have substantial implications on residents, government, and businesses.

Fiscal year 2019-20 original budgeted appropriation for the General Fund is \$290.9 million, a \$12.5 million increase over the previous fiscal year. 100% of the increase in the appropriation is attributed to the District being a minimum funded district for per pupil funding. The fiscal year 2019-20 budgeted pupil count is 25,630. With the increase in budgeted pupil count, the District's state equalization funding increased by \$10.4 million from the 2018-19 level.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

The following basic financial statements, along with the notes to the basic financial statements, present an overview of the District's financial position at June 30, 2019, and the results of operations for the Governmental and Fiduciary Funds for the year then ended.

ACADEMY SCHOOL DISTRICT TWENTY
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government Governmental Activities	Component Units Charter Schools
ASSETS		
Cash and investments (unrestricted) (Note 2)	\$ 122,447,908	\$ 15,743,180
Receivables (Note 3)	6,524,138	53,708
Prepaid items	256,239	49,126
Promissory note due from component unit (Note 4)	62,671	-
Restricted investments (Note 2)	51,671,930	4,628,673
Capital assets, not being depreciated (Note 5)	78,777,592	4,086,410
Capital assets, depreciated, net (Note 5)	193,869,431	48,210,301
Total assets	453,609,909	72,771,398
DEFERRED OUTFLOWS OF RESOURCES		
Refunding	2,427,731	4,994,212
Related to OPEB	1,198,046	272,981
Related to Pension	127,459,463	19,221,343
Total deferred outflows of resources	131,085,240	24,488,536
LIABILITIES		
Accounts payable and other current liabilities	6,677,104	226,846
Accrued compensation payable (Note 6)	22,097,174	2,496,099
Unearned revenues	1,245,594	-
Accrued interest payable	445,553	341,023
Long-term liabilities:		
Portion due or payable within one year (Note 7)	13,680,000	1,696,969
Portion due or payable after one year (Note 7)	252,216,860	47,217,686
OPEB Liability (Note 14)	20,479,505	2,510,216
Pension Liability (Note 13)	410,050,052	50,260,881
Promissory note due to primary government (Note 4)	-	62,671
Long-term liabilities	696,426,417	101,748,423
Total liabilities	726,891,842	104,812,391
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB	31,174	27,293
Related to Pension	313,307,991	38,509,341
Total deferred inflows of resources	313,339,165	38,536,634
NET POSITION		
Net investment in capital assets	59,027,124	11,912,619
Restricted for:		
Debt service	27,402,051	-
Food service	579,942	-
Repair and replacement	-	1,292,827
TABOR (Note 8)	6,402,000	1,094,360
Donor purpose	-	235,627
Unrestricted	(548,946,975)	(60,624,524)
Total net position	\$ (455,535,858)	\$ (46,089,091)

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

ACADEMY SCHOOL DISTRICT TWENTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Charter Schools
Governmental activities:						
Instruction	\$ 108,861,200	\$ 2,866,422	\$ 22,183,037	\$ -	\$ (83,811,741)	\$ -
Pupil services	9,098,980	-	-	-	(9,098,980)	-
Instructional staff	7,661,659	-	-	-	(7,661,659)	-
General administration	1,401,168	-	-	-	(1,401,168)	-
School administration	23,566,036	-	-	-	(23,566,036)	-
Business administration	1,993,149	-	-	-	(1,993,149)	-
Central services	7,869,963	-	-	-	(7,869,963)	-
Community services	737,261	-	-	-	(737,261)	-
Operation & maintenance of plant	17,061,827	-	-	-	(17,061,827)	-
Risk management services	2,214,345	-	-	-	(2,214,345)	-
Pupil transportation	7,508,836	890,045	1,723,410	-	(4,895,381)	-
Food services	5,444,605	3,320,687	2,012,040	-	(111,878)	-
Charter schools	29,421,263	-	-	-	(29,421,263)	-
Interest and fiscal charges	8,389,356	-	-	-	(8,389,356)	-
Total governmental activities	<u>231,229,648</u>	<u>7,077,154</u>	<u>25,918,487</u>	<u>-</u>	<u>(198,234,007)</u>	<u>-</u>
Total primary government	<u>\$ 231,229,648</u>	<u>\$ 7,077,154</u>	<u>\$ 25,918,487</u>	<u>\$ -</u>	<u>(198,234,007)</u>	<u>-</u>
Component Unit - Charter Schools	<u>\$ 31,229,190</u>	<u>\$ 1,217,309</u>	<u>\$ 1,110,226</u>	<u>\$ 3,575,022</u>		<u>(25,326,633)</u>
General revenues:						
Property taxes					104,126,165	3,127,251
State equalization					141,844,833	29,421,263
Grants & Contributions, not restricted to specific programs					-	986,633
Investment earnings					4,550,279	424,592
Miscellaneous revenues					1,482,110	405,240
Total general revenues					<u>252,003,387</u>	<u>34,364,979</u>
Change in net position					53,769,380	9,038,346
Net position, beginning of year (as restated)					<u>(509,305,238)</u>	<u>(55,127,437)</u>
Net position, end of year					<u>\$ (455,535,858)</u>	<u>\$ (46,089,091)</u>

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

ACADEMY SCHOOL DISTRICT TWENTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General	Bond Redemption	Building Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (Note 2)	\$ 68,802,023	\$ 27,103,948	\$ -	\$ 26,541,937	\$ 122,447,908
Receivables (Note 3)	4,171,683	743,656	-	1,608,799	6,524,138
Prepaid items	53,113	-	186,629	16,497	256,239
Inter-fund receivable (Note 9)	218,972	-	-	-	218,972
Investments - restricted (Note 2)	-	-	51,671,930	-	51,671,930
Promissory note and accrued interest receivable (Note 4)	-	-	-	62,671	62,671
Total assets	<u>\$ 73,245,791</u>	<u>\$ 27,847,604</u>	<u>\$ 51,858,559</u>	<u>\$ 28,229,904</u>	<u>\$ 181,181,858</u>
LIABILITIES					
Accounts payable	\$ 1,583,685	\$ -	\$ 4,473,459	\$ 619,960	\$ 6,677,104
Accrued compensation (Note 6)	21,541,169	-	-	556,005	22,097,174
Inter-fund payable (Note 9)	-	-	-	218,972	218,972
Unearned revenue (Note 10)	305,960	-	-	939,634	1,245,594
Total liabilities	<u>23,430,814</u>	<u>-</u>	<u>4,473,459</u>	<u>2,334,571</u>	<u>30,238,844</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes (Note 10)	1,347,611	481,229	-	-	1,828,840
Unavailable revenue (Note 10)	-	-	-	62,671	62,671
Total deferred inflows of resources	<u>1,347,611</u>	<u>481,229</u>	<u>-</u>	<u>62,671</u>	<u>1,891,511</u>
FUND BALANCES					
Nonspendable, prepaid items	53,113	-	186,629	16,497	256,239
Restricted for					
Capital projects	-	-	47,198,471	-	47,198,471
Debt service	-	27,366,375	-	-	27,366,375
Food service	-	-	-	579,942	579,942
TABOR (Note 8)	6,402,000	-	-	-	6,402,000
Assigned to					
Activity bus replacement	-	-	-	221,195	221,195
Contractual obligations	462,293	-	-	-	462,293
Employee benefit programs	322,665	-	-	-	322,665
Future projects	-	-	-	15,999,443	15,999,443
Medicaid	1,404,824	-	-	-	1,404,824
Risk related activity	4,554,220	-	-	-	4,554,220
School carryover	1,733,923	-	-	-	1,733,923
Technology replacement	-	-	-	9,015,585	9,015,585
Unassigned	33,534,328	-	-	-	33,534,328
Total fund balances	<u>48,467,366</u>	<u>27,366,375</u>	<u>47,385,100</u>	<u>25,832,662</u>	<u>149,051,503</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 73,245,791</u>	<u>\$ 27,847,604</u>	<u>\$ 51,858,559</u>	<u>\$ 28,229,904</u>	<u>\$ 181,181,858</u>

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

**ACADEMY SCHOOL DISTRICT TWENTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2019**

Total fund balances--governmental funds (page 18)	\$ 149,051,503
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$444,091,712 and the accumulated depreciation is \$171,444,689.	272,647,023
Revenue, such as property taxes, not available to pay for current period expenditures and are therefore shown as a deferred inflow of resources in the governmental funds but recorded as general revenues in the statement of net position.	1,828,840
Other long-term assets, such as promissory note receivable, are not available to pay for current period expenditures and are therefore shown as a deferred inflow of resources in the governmental funds but recorded as revenues in the statement of net position.	62,671
Other liabilities associated with long-term debt, such as accrued interest payable, are not recorded in the governmental funds but recorded as a liability in the statement of net position.	(445,553)
Deferred inflows of resources, deferred outflows of resources, and liabilities associated with pension (GASB 68).	(595,898,580)
Deferred inflows of resources, deferred outflows of resources, and liabilities associated with OPEB (GASB 75).	(19,312,633)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
GO Bonds payable	\$ (237,550,000)
Premium	(27,209,274)
Deferred losses on refunding	2,427,731
Compensated absences	(1,137,586)
	<u>(263,469,129)</u>
Total net position--governmental activities (page 16)	<u><u>\$ (455,535,858)</u></u>

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

ACADEMY SCHOOL DISTRICT TWENTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General	Bond Redemption	Building Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes (Note 11)	\$ 81,316,993	\$ 25,069,086	\$ -	\$ -	\$ 106,386,079
Intergovernmental	155,564,521	-	-	12,090,320	167,654,841
Investment income	1,710,952	464,619	2,369,823	4,885	4,550,279
Tuition	1,845,597	-	-	-	1,845,597
Miscellaneous	1,776,003	-	-	5,072,525	6,848,528
Total revenues	242,214,066	25,533,705	2,369,823	17,167,730	287,285,324
EXPENDITURES					
Current					
Instruction	150,306,592	-	-	4,356,806	154,663,398
Supporting Services					
Pupil services	10,872,835	-	-	628,003	11,500,838
Instructional staff	8,164,040	-	-	1,774,707	9,938,747
General administration	2,165,802	-	-	-	2,165,802
School administration	19,653,436	-	-	727,000	20,380,436
Business administration	2,616,391	-	-	55,310	2,671,701
Central services	3,004,323	-	-	4,934,911	7,939,234
Community services	791,143	-	-	-	791,143
Operation & maintenance of plant	19,626,054	-	-	-	19,626,054
Risk management services	2,272,438	-	-	-	2,272,438
Food services	-	-	-	5,382,573	5,382,573
Pupil transportation	-	-	-	8,064,863	8,064,863
Total supporting services	69,166,462	-	-	21,567,367	90,733,829
Capital outlay	138,000	-	89,994,062	9,130,403	99,262,465
Debt service					
Principal retirement	-	12,260,000	-	-	12,260,000
Interest and fiscal charges	-	10,924,165	-	-	10,924,165
Total expenditures	219,611,054	23,184,165	89,994,062	35,054,576	367,843,857
Excess/(deficiency) of revenues over expenditures	22,603,012	2,349,540	(87,624,239)	(17,886,846)	(80,558,533)
OTHER FINANCING SOURCES (USES)					
Proceeds on sale of capital assets	-	-	-	211,331	211,331
Transfers in	-	-	-	20,741,699	20,741,699
Transfers (out)	(20,741,699)	-	-	-	(20,741,699)
Total Other Financing Sources (Uses)	(20,741,699)	-	-	20,953,030	211,331
Net change in fund balances	1,861,313	2,349,540	(87,624,239)	3,066,184	(80,347,202)
Fund balance, beginning of year	46,606,053	25,016,835	135,009,339	22,766,478	229,398,705
Fund balance, end of year	\$ 48,467,366	\$ 27,366,375	\$ 47,385,100	\$ 25,832,662	\$ 149,051,503

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

**ACADEMY SCHOOL DISTRICT TWENTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019**

Total net change in fund balances--governmental funds (page 20) \$ (80,347,202)

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

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

	Capital outlays	\$ 82,158,875	
	Net book value on disposal of assets	(52,800)	
	Depreciation expense	<u>(9,797,794)</u>	72,308,281

Other long-term assets, such as promissory note receivable, are not available to pay for current period expenditures and are therefore shown as a deferred inflow of resources in the governmental funds but recorded as general revenues in the statement of net position. (184,913)

Revenue, such as property taxes, not available to pay for current period expenditures and therefore deferred in the governmental funds but recorded as general revenues in the statement of net position. 417,338

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 12,260,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the net change in interest reported in the statement of activities. 18,832

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long term debt and related items: amortization of bond premiums \$3,210,773 and amortization of loss on bond refunding (\$694,795). 2,515,978

Net pension liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of pension income in the amount of \$44,234,343 and contributions subsequent to measurement date of \$947,022. 45,181,365

Net OPEB liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of OPEB expense. (367,030)

In the statement of activities, certain operating expenses -- compensated absences (vacation), special termination benefits (longevity)--are measured by the amounts *earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually *paid*). This amount represents the net effect of compensated absences payable on the statement of activities. 1,966,731

Change in net position of governmental activities (page 17) \$ 53,769,380

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

ACADEMY SCHOOL DISTRICT TWENTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Pupil Activity Agency Fund	Private Purpose Scholarship Trust Fund
ASSETS		
Cash & cash equivalents	\$ 4,120,155	\$ 104,704
Total assets	4,120,155	104,704
LIABILITIES		
Due to student organizations	4,120,155	-
Total liabilities	4,120,155	-
NET POSITION		
Held in trust for scholarship recipients	-	104,704
Total net position	\$ -	\$ 104,704

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

ACADEMY SCHOOL DISTRICT TWENTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2019

	Private Purpose Scholarship Trust Fund
ADDITIONS	
Fundraising activities	\$ 44,296
Beverage Scholarship Fund	60,000
Pikes Peak Alliance Receipts	<u>40,745</u>
Total additions	<u>145,041</u>
DEDUCTIONS	
Scholarships awarded	87,750
Payments to suppliers	<u>90,746</u>
Total deductions	<u>178,496</u>
Change in net position	(33,455)
NET POSITION, beginning of year	<u>138,159</u>
NET POSITION, end of year	<u><u>\$ 104,704</u></u>

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



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



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

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

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

Description of the District

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

The District provides educational services as authorized by Colorado Revised Statutes or further mandated by state and/or federal agencies. The Board controls the District's 35 instructional/support facilities staffed by 3,321 employees providing services and support to 24,529 full-time equivalent students and other community members.

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

The Financial Reporting Entity

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

These financial statements present the District and its component units, The Classical Academy (TCA) and New Summit Charter Academy (NSCA) for which the District is considered to be financially accountable. Both TCA and NSCA, discretely presented component units, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the District. TCA and NSCA also have a June 30 fiscal year end.

Discretely Presented Component Units. The District's charter schools consist of two separately authorized charters: The Classical Academy and New Summit Charter Academy (new for the year ended June 30, 2019). Charter schools are public schools authorized by the State of Colorado to provide alternative educational opportunities. The charter schools are organized as legal entities, each with a separate governing board; however, the District must approve all charter school applications. Funding, as required by law, flows from the Colorado Department of Education through the District and to the charter schools on a monthly basis. The charter schools are *discretely* presented component units because of the significance of their financial relationship with the District and the services they provide to the District's students. Separate financial statements for each of the charter schools can be found at the following websites: <http://tcтитans.org> and <https://newsummitcharter.org>.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements; however, inter-fund services provided and used between functions have not been eliminated. *Governmental activities* are primarily supported by taxes and intergovernmental revenues. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the District is financially accountable.

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

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

Measurement Focus, Basis of Accounting and Basis of Presentation

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

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

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

The *Bond Redemption Fund* accounts for the servicing of general long-term debt not being financed by proprietary funds using a dedicated mill levy.

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

Additionally, the District reports the following fund types:

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

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

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

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

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

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

Cash and Investments

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

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

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

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

Investments are carried at net asset value and amortized cost.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

Capital Assets

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

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

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

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

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

Insurance

The District purchases commercial insurance, including deductibles, to protect against the exposure risks associated with losses related to torts; theft of and damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded the purchased commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverages from the prior year.

Inventories and Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The District records prepaid items using the consumption method.

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

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Compensated Absences

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

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

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

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

Long-Term Obligations

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

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

Deferred Outflows and Inflows of Resources

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

The District has three items that qualify for reporting as a deferred outflows of resources. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Deferred outflows related to pension and OPEB have been recorded as of June 30, 2019, which consist of five components: 1) contributions subsequent to measurement date; 2) change in proportionate share of the net liability; 3) changes of assumptions or other inputs; 4) difference between expected and actual experience; and 5) difference between projected and actual earnings. See Notes 13 and 14 for additional information.

The District has four items that qualify for reporting as deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected. The long term note receivable due from its component unit is considered a deferred inflow of resources as the full balance is unavailable as it is due over the course of many years. Deferred inflows related to pension and OPEB have been recorded as of June 30, 2019 which consist of three components: 1) difference between expected and actual experience; 2) changes of assumptions or other inputs; and 3) change in proportionate share of the net liability. See Notes 13 and 14 for additional information.

Budgetary Information

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

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

On-Behalf Payments

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.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Net Position/Fund Balance

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

NOTE 2: CASH AND INVESTMENTS

At June 30, 2019, the District had the following cash and investments:

Cash on hand	\$ 1,600
Deposits	6,555,395
Investments	<u>171,787,702</u>
	<u><u>\$ 178,344,697</u></u>

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

Primary Government - Cash and investments, unrestricted	\$ 122,447,908
Primary Government - Investments, restricted	51,671,930
Fiduciary funds	<u>4,224,859</u>
	<u><u>\$ 178,344,697</u></u>

At June 30, 2019, the District's discretely presented component units, (TCA and NSCA), reported the following cash and investments:

	<u>TCA</u>
Cash deposits and investments, unrestricted	\$ 12,805,372
Restricted cash and investments	4,628,673
Certificate of deposits (non-negotiable)	<u>2,500,000</u>
	<u><u>\$ 19,934,045</u></u>
	<u>NSCA</u>
Cash deposits and investments, unrestricted	<u><u>\$ 437,808</u></u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that deposits of local governmental entities be at eligible public depositories with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Investments

At June 30, 2019, the District had the following investments:

Investment	Maturity	Value
Local Government Investment Pool		
COLOTRUST	< 12 months	\$ 95,233,353
CSIP Liquid Portfolio	< 12 months	51,253,388
CSIP Term Series	< 12 months	25,300,961
		<u>\$ 171,787,702</u>

Local Government Investment Pool - The District has invested \$95,233,353 in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records investments at fair value and the District records investments in COLOTRUST at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of June 30, 2019, the District invested in the Colorado Statewide Investment Program (CSIP), as an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing CSIP. CSIP operates similarly to a money market fund and each share is equal in value to \$1.00. CSIP Liquid Portfolio is rated AAAM by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72. CSIP Term Series is rated AAAM by Standard & Poor's and records investments at fair value. The District records investments in CSIP Term Series at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

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

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

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

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 3: RECEIVABLES

Receivables at June 30, 2019 consisted of taxes, accounts (rent and fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. A summary of the principal items of receivables follows:

General Fund	
Property taxes - current and delinquent	\$ 3,008,042
Accounts receivable - other	803,813
Interest receivable on investments	359,828
	<u>4,171,683</u>
Debt Service Fund	
Property taxes - current and delinquent	743,656
Non-major Funds	
Capital Reserve Capital Projects	160,078
Food Services	10,604
Grants receivable	1,438,117
	<u>1,608,799</u>
Total Governmental Activities	<u>6,524,138</u>
Total Primary Government Receivables	<u>\$ 6,524,138</u>

NOTE 4: NOTE RECEIVABLE, COMPONENT UNIT

On January 20, 2004, the District entered into a \$1,900,000 sales contract with TCA Building Corporation for the sale of the Mountain View School property. The District has recorded a promissory note receivable and an offsetting deferred inflow of resources in the governmental fund financial statements because the revenue is not available. Monthly payments began September 1, 2009 and will continue until November 1, 2019 when the note is paid in full. The current principal balance of the note is \$62,671 as detailed in the following table.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 62,671	\$ 327	\$ 62,998
	<u>\$ 62,671</u>	<u>\$ 327</u>	<u>\$ 62,998</u>

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 5: CAPITAL ASSETS

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

Governmental activities:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Non-depreciable assets:				
Land	\$ 13,828,937	\$ -	\$ -	\$ 13,828,937
Construction in progress	35,744,449	73,899,235	(44,695,029)	64,948,655
Total assets not being depreciated	49,573,386	73,899,235	(44,695,029)	78,777,592
Depreciable assets:				
Land improvements	10,538,614	1,603,724	-	12,142,338
Building and improvements	251,745,990	47,863,208	(142,000)	299,467,198
Equipment	50,320,672	3,487,737	(103,825)	53,704,584
Total depreciable assets	312,605,276	52,954,669	(245,825)	365,314,120
Accumulated Depreciation:				
Land improvements	(6,283,982)	(581,375)	-	(6,865,357)
Building and improvements	(116,692,085)	(6,703,290)	89,202	(123,306,173)
Equipment	(38,863,853)	(2,513,129)	103,823	(41,273,159)
Total accumulated depreciation	(161,839,920)	(9,797,794)	193,025	(171,444,689)
Total depreciable assets, net	150,765,356	43,156,875	(52,800)	193,869,431
Governmental activities assets, net	\$ 200,338,742	\$ 117,056,110	\$ (44,747,829)	\$ 272,647,023

Discretely presented component unit (TCA):

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Non-depreciable assets:				
Land	\$ 4,024,412	\$ -	\$ -	\$ 4,024,412
Construction in progress	11,542,117	3,610,939	(15,091,058)	61,998
Total assets not being depreciated	15,566,529	3,610,939	(15,091,058)	4,086,410
Depreciable assets:				
Building and improvements	54,226,960	15,014,864	-	69,241,824
Transportation and facility equipment	118,066	-	-	118,066
Less: accumulated depreciation	(19,135,392)	(2,278,306)	-	(21,413,698)
Total assets being depreciated	35,209,634	12,736,558	-	47,946,192
Capital assets, net	\$ 50,776,163	\$ 16,347,497	\$ (15,091,058)	\$ 52,032,602

Discretely presented component unit (NSCA):

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Depreciable assets:				
Land improvements	\$ -	\$ 11,483	\$ -	\$ 11,483
Leasehold improvements	-	100,235	-	100,235
Equipment	-	189,991	-	189,991
Less: accumulated depreciation	-	(37,600)	-	(37,600)
Total assets being depreciated	-	264,109	-	264,109
Capital assets, net	\$ -	\$ 264,109	\$ -	\$ 264,109

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Depreciation

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

Governmental activities:

Instruction	\$ 7,066,741
Central services	1,250,960
Maintenance and operations	327,286
Pupil transportation	1,090,775
Food services	<u>62,032</u>
Total depreciation - primary government	<u><u>\$ 9,797,794</u></u>

Net Investment in Capital Assets

At June 30, 2019, the District reported the following net investment in capital assets:

	2019
Governmental activities capital assets, net	\$ 272,647,023
Less: Long-term debt	
GO Bonds payable	(237,550,000)
Premium	(27,209,274)
Deferred losses on refunding	2,427,731
Retainage Payable-Construction in Progress	(2,960,286)
Unspent bond proceeds	<u>51,671,930</u>
Total Long-term debt	<u>(213,619,899)</u>
Net investment in capital assets	<u><u>\$ 59,027,124</u></u>

NOTE 6: ACCRUED COMPENSATION

Salaries and benefits of certain contractually employed personnel are paid over a ten or twelve month period beginning in September, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2019 in the General and Grants Funds are \$22,097,174. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements and is fully funded at year end.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 7: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities - District

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

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Principal Due within 1 year
General Obligation Bonds					
Series 2010 Refunding	\$ 31,335,000	\$ -	\$ 6,405,000	\$ 24,930,000	\$ 6,720,000
Series 2011 Refunding	6,360,000	-	1,170,000	5,190,000	1,220,000
Series 2012 Refunding	21,990,000	-	2,190,000	19,800,000	2,210,000
Series 2014 Refunding	2,415,000	-	580,000	1,835,000	595,000
Series 2015 Refunding	20,625,000	-	1,125,000	19,500,000	1,150,000
Series 2017	158,110,000	-	790,000	157,320,000	830,000
Series 2018	8,975,000	-	-	8,975,000	580,000
Sub-total Principal on GO Bonds	249,810,000	-	12,260,000	237,550,000	13,305,000
Premium - Series 2010	2,338,267	-	623,540	1,714,727	-
Premium - Series 2011	513,683	-	114,151	399,532	-
Premium - Series 2012	2,479,613	-	323,428	2,156,185	-
Premium - Series 2014	224,172	-	68,976	155,196	-
Premium - Series 2015	1,672,471	-	174,519	1,497,952	-
Premium - Series 2017	22,169,949	-	1,682,419	20,487,530	-
Premium - Series 2018	1,021,892	-	223,740	798,152	-
Sub-total Other Amounts	30,420,047	-	3,210,773	27,209,274	-
Sub-total GO Bonds and Other Amounts	280,230,047	-	15,470,773	264,759,274	13,305,000
Net Pension Liability	853,134,880	56,800,728	499,885,556	410,050,052	-
OPEB Liability	19,481,995	1,096,983	99,473	20,479,505	-
Compensated Absences (Vacation)	1,398,555	908,599	1,169,568	1,137,586	375,000
Compensated Absences (Longevity)	1,705,762	-	1,705,762	-	-
Total Long-Term Liabilities	<u>\$ 1,155,951,239</u>	<u>\$ 58,806,310</u>	<u>\$ 518,331,132</u>	<u>\$ 696,426,417</u>	<u>\$ 13,680,000</u>

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Changes in Long-Term Liabilities – Component Units

Long-term debt activities for the District's discretely presented component units as of June 30, 2019 are as follows:

Discretely presented component unit (TCA)

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Principal Due within 1 year
Compensated absences	\$ 129,481	\$ 108,577	\$ (117,336)	\$ 120,722	\$ 120,722
Building loans	47,755,000	-	(1,380,000)	46,375,000	1,420,000
Premium	2,417,618	-	(110,533)	2,307,085	110,533
Note payable to Primary Government	247,584	-	(184,913)	62,671	62,671
OPEB Liability	2,229,486	94,306	-	2,323,792	-
Net Pension Liability	97,650,341	-	(51,122,128)	46,528,213	-
Total Long-Term Liabilities	<u>\$ 150,429,510</u>	<u>\$ 202,883</u>	<u>\$ (52,914,910)</u>	<u>\$ 97,717,483</u>	<u>\$ 1,713,926</u>

Discretely presented component unit (NSCA)

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Principal Due within 1 year
Equipment lease	\$ -	\$ 151,040	\$ (39,192)	\$ 111,848	\$ 45,714
OPEB Liability	-	186,424	-	186,424	-
Net Pension Liability	-	3,732,668	-	3,732,668	-
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ 4,070,132</u>	<u>\$ (39,192)</u>	<u>\$ 4,030,940</u>	<u>\$ 45,714</u>

General Obligation Bonds-District

The District issues general obligation (G.O.) bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds outstanding as of June 30, 2019, are as follows:

Year Issued	Description	Interest Rate (%)	Final Maturity Date	Original Issue	Outstanding
2010	Series 2010 general obligation refunding bonds	1.00 - 5.00	2024	57,370,000	\$24,930,000
2011	Series 2011 general obligation refunding bonds	1.125 - 4.75	2023	8,230,000	5,190,000
2012	Series 2012 general obligation refunding bonds	0.25 - 4.45	2026	25,050,000	19,800,000
2014	Series 2014 general obligation refunding bonds	2.00 - 4.00	2022	8,140,000	1,835,000
2015	Series 2015 general obligation refunding bonds	2.00 - 4.00	2028	21,405,000	19,500,000
2017	Series 2017 general obligation bonds	4.00 - 5.00	2040	160,000,000	157,320,000
2018	Series 2018 general obligation bonds	2.00 - 5.00	2023	8,975,000	8,975,000
Total general obligation bonds					<u>\$ 237,550,000</u>

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Bond payments, to maturity, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 13,305,000	\$ 10,441,206	\$ 23,746,206
2021	15,805,000	9,856,631	25,661,631
2022	17,975,000	9,134,706	27,109,706
2023	18,750,000	8,307,756	27,057,756
2024	17,795,000	7,485,879	25,280,879
2025 - 2029	51,420,000	29,274,063	80,694,063
2030 - 2034	46,160,000	17,903,575	64,063,575
2035 - 2039	37,905,000	8,259,225	46,164,225
2040 - 2041	18,435,000	745,100	19,180,100
	<u>\$ 237,550,000</u>	<u>\$ 101,408,141</u>	<u>\$ 338,958,141</u>

Gain/Loss on Refunding

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

Deferred gains and losses on refunding as of June 30, 2019, are as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Series 2010	\$ (1,950,104)	\$ -	\$ (508,725)	\$ (1,441,379)
Series 2011	(361,105)	-	(80,246)	(280,859)
Series 2012	(811,317)	-	(105,824)	(705,493)
Total Refunding Gain/(Loss)	<u>\$ (3,122,526)</u>	<u>\$ -</u>	<u>\$ (694,795)</u>	<u>\$ (2,427,731)</u>

Longevity Bonus

The District offered a Longevity Bonus to employees with an effective District 20 hire date prior to July 1, 1999. Longevity Bonus payments were paid with revenue from the General Fund. 100% of the Longevity Bonus was paid during fiscal year 2019.

Compensated Absences

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

NOTE 8: TAX, SPENDING AND DEBT LIMITATIONS

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

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

An amount of \$6,402,000 is restricted for emergencies and is recognized in the General Fund and Governmental Activities as required by TABOR.

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

Receivables and Payables

All inter-fund receivables and payables are created in conjunction with the District's pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice. All balances are expected to be repaid within one year. The District's inter-fund receivables and payables as of June 30, 2019 are:

<u>Fund</u>	<u>Inter-fund Payable</u>	<u>Inter-fund Receivable</u>
General Fund	-	\$ 218,972
Designated Purpose Grants Fund	\$ 218,972	-

Transfers

During the year, the General Fund transferred operating subsidies of \$6,300,155 and \$6,332,644 to the Transportation and Technology Funds, respectively. \$8,108,900 from the General Fund was transferred to the Capital Reserve Capital Projects Fund to cover capital projects during the year.

NOTE 10: UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

The District's governmental funds reported the following unearned revenue and deferred inflows of resources at June 30, 2019:

<u>Unearned Revenue</u>		<u>Deferred Inflows of Resources</u>	
General Fund		General Fund	
Miscellaneous	\$ 27,590	Property taxes	\$ 1,347,611
Tuition	278,370		
	<u>305,960</u>	Debt Service Fund	
Non-major Funds		Property taxes	481,229
Food Services Fund	312,625		
Designated Purpose Grant Fund		Non-major Funds	
Federal and state grants	627,009	Capital Reserve Fund	
	<u>939,634</u>	Long term note receivable	<u>62,671</u>
Total unearned revenue	<u>\$ 1,245,594</u>	Total deferred inflows of resources	<u>\$ 1,891,511</u>

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 11: GENERAL REVENUES

Property Taxes

Mill levy rates are certified by the Board of Education to the county commissioners and treasurer by December 15th each year. Property taxes payable are based on the certified mill levies. Property taxes are levied in arrears on January 1. For example, property taxes paid in calendar year 2019 were certified in December 2018 and were available for collection on January 1, 2019 (lien date).

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

Specific Ownership Taxes

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

State Equalization

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

NOTE 12: COMMITMENTS AND CONTINGENCIES

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

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

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

NOTE 13: RETIREMENT PLAN

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

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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.

- 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.

General Information about the Pension Plan

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

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

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

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

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

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

As of December 31, 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 and all benefit recipients of the DPS benefit structure 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 retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions

Eligible employees of the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq* and 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2019
Employer Contribution Rate ¹	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	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.50%	5.50%
Total Employer Contribution Rate to the SCHDTF ¹	19.13%	19.13%

¹Rates 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 \$25,301,639 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 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2018 relative to the total contributions of participating employers and the State to the SCHDTF.

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District under the direct distribution provision to allocate funds from the State of Colorado budget to PERA on an annual basis beginning in July 2018. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability	\$ 410,050,052
State's Proportionate Share of the Net Pension Liability	
Associated with the District	<u>56,068,650</u>
Total	<u>\$ 466,118,702</u>

At December 31, 2018, the District's proportion was 2.316 percent, which was a decrease of 0.322 from its proportion measured as of December 31, 2017.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

For the year ended June 30, 2019, the District recognized pension income of \$44,234,343 and revenue of \$288,046. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$13,909,355	-
Changes of assumptions or other inputs	76,537,634	\$255,007,027
Net difference between projected and actual earnings on pension plan investments	22,350,288	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,762,621	58,300,964
Contributions subsequent to the measurement date	12,899,565	-
Total	\$127,459,463	\$313,307,991

\$12,899,565 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:

Year ended June 30:	Deferred Amount:
2020	\$ (37,564,521)
2021	(104,100,431)
2022	(69,309,182)
2023	12,226,041
Total	\$ (198,748,093)

Actuarial Assumptions

The December 31, 2017 actuarial valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	4.78 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent compounded annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

ACADEMY SCHOOL DISTRICT TWENTY

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	0 percent through 2019 and 1.5 percent 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.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

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

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

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

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

Discount Rate

The discount rate used to measure the total pension liability was 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 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 of Colorado, as a nonemployer contributing entity, will provide an annual direct distribution of \$225,000,000, commencing July 1, 2018, and is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The Annual Increase Reserve (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 GASB Statement No. 67 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 rate determination does not use the municipal bond index 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.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$521,308	\$410,050	\$316,685

Retirement Plan Liabilities

Pension liabilities are expected to be paid with revenue from the General Fund.

Pension Plan Fiduciary Net Position

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

Required footnote disclosures for The Classical Academy and New Summit Charter Academy, discretely presented component units of the District, are included in their separately issued financial statements.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Summary of Significant Accounting Policies

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

Plan Description

Eligible employees of the District and its component units are provided with OPEB through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other post-employment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. 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.

Benefits Provided

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

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

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians.

Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

PERA Benefit Structure

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

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

Contributions

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

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 \$1,349,068 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 \$20,479,505 for its proportionate share of the net OPEB liability. The net OPEB liability 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 pension liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's 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's proportion was 1.505%, which was an increase of 0.006% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$417,525. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 74,329	\$ 31,174
Changes of assumptions or other inputs	143,661	-
Net difference between projected and actual earnings on OPEB plan investments	117,770	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	174,489	-
Contributions subsequent to the measurement date	687,797	-
Total	\$1,198,046	\$ 31,174

\$687,797 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 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:

Year ended June 30:	Deferred Amount:
2020	\$ 89,034
2021	89,034
2022	89,065
2023	170,830
2024	39,702
Thereafter	1,410
Total	\$ 479,075

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following 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 the 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:	
Service-based Premium Subsidy	0.00 percent
PERACare Medicare Plans	5.00 percent
Medicare Part A Premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025

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.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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 PERA's Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA Board's actuary, as 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:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
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:

Medicare Plan	Cost for Members Without Medicare Part A
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.

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 Medicare Plans	Medicare Part A 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%

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The 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 of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

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

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

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (expressed in thousands):

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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%
Proportionate Share of the Net OPEB Liability	\$ 19,914	\$ 20,480	\$ 21,130

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:

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

- 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$22,915	\$20,480	\$18,398

Post Employment Benefits Other Than Pension Liabilities

OPEB liabilities are expected to be paid with revenue from the General Fund.

OPEB Plan Fiduciary Net Position

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

Required footnote disclosures for The Classical Academy and New Summit Charter Academy, discretely presented component units of the District, are included in their separately issued financial statements.

NOTE 15: RESTATEMENT OF NET POSITION

Beginning net position of the Charter Schools has been restated as a result of New Summit Charter Academy which began operations during the fiscal year ended June 30, 2019.



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



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

REQUIRED SUPPLEMENTARY INFORMATION

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

The District does not have a special revenue fund qualified as a major fund as of June 30, 2019.

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

General Fund

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

**ACADEMY SCHOOL DISTRICT TWENTY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018**

	Budget		2019	% of	Variance with	% of	2018
	Original	Final	Actual	Actual	Final Budget Positive (Negative)	Final Budget Collected	Actual
REVENUES							
Local sources							
Property taxes	\$ 68,992,441	\$ 69,529,156	\$ 69,006,049	28.49%	\$ (523,107)	99.25%	\$ 68,105,730
Specific ownership taxes	12,000,000	11,655,087	11,930,761	4.93%	275,674	102.37%	11,883,278
Delinquent taxes and abatement	154,736	520,720	380,183	0.16%	(140,537)	73.01%	(10,033)
Tuition	1,575,000	1,575,000	1,845,597	0.76%	270,597	117.18%	1,624,798
Other local sources	1,761,257	1,687,987	1,776,003	0.73%	88,016	105.21%	1,575,675
Interest on investments	250,000	250,000	1,710,952	0.71%	1,460,952	684.38%	996,328
Total local sources	84,733,434	85,217,950	86,649,545	35.77%	1,431,595	101.68%	84,175,776
State sources							
State equalization	145,412,623	142,354,608	141,844,833	58.56%	(509,775)	99.64%	130,229,064
Vocational education	1,450,000	1,519,028	1,128,579	0.47%	(390,449)	74.30%	1,332,111
Special education	3,701,720	3,701,720	3,876,053	1.60%	174,333	104.71%	3,781,961
Gifted and talented education	232,650	232,650	242,572	0.10%	9,922	104.26%	237,630
Other state revenue	986,032	1,441,452	4,932,279	2.04%	3,490,827	100.00%	1,116,867
Total state sources	151,783,025	149,249,458	152,024,316	62.76%	2,774,858	101.86%	136,697,633
Federal sources							
Public law 81-874	1,600,000	1,600,000	1,789,068	0.74%	189,068	111.82%	1,755,958
Other federal sources	1,530,000	1,551,082	1,751,137	0.72%	200,055	112.90%	1,485,530
Total federal sources	3,130,000	3,151,082	3,540,205	1.46%	389,123	112.35%	3,241,488
TOTAL REVENUES	\$ 239,646,459	\$ 237,618,490	\$ 242,214,066	100.00%	\$ 4,595,576	101.93%	\$ 224,114,897

ACADEMY SCHOOL DISTRICT TWENTY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018
(continued)

EXPENDITURES	Budget		2019 Actual	% of Actual	Variance with Final Budget Positive (Negative)	% of Final Budget Used	2018 Actual
	Original	Final					
Instruction							
Regular instruction	\$ 105,237,953	\$ 98,506,211	\$ 97,211,089	44.27%	\$ 1,295,122	98.69%	\$ 92,595,702
Regular instruction - pre-schools	-	-	296,983	0.14%	(296,983)	0.00%	283,730
Regular instruction - charter schools	32,789,044	32,934,602	32,906,409	14.98%	28,193	99.91%	27,686,375
Special education	20,360,874	19,395,853	17,331,329	7.89%	2,064,524	89.36%	17,067,586
Gifted and talented education	2,512,650	2,702,331	2,560,782	1.17%	141,549	94.76%	2,457,575
Total instruction	<u>160,900,521</u>	<u>153,538,997</u>	<u>150,306,592</u>	<u>68.44%</u>	<u>3,232,405</u>	<u>97.89%</u>	<u>140,090,968</u>
Supporting Services							
Pupil services	10,646,850	11,116,797	10,872,835	4.95%	243,962	97.81%	10,037,402
Instructional staff	7,384,117	8,745,560	8,164,040	3.72%	581,520	93.35%	7,465,344
General administration	1,841,105	2,181,468	2,165,802	0.99%	15,666	99.28%	1,695,488
School administration	18,534,562	19,970,666	19,653,436	8.95%	317,230	98.41%	17,932,250
Business administration	2,683,670	2,682,009	2,616,391	1.19%	65,618	97.55%	2,437,315
Central services	2,290,225	2,959,706	3,004,323	1.37%	(44,617)	101.51%	1,994,917
Community services	935,695	945,116	791,143	0.36%	153,973	83.71%	340,024
Operations & maintenance of plant	20,107,130	20,460,049	19,626,054	8.94%	833,995	95.92%	18,460,826
Risk Management Services	3,135,180	2,862,385	2,272,438	1.03%	589,947	79.39%	2,344,536
Total supporting services	<u>67,558,534</u>	<u>71,923,756</u>	<u>69,166,462</u>	<u>31.49%</u>	<u>2,757,294</u>	<u>96.17%</u>	<u>62,708,102</u>
Capital outlay	-	56,201	138,000	0.06%	(81,799)	0.00%	-
TOTAL EXPENDITURES	<u>228,459,055</u>	<u>225,518,954</u>	<u>219,611,054</u>	<u>100.00%</u>	<u>5,907,900</u>	<u>97.38%</u>	<u>202,799,070</u>
Excess (deficiency) of revenues over expenditures	<u>11,187,404</u>	<u>12,099,536</u>	<u>22,603,012</u>		<u>10,503,476</u>	<u>186.81%</u>	<u>21,315,827</u>
OTHER FINANCING SOURCES (USES)							
Transfer from Food Services Fund	200,000	200,000	-		(200,000)	0.00%	200,000
Transfer to Capital Projects Fund	(2,775,125)	(8,108,900)	(8,108,900)		-	100.00%	(8,579,244)
Transfer to Transportation Fund	(6,300,155)	(6,300,155)	(6,300,155)		-	100.00%	(5,340,230)
Transfer to Technology Fund	(6,332,644)	(6,332,644)	(6,332,644)		-	100.00%	(5,812,604)
TOTAL OTHER SOURCES (USES)	<u>(15,207,924)</u>	<u>(20,541,699)</u>	<u>(20,741,699)</u>		<u>(200,000)</u>	<u>100.97%</u>	<u>(19,532,078)</u>
Net change in fund balance	(4,020,520)	(8,442,163)	1,861,313		10,303,476	-22.05%	1,783,749
Fund balance, beginning of year	<u>38,575,840</u>	<u>46,606,053</u>	<u>46,606,053</u>		<u>-</u>	<u>100.00%</u>	<u>44,822,304</u>
Fund balance, end of year	<u>\$ 34,555,320</u>	<u>\$ 38,163,890</u>	<u>\$ 48,467,366</u>		<u>\$ 10,303,476</u>	<u>N/A</u>	<u>\$ 46,606,053</u>

ACADEMY SCHOOL DISTRICT TWENTY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

<u>Fund</u>	2018-19 APPROPRIATION				ACTUAL	
	Expenditures	Transfers & Other Uses	Ending Fund Balance	Total Appropriation	Expenditures & Uses	Compliance Yes / (No)
General Fund	\$ 225,518,954	\$ 20,741,699	\$ 38,163,890	\$ 284,424,543	\$ 240,352,753	\$ 44,071,790
Food Service Fund	5,300,000	200,000	559,788	6,059,788	5,382,573	677,215
Designated Purpose Grants Fund	7,850,000	-	-	7,850,000	6,568,855	1,281,145
Transportation Fund	8,872,625	-	2,065,778	10,938,403	8,064,863	2,873,540
Bond Redemption Fund	23,189,264	-	27,394,451	50,583,715	23,184,165	27,399,550
Building Fund	100,295,006	-	40,331,338	140,626,344	89,994,062	50,632,282
Capital Reserve Capital Projects	12,973,590	-	6,117,185	19,090,775	6,252,674	12,838,101
Technology Fund	9,647,477	-	7,991,234	17,638,711	8,785,611	8,853,100
School Activity Fund	11,000,000	-	4,438,096	15,438,096	11,106,963	4,331,133
Scholarship Fund	115,000	-	146,159	261,159	178,496	82,663
	<u>\$ 404,761,916</u>	<u>\$ 20,941,699</u>	<u>\$ 127,207,919</u>	<u>\$ 552,911,534</u>	<u>\$ 399,871,015</u>	<u>\$ 153,040,519</u>

7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized appropriations.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations. All supplemental appropriations were legally enacted by the Board of Education during fiscal year 2019. The original appropriations were amended as follows:

<u>Fund</u>	Original Appropriation	Amendment	Amended Appropriation
General Fund	\$ 278,422,299	\$ 6,002,244	\$ 284,424,543
Food Service Fund	6,084,060	(24,272)	6,059,788
Designated Purpose Grants Fund	7,500,000	350,000	7,850,000
Transportation Fund	10,623,547	314,856	10,938,403
Bond Redemption Fund	50,365,203	218,512	50,583,715
Building Fund	138,386,694	2,239,650	140,626,344
Capital Reserve Capital Projects Fund	7,720,162	11,370,613	19,090,775
Technology Fund	15,544,382	2,094,329	17,638,711
School Activity Fund	15,147,326	290,770	15,438,096
Scholarship Fund	237,610	23,549	261,159
Total Appropriations	<u>\$ 530,031,283</u>	<u>22,880,251</u>	<u>\$ 552,911,534</u>

ACADEMY SCHOOL DISTRICT 20
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
Last 10 Fiscal Years¹

Fiscal Year	2019	2018	2017	2016	2015	2014
Plan Measurement Date	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's proportion (percentage) of the collective net pension liability (asset)	2.32%	2.64%	2.62%	2.64%	2.64%	2.60%
District's proportionate share of the collective pension liability (asset)	\$ 410,050,052	\$ 853,134,880	\$ 778,803,576	\$ 404,158,474	\$ 357,901,961	\$ 331,510,717
State's proportionate share of the Net Pension Liability associated with the District **	56,068,650	-	-	-	-	-
Total	<u>\$ 466,118,702</u>	<u>\$ 853,134,880</u>	<u>\$ 778,803,576</u>	<u>\$ 404,158,474</u>	<u>\$ 357,901,961</u>	<u>\$ 331,510,717</u>
Covered payroll	127,308,872	121,702,007	117,398,736	115,163,118	110,625,896	104,814,258
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	322.1%	701.0%	663.4%	350.9%	323.5%	316.3%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.10%	59.20%	62.80%	64.06%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

** 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.

¹Information is not available prior to 2014. In future reports, additional years will be added until 10 years historical data are presented.

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

As of June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Statutorily required contributions	\$25,301,639	\$ 23,469,817	\$ 21,904,416	\$ 20,544,869	\$19,186,956	\$17,222,951	\$15,604,973	\$ 14,290,160	\$13,456,254	\$12,404,040
Contributions in relation to the statutorily required contribution	<u>25,301,639</u>	<u>23,469,817</u>	<u>21,904,416</u>	<u>20,544,869</u>	<u>19,186,956</u>	<u>17,222,951</u>	<u>15,604,973</u>	<u>14,290,160</u>	<u>13,456,254</u>	<u>12,404,040</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	132,261,572	124,301,741	119,167,107	115,868,084	113,645,008	107,759,439	103,510,671	100,806,443	101,350,270	101,181,739
Contribution as a percentage of covered payroll	19.13%	18.88%	18.38%	17.73%	16.88%	15.98%	15.08%	14.18%	13.28%	12.38%

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

ACADEMY SCHOOL DISTRICT 20
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
Last 10 Fiscal Years¹

Fiscal Year	2019	2018	2017
Plan Measurement Date	December 31, 2018	December 31, 2017	December 31, 2016
District's proportion (percentage) of the OPEB Liability	1.51%	1.50%	1.49%
District's proportionate share of the OPEB Liability	\$ 20,479,505	\$ 19,481,995	\$ 19,277,041
Covered payroll	127,308,872	121,702,007	117,398,736
District's proportionate share of the OPEB Liability as a percentage of its covered payroll	16.1%	16.0%	16.4%
Plan fiduciary net position as a percentage of the total OPEB Liability	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

¹Information is not available prior to 2017. In future reports, additional years will be added until 10 years historical data are presented.

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

As of June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Statutorily required contributions	\$ 1,349,068	\$ 1,267,878	\$ 1,215,504	\$ 1,181,854	\$ 1,159,179	\$ 1,099,146	\$ 1,055,809	\$ 1,028,226	\$ 1,033,773	\$ 1,032,054
Contributions in relation to the statutorily required contribution	<u>1,349,068</u>	<u>1,267,878</u>	<u>21,904,416</u>	<u>20,544,869</u>	<u>19,186,956</u>	<u>17,222,951</u>	<u>15,604,973</u>	<u>14,290,160</u>	<u>13,456,254</u>	<u>12,404,040</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	132,261,572	124,301,741	119,167,107	115,868,084	113,645,008	107,759,439	103,510,671	100,806,443	101,350,270	101,181,739
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

OTHER SUPPLEMENTARY INFORMATION

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

Other Major Governmental Funds

Debt Service Fund

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

The District has the following Debt Service Fund:

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

Capital Project Funds

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

The District has the following major Capital Project Fund:

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

ACADEMY SCHOOL DISTRICT TWENTY
BOND REDEMPTION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	Final Budget	2019 Actual	Variance Positive (Negative)	2018 Actual
REVENUES				
Local sources:				
Property taxes	\$ 25,366,880	\$ 25,069,086	\$ (297,794)	\$ 24,099,941
Interest on investments	200,000	464,619	264,619	274,176
TOTAL REVENUES	25,566,880	25,533,705	(33,175)	24,374,117
EXPENDITURES				
Debt service				
Principal	12,260,000	12,260,000	-	14,580,000
Interest	10,919,264	10,919,264	-	10,986,529
Other expenditures and fiscal charges	10,000	4,901	5,099	4,900
TOTAL EXPENDITURES	23,189,264	23,184,165	5,099	25,571,429
Excess (deficiency) of revenues over expenditures	2,377,616	2,349,540	(28,076)	(1,197,312)
Net change in fund balance	2,377,616	2,349,540	(28,076)	(1,197,312)
Fund balance, beginning of year	25,016,835	25,016,835	-	26,214,147
Fund balance, end of year	\$ 27,394,451	\$ 27,366,375	\$ (28,076)	\$ 25,016,835

ACADEMY SCHOOL DISTRICT TWENTY
BUILDING FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	Final Budget	2019 Actual	Variance Positive (Negative)	2018 Actual
REVENUES				
Local sources				
Investment income	\$ 2,500,000	\$ 2,369,823	\$ (130,177)	\$ 2,441,729
TOTAL REVENUES	2,500,000	2,369,823	(130,177)	2,441,729
EXPENDITURES				
Capital outlay				
Component unit (TCA)	2,567,802	2,561,228	6,574	11,229,185
Facility audit	1,827,908	1,873,672	(45,764)	1,277,057
New Construction	48,300,000	40,904,266	7,395,734	31,469,624
Program management	1,254,000	1,302,293	(48,293)	1,238,537
Remodel and renovation	33,581,091	33,483,850	97,241	3,619,470
School improvement allocation	8,450,000	5,718,528	2,731,472	4,960,909
Technology infrastructure	4,314,205	4,150,225	163,980	3,597,076
Sub-total capital outlay	100,295,006	89,994,062	10,300,944	57,391,858
Debt service				
Other issuance costs	-	-	-	103,888
TOTAL EXPENDITURES	100,295,006	89,994,062	10,300,944	57,495,746
Excess (deficiency) of revenues over expenditures	(97,795,006)	(87,624,239)	10,170,767	(55,054,017)
OTHER FINANCING SOURCES (USES)				
Bond issuance	-	-	-	8,975,000
Bond premium	-	-	-	1,021,892
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	9,996,892
Net change in fund balance	(97,795,006)	(87,624,239)	10,170,767	(45,057,125)
Fund balance, beginning of year	138,126,344	135,009,339	(3,117,005)	180,066,464
Fund balance, end of year	\$ 40,331,338	\$ 47,385,100	\$ 7,053,762	\$ 135,009,339

Non-Major Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Project Funds

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

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

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

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

**ACADEMY SCHOOL DISTRICT TWENTY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2019**

	Special Revenue			Capital Projects		
	Food Service	Designated	Transportation	Capital Reserve	Technology	
	Fund	Purpose Grants	Fund	Capital Projects	Fund	Totals
	Fund	Fund	Fund	Fund	Fund	
ASSETS						
Cash and investments	\$ 923,334	\$ -	\$ 2,970,955	\$ 13,618,388	\$ 9,029,260	\$ 26,541,937
Receivables	10,604	1,438,117	-	160,078	-	1,608,799
Prepaid items	-	-	-	-	16,497	16,497
Promissory note and accrued interest receivable	-	-	-	62,671	-	62,671
TOTAL ASSETS	\$ 933,938	\$ 1,438,117	\$ 2,970,955	\$ 13,841,137	\$ 9,045,757	\$ 28,229,904
LIABILITIES						
Accounts payable	\$ 41,371	\$ 36,131	\$ 12,960	\$ 515,823	\$ 13,675	\$ 619,960
Accrued salaries and benefits	-	556,005	-	-	-	556,005
Inter-fund payable	-	218,972	-	-	-	218,972
Unearned revenue	312,625	627,009	-	-	-	939,634
TOTAL LIABILITIES	353,996	1,438,117	12,960	515,823	13,675	2,334,571
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	62,671	-	62,671
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	62,671	-	62,671
FUND BALANCE						
Nonspendable, prepaid items	-	-	-	-	16,497	16,497
Restricted for Food Service	579,942	-	-	-	-	579,942
Assigned for Technology Replacement	-	-	-	-	9,015,585	9,015,585
Assigned for Future Projects	-	-	2,736,800	13,262,643	-	15,999,443
Assigned for Activity Bus Replacement	-	-	221,195	-	-	221,195
TOTAL FUND BALANCE	579,942	-	2,957,995	13,262,643	9,032,082	25,832,662
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 933,938	\$ 1,438,117	\$ 2,970,955	\$ 13,841,137	\$ 9,045,757	\$ 28,229,904

ACADEMY SCHOOL DISTRICT TWENTY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2019

	Special Revenue			Capital Projects		
	Food Service	Designated	Transportation	Capital Reserve	Technology	
	Fund	Purpose Grants	Fund	Capital Projects	Fund	Totals
	Fund	Fund	Fund	Fund	Fund	
REVENUES						
Local sources	\$ 3,320,687	\$ -	\$ 890,045	\$ 503,711	\$ 362,966	\$ 5,077,409
State sources	89,827	1,236,894	1,723,410	-	-	3,050,131
Federal sources	1,922,213	5,331,961	-	-	1,786,016	9,040,190
TOTAL REVENUES	5,332,727	6,568,855	2,613,455	503,711	2,148,982	17,167,730
EXPENDITURES						
Instruction	-	6,568,855	-	-	369,786	6,938,641
Supporting Services						
Instructional staff	-	-	-	-	616,512	616,512
Central services	-	-	-	-	4,921,584	4,921,584
Food services	5,382,573	-	-	-	-	5,382,573
Pupil Transportation	-	-	8,064,863	-	-	8,064,863
Capital outlay	-	-	-	6,252,674	2,877,729	9,130,403
TOTAL EXPENDITURES	5,382,573	6,568,855	8,064,863	6,252,674	8,785,611	35,054,576
Excess (deficiency) of revenues over expenditures	(49,846)	-	(5,451,408)	(5,748,963)	(6,636,629)	(17,886,846)
OTHER FINANCING SOURCES						
Proceeds on sale of capital assets	-	-	-	211,331	-	211,331
Transfers in/(out)	-	-	6,300,155	8,108,900	6,332,644	20,741,699
TOTAL OTHER FINANCING SOURCES	-	-	6,300,155	8,320,231	6,332,644	20,953,030
Net change in fund balance	(49,846)	-	848,747	2,571,268	(303,985)	3,066,184
Fund balance, beginning of year	629,788	-	2,109,248	10,691,375	9,336,067	22,766,478
Fund balance, end of year	\$ 579,942	\$ -	\$ 2,957,995	\$ 13,262,643	\$ 9,032,082	\$ 25,832,662

**ACADEMY SCHOOL DISTRICT TWENTY
FOOD SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018**

	Final Budget	2019 Actual	Variance Positive (Negative)	2018 Actual
REVENUES				
Local sources				
Charges for services	\$ 3,400,000	\$ 3,320,687	\$ (79,313)	\$ 3,300,673
State sources				
State support	80,000	89,827	9,827	81,315
Federal sources				
Federal reimbursement	1,600,000	1,537,104	(62,896)	1,598,888
USDA commodities	350,000	385,109	35,109	335,843
TOTAL REVENUES	5,430,000	5,332,727	(97,273)	5,316,719
EXPENDITURES				
Current				
Purchased food, labor, & services	4,600,000	4,630,769	(30,769)	4,532,241
Other expenses	350,000	366,695	(16,695)	262,907
USDA commodities	350,000	385,109	(35,109)	335,843
TOTAL EXPENDITURES	5,300,000	5,382,573	(82,573)	5,130,991
Excess (deficiency) of revenues over expenditures	130,000	(49,846)	(179,846)	185,728
OTHER FINANCING USES				
Transfer to the General Fund	(200,000)	-	200,000	(200,000)
Net change in fund balance	(70,000)	(49,846)	20,154	(14,272)
Fund balance, beginning of year	629,788	629,788	-	644,060
Fund balance, end of year	<u>\$ 559,788</u>	<u>\$ 579,942</u>	<u>\$ 20,154</u>	<u>\$ 629,788</u>

**ACADEMY SCHOOL DISTRICT TWENTY
DESIGNATED PURPOSE GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018**

	Final Budget	2019 Actual	Variance Positive (Negative)	2018 Actual
REVENUES				
State sources	\$ 1,536,289	\$ 1,236,894	\$ (299,395)	\$ 1,355,815
Federal sources	6,313,711	5,331,961	(981,750)	4,892,049
 TOTAL REVENUES	 7,850,000	 6,568,855	 (1,281,145)	 6,247,864
EXPENDITURES				
Regular Instruction	7,850,000	6,568,855	1,281,145	6,247,864
 TOTAL EXPENDITURES	 7,850,000	 6,568,855	 1,281,145	 6,247,864
 Net change in fund balance	 -	 -	 -	 -
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**ACADEMY SCHOOL DISTRICT TWENTY
TRANSPORTATION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018**

	Final Budget	2019 Actual	Variance Positive (Negative)	2018 Actual
REVENUES				
Local sources				
Field trips	\$ 240,000	\$ 243,110	\$ 3,110	\$ 282,399
Student Transportation Trip Charge	400,000	399,416	(584)	379,562
Other	210,000	247,519	37,519	260,975
	<u>850,000</u>	<u>890,045</u>	<u>40,045</u>	<u>922,936</u>
State sources				
State transportation	<u>1,679,000</u>	<u>1,723,410</u>	<u>44,410</u>	<u>1,691,492</u>
TOTAL REVENUES	<u>2,529,000</u>	<u>2,613,455</u>	<u>84,455</u>	<u>2,614,428</u>
EXPENDITURES				
Current				
Administration	957,230	856,876	100,354	787,659
Bus operations	5,616,745	5,016,223	600,522	4,822,825
Bus monitors	1,130,380	943,624	186,756	961,102
Vehicle maintenance	<u>1,168,270</u>	<u>1,248,140</u>	<u>(79,870)</u>	<u>1,111,686</u>
TOTAL EXPENDITURES	<u>8,872,625</u>	<u>8,064,863</u>	<u>807,762</u>	<u>7,683,272</u>
Excess (deficiency) of revenues over expenditures	(6,343,625)	(5,451,408)	892,217	(5,068,844)
OTHER FINANCING SOURCES				
Transfer from the General Fund	<u>6,300,155</u>	<u>6,300,155</u>	<u>-</u>	<u>5,340,230</u>
Net change in fund balance	(43,470)	848,747	892,217	271,386
Fund balance, beginning of year	<u>2,109,248</u>	<u>2,109,248</u>	<u>-</u>	<u>1,837,862</u>
Fund balance, end of year	<u>\$ 2,065,778</u>	<u>\$ 2,957,995</u>	<u>\$ 892,217</u>	<u>\$ 2,109,248</u>

ACADEMY SCHOOL DISTRICT TWENTY
CAPITAL RESERVE CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	Final Budget	2019 Actual	Variance Positive (Negative)	2018 Actual
REVENUES				
Local sources				
Local sources	\$ 100,000	\$ 441,883	\$ 341,883	\$ 449,859
Other sources	-	56,943	56,943	53,632
Investment income	1,500	4,885	3,385	3,041
Sub-total local sources	101,500	503,711	402,211	506,532
TOTAL REVENUES	101,500	503,711	402,211	506,532
EXPENDITURES				
Current				
Capital outlay				
Site and Building modifications & repairs	5,100,000	4,587,379	512,621	5,021,323
Vehicles	1,550,000	1,665,295	(115,295)	1,668,296
Sub-total capital outlay	6,650,000	6,252,674	397,326	6,689,619
Carryover Projects	6,323,590	-	6,323,590	-
TOTAL EXPENDITURES	12,973,590	6,252,674	6,720,916	6,689,619
Excess (deficiency) of revenues over expenditures	(12,872,090)	(5,748,963)	7,123,127	(6,183,087)
OTHER FINANCING SOURCES				
Proceeds on sale of capital assets	189,000	211,331	22,331	223,474
Transfer from General Fund	8,108,900	8,108,900	-	8,579,244
TOTAL OTHER FINANCING SOURCES	8,297,900	8,320,231	22,331	8,802,718
Net change in fund balance	(4,574,190)	2,571,268	7,145,458	2,619,631
Fund balance, beginning of year	10,691,375	10,691,375	-	8,071,744
Fund balance, end of year	\$ 6,117,185	\$ 13,262,643	\$ 7,145,458	\$ 10,691,375

**ACADEMY SCHOOL DISTRICT TWENTY
TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018**

	Final Budget	2019 Actual	Variance Positive (Negative)	2018 Actual
REVENUES				
Federal sources				
Impact Aid	\$ 1,700,000	\$ 1,786,016	\$ 86,016	\$ 1,662,926
Other sources				
E-Rate	150,000	221,978	71,978	386,168
Miscellaneous	-	14,238	14,238	15,469
One to One Initiative Self Insurance Fees	120,000	126,750	6,750	121,350
TOTAL REVENUES	<u>1,970,000</u>	<u>2,148,982</u>	<u>178,982</u>	<u>2,185,913</u>
EXPENDITURES				
Current				
Instruction	497,057	369,786	127,271	437,098
Supporting Services				
Instruction staff	758,025	616,512	141,513	747,061
Business administration	700,000	-	700,000	-
Central Services	4,959,055	4,921,584	37,471	4,466,547
Capital outlay	2,733,340	2,877,729	(144,389)	1,711,932
TOTAL EXPENDITURES	<u>9,647,477</u>	<u>8,785,611</u>	<u>861,866</u>	<u>7,362,638</u>
Excess (deficiency) of revenues over expenditures	(7,677,477)	(6,636,629)	1,040,848	(5,176,725)
OTHER FINANCING SOURCES				
Transfer from General Fund	<u>6,332,644</u>	<u>6,332,644</u>	<u>-</u>	<u>5,812,604</u>
Net change in fund balance	(1,344,833)	(303,985)	1,040,848	635,879
Fund balance, beginning of year	<u>9,336,067</u>	<u>9,336,067</u>	<u>-</u>	<u>8,700,188</u>
Fund balance, end of year	<u>\$ 7,991,234</u>	<u>\$ 9,032,082</u>	<u>\$ 1,040,848</u>	<u>\$ 9,336,067</u>



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



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

Fiduciary Funds

Trust & Agency Funds

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

The District has the following Fiduciary Funds:

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

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

ACADEMY SCHOOL DISTRICT TWENTY
PUPIL ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS & LIABILITIES
For the Year Ended June 30, 2019

	Balance, June 30, 2018	Additions	Deletions	Balance, June 30, 2019
ASSETS				
Cash and cash equivalents	\$ 4,438,096	\$10,789,022	\$11,106,963	\$ 4,120,155
TOTAL ASSETS	<u>\$ 4,438,096</u>	<u>\$10,789,022</u>	<u>\$11,106,963</u>	<u>\$ 4,120,155</u>
LIABILITIES				
Due to student organizations	\$ 4,438,096	\$10,789,022	\$11,106,963	\$ 4,120,155
TOTAL LIABILITIES	<u>\$ 4,438,096</u>	<u>\$10,789,022</u>	<u>\$11,106,963</u>	<u>\$ 4,120,155</u>

ACADEMY SCHOOL DISTRICT TWENTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2019

	The Classical Academy	New Summit Charter Academy	Total Component Units
ASSETS			
Cash and investments	\$ 15,305,372	\$ 437,808	\$ 15,743,180
Receivables	22,066	31,642	53,708
Prepaid expenses	49,126	-	49,126
Restricted investments	4,628,673	-	4,628,673
Capital assets, not being depreciated	4,086,410	-	4,086,410
Capital assets, depreciated, net	47,946,192	264,109	48,210,301
Total assets	<u>\$ 72,037,839</u>	<u>\$ 733,559</u>	<u>\$ 72,771,398</u>
DEFERRED OUTFLOWS OF RESOURCES			
Refunding	4,994,212	-	4,994,212
Related to OPEB	113,243	159,738	272,981
Related to Pension	14,291,676	4,929,667	19,221,343
Total deferred outflows of resources	<u>19,399,131</u>	<u>5,089,405</u>	<u>24,488,536</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 138,555	\$ 88,291	\$ 226,846
Accrued compensation payable	2,156,284	339,815	2,496,099
Accrued interest payable	341,023	-	341,023
Long-term liabilities:			
Portion due or payable within one year	1,651,255	45,714	1,696,969
Portion due or payable after one year	47,151,552	66,134	47,217,686
OPEB liability	2,323,792	186,424	2,510,216
Pension liability	46,528,213	3,732,668	50,260,881
Promissory note due the primary government	62,671	-	62,671
Total liabilities	<u>100,353,345</u>	<u>4,459,046</u>	<u>104,812,391</u>
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	27,009	284	27,293
Related to Pension	36,188,023	2,321,318	38,509,341
Total deferred inflows of resources	<u>36,215,032</u>	<u>2,321,602</u>	<u>38,536,634</u>
NET POSITION			
Net investment in capital assets	11,760,358	152,261	11,912,619
Restricted for:			
TABOR	965,960	128,400	1,094,360
Repair and replacement	1,292,827	-	1,292,827
Donor purpose	235,627	-	235,627
Unrestricted	(59,386,179)	(1,238,345)	(60,624,524)
Total net position	<u>\$ (45,131,407)</u>	<u>\$ (957,684)</u>	<u>\$ (46,089,091)</u>

ACADEMY SCHOOL DISTRICT TWENTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended June 30, 2019

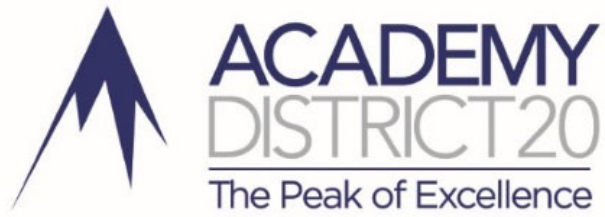
	The Classical Academy	New Summit Charter Academy	Total Component Units
REVENUES			
Intergovernmental revenue:			
State equalization aid	\$ 26,023,373	\$ 3,397,890	\$ 29,421,263
Supplemental funding from District	2,627,874	499,377	3,127,251
Charges for services	1,020,747	196,562	1,217,309
Capital grants and contributions	3,441,915	133,107	3,575,022
Operating grants and contributions	840,496	269,730	1,110,226
Grants and contributions not restricted to specific programs	800,047	186,586	986,633
Investment earnings	424,592	-	424,592
Other sources	396,705	8,535	405,240
	<u>35,575,749</u>	<u>4,691,787</u>	<u>40,267,536</u>
Total revenues			
EXPENSES			
Current:			
Instruction	16,485,317	3,674,651	20,159,968
Supporting Services	6,843,576	1,954,723	8,798,299
Debt service:			
Interest	2,270,923	-	2,270,923
	<u>25,599,816</u>	<u>5,629,374</u>	<u>31,229,190</u>
Total expenses			
CHANGE IN NET POSITION	9,975,933	(937,587)	9,038,346
NET POSITION, BEGINNING OF YEAR	<u>(55,107,340)</u>	<u>(20,097)</u>	<u>(55,127,437)</u>
NET POSITION, END OF YEAR	<u><u>\$ (45,131,407)</u></u>	<u><u>\$ (957,684)</u></u>	<u><u>\$ (46,089,091)</u></u>



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



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



III. Statistical Section



Financial Trend Information

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

Table 1	Net Position by Component
Table 2	Change in Net Position
Table 3	Fund Balances, Governmental Funds 2010-2019
Table 4	Change in Fund balances, Governmental Funds
Table 5	Summary of Expenditures by Function and Other Financing Uses, General Fund
Graph	Revenues/Sources vs. Expenditures/Uses
Table 6.1	Fiscal Health Tracking Ratios
Table 6.2	Fiscal Health Tracking Ratios - ASR
Table 6.3	Fiscal Health Tracking Ratios - DBR
Table 6.4	Fiscal Health Tracking Ratios - ORR
Table 6.5	Fiscal Health Tracking Ratios - OMR
Table 6.6	Fiscal Health Tracking Ratios - DFBR
Table 6.7	Fiscal Health Tracking Ratios - CFBR

Table 1

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 59,027,124	\$ 68,072,443	\$ 64,648,665	\$ 59,683,897	\$ 49,564,426	\$ 39,884,689	\$ 37,489,696	\$ 31,434,949	\$ 25,574,480	\$ 8,088,936
Restricted	34,383,993	31,559,706	32,262,949	29,649,108	26,662,935	27,088,310	23,769,198	31,972,535	31,360,875	33,038,210
Unrestricted ¹	<u>(548,946,975)</u>	<u>(608,937,387)</u>	<u>(430,578,023)</u>	<u>(308,648,921)</u>	<u>(293,330,154)</u>	<u>41,895,755</u>	<u>39,611,329</u>	<u>27,087,861</u>	<u>22,376,505</u>	<u>30,197,520</u>
Total governmental activities net position	<u>(455,535,858)</u>	<u>(509,305,238)</u>	<u>(333,666,409)</u>	<u>(219,315,916)</u>	<u>(217,102,793)</u>	<u>108,868,754</u>	<u>100,870,223</u>	<u>90,495,345</u>	<u>79,311,860</u>	<u>71,324,666</u>
Business-type activities ²										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,906	\$ 365,678	\$ 362,299	\$ 355,774	\$ 402,646
Unrestricted	-	-	-	-	-	923,629	968,760	1,059,968	1,056,599	760,572
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,244,535</u>	<u>1,334,438</u>	<u>1,422,267</u>	<u>1,412,373</u>	<u>1,163,218</u>
Primary government										
Net investment in capital assets	59,027,124	68,072,443	64,648,665	59,683,897	49,564,426	40,205,595	37,855,374	31,797,248	25,930,254	8,491,582
Restricted	34,383,993	31,559,706	32,262,949	29,649,108	26,662,935	27,088,310	23,769,198	31,972,535	31,360,875	33,038,210
Unrestricted ¹	<u>(548,946,975)</u>	<u>(608,937,387)</u>	<u>(430,578,023)</u>	<u>(308,648,921)</u>	<u>(293,330,154)</u>	<u>42,819,384</u>	<u>40,580,089</u>	<u>28,147,829</u>	<u>23,433,104</u>	<u>30,958,092</u>
Total primary government net position	<u><u>\$ (455,535,858)</u></u>	<u><u>\$ (509,305,238)</u></u>	<u><u>\$ (333,666,409)</u></u>	<u><u>\$ (219,315,916)</u></u>	<u><u>\$ (217,102,793)</u></u>	<u><u>\$ 110,113,289</u></u>	<u><u>\$ 102,204,661</u></u>	<u><u>\$ 91,917,612</u></u>	<u><u>\$ 80,724,233</u></u>	<u><u>\$ 72,487,884</u></u>

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

² Business-type activities were reclassified as governmental activities for fiscal year 2014-15.

Table 2

ACADEMY SCHOOL DISTRICT TWENTY

Change in Net Position

Last Ten Fiscal Years

(Unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EXPENSES										
Governmental activities										
Instruction	\$ 108,861,200	\$ 238,114,792	\$ 207,197,822	\$ 132,164,419	\$ 125,984,908	\$ 110,554,910	\$ 106,117,731	\$ 103,098,093	\$ 107,905,369	\$ 101,947,072
Pupil services	9,098,980	18,630,233	16,329,109	9,887,759	9,711,175	7,598,443	6,942,622	6,697,838	6,152,734	5,519,786
Instructional staff	7,661,659	15,465,392	13,483,700	8,456,443	7,456,322	6,325,592	5,687,895	5,585,794	6,054,903	5,915,069
General administration	1,401,168	3,739,874	3,076,331	1,751,061	1,458,524	1,647,816	1,693,187	1,504,176	1,513,483	1,481,697
School administration	23,566,036	45,220,866	33,477,361	19,450,379	18,108,305	15,601,056	15,069,876	14,000,977	15,118,039	15,835,966
Business administration	1,993,149	4,897,138	4,198,212	2,645,121	2,489,328	2,231,064	2,144,004	2,075,844	2,002,070	1,976,424
Central services	7,869,963	11,922,628	10,112,646	7,080,614	6,167,809	5,576,625	5,407,839	5,191,509	5,356,306	5,285,598
Community services	737,261	429,981	528,799	688,018	785,350	529,647	738,458	804,655	392,963	234,912
Operation & maintenance of plant	17,061,827	28,842,761	25,901,690	19,047,138	18,693,908	17,342,932	16,308,120	16,038,847	15,517,031	15,693,767
Risk management services	2,214,345	2,621,079	3,055,160	3,014,459	2,424,123	2,653,089	2,434,238	2,420,629	2,893,838	2,768,505
Pupil transportation	7,508,836	14,335,125	13,067,619	8,659,257	8,251,551	7,429,495	7,115,562	6,764,674	7,273,231	7,239,065
¹ Food services	5,444,605	5,194,688	5,248,277	5,309,694	5,302,312	-	-	-	-	-
Miscellaneous support services	-	-	-	-	-	-	-	-	-	10,337
² Charter schools	29,421,263	24,733,091	24,151,866	23,391,249	22,519,530	20,608,732	19,895,401	19,518,565	18,804,275	18,457,764
Interest and fiscal charges	8,389,356	8,761,538	6,596,613	4,158,278	5,090,955	5,958,895	7,773,828	7,330,371	10,543,291	8,850,344
Total governmental activities expenses	<u>231,229,648</u>	<u>422,909,186</u>	<u>366,425,205</u>	<u>245,703,889</u>	<u>234,444,100</u>	<u>204,058,296</u>	<u>197,328,761</u>	<u>191,032,972</u>	<u>199,527,533</u>	<u>191,216,306</u>
Business-type activities										
Food services	-	-	-	-	-	4,963,702	4,706,965	4,598,305	4,507,340	4,670,242
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,963,702</u>	<u>4,706,965</u>	<u>4,598,305</u>	<u>4,507,340</u>	<u>4,670,242</u>
Total primary government expenses	<u>231,229,648</u>	<u>422,909,186</u>	<u>366,425,205</u>	<u>245,703,889</u>	<u>234,444,100</u>	<u>209,021,998</u>	<u>202,035,726</u>	<u>195,631,277</u>	<u>204,034,873</u>	<u>195,886,548</u>
PROGRAM REVENUES										
Governmental activities										
Charges for services - tuition and other fees	2,866,422	2,244,800	2,306,679	2,132,343	2,096,421	2,104,724	1,999,766	1,831,141	1,696,434	1,629,559
Charges for services - student transportation	890,045	922,936	923,544	887,975	924,137	833,559	840,909	508,617	541,732	615,153
¹ Charges for services - food services	3,320,687	3,300,673	3,382,097	3,196,517	3,066,290	-	-	-	-	-
Operating grants and contributions	25,918,487	21,460,509	21,158,728	21,071,025	20,391,428	16,378,807	18,172,533	15,100,926	11,126,835	15,418,783
Total governmental activities revenues	<u>32,995,641</u>	<u>27,928,918</u>	<u>27,771,048</u>	<u>27,287,860</u>	<u>26,478,276</u>	<u>19,317,090</u>	<u>21,013,208</u>	<u>17,440,684</u>	<u>13,365,001</u>	<u>17,663,495</u>
Business-type activities										
Charges for services - food services	-	-	-	-	-	3,223,319	3,129,470	3,250,665	3,505,622	3,520,080
Operating grants and contributions - food services	-	-	-	-	-	1,850,480	1,689,666	1,532,534	1,425,873	1,296,968
Total business-type activities revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,073,799</u>	<u>4,819,136</u>	<u>4,783,199</u>	<u>4,931,495</u>	<u>4,817,048</u>
Total primary government program revenues	<u>32,995,641</u>	<u>27,928,918</u>	<u>27,771,048</u>	<u>27,287,860</u>	<u>26,478,276</u>	<u>24,390,889</u>	<u>25,832,344</u>	<u>22,223,883</u>	<u>18,296,496</u>	<u>22,480,543</u>
Net (Expense) / Revenue										
Governmental activities	(198,234,007)	(394,980,268)	(338,654,157)	(218,416,029)	(207,965,824)	(184,741,206)	(176,315,553)	(173,592,288)	(186,162,532)	(173,552,811)
Business-type activities	-	-	-	-	-	110,097	112,171	184,894	424,155	146,806
Total primary government net expense	<u>(198,234,007)</u>	<u>(394,980,268)</u>	<u>(338,654,157)</u>	<u>(218,416,029)</u>	<u>(207,965,824)</u>	<u>(184,631,109)</u>	<u>(176,203,382)</u>	<u>(173,407,394)</u>	<u>(185,738,377)</u>	<u>(173,406,005)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Property taxes	104,126,165	102,276,184	95,615,261	93,113,353	86,531,866	84,614,059	84,178,623	84,369,113	89,350,563	90,920,250
² State equalization	141,844,833	130,229,064	126,299,327	121,708,205	115,576,439	107,613,303	101,120,601	99,199,268	94,490,255	101,882,904
³ Grants & Contributions, not restricted to specific programs	-	-	-	-	-	-	-	-	9,402,021	-
Investment earnings	4,550,279	3,715,274	1,453,174	239,234	82,667	76,114	129,670	114,293	106,725	177,662
Miscellaneous revenues	1,482,110	1,787,143	935,902	1,142,114	1,162,424	1,301,910	1,061,537	918,099	625,162	1,051,154
Transfers in(out)	-	-	-	-	-	200,000	200,000	175,000	175,000	175,000
Total governmental activities	<u>252,003,387</u>	<u>238,007,665</u>	<u>224,303,664</u>	<u>216,202,906</u>	<u>203,353,396</u>	<u>193,805,386</u>	<u>186,690,431</u>	<u>184,775,773</u>	<u>194,149,726</u>	<u>194,206,970</u>
Business-type activities										
Transfers in(out)	-	-	-	-	-	(200,000)	(200,000)	(175,000)	(175,000)	(175,000)
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>
Total primary government program revenues	<u>252,003,387</u>	<u>238,007,665</u>	<u>224,303,664</u>	<u>216,202,906</u>	<u>203,353,396</u>	<u>193,605,386</u>	<u>186,490,431</u>	<u>184,600,773</u>	<u>193,974,726</u>	<u>194,031,970</u>
CHANGE IN NET POSITION										
Governmental activities	53,769,380	(156,972,603)	(114,350,493)	(2,213,123)	(4,612,428)	9,064,180	10,374,878	11,183,485	7,987,194	20,654,159
Business-type activities	-	-	-	-	-	(89,903)	(87,829)	9,894	249,155	(28,194)
Total primary government change in net position	<u>\$ 53,769,380</u>	<u>\$ (156,972,603)</u>	<u>\$ (114,350,493)</u>	<u>\$ (2,213,123)</u>	<u>\$ (4,612,428)</u>	<u>\$ 8,974,277</u>	<u>\$ 10,287,049</u>	<u>\$ 11,193,379</u>	<u>\$ 8,236,349</u>	<u>\$ 20,625,965</u>

¹ Starting in fiscal year 2015, Food Services was reclassified as a Special Revenue Fund. Prior to 2015 Food Services was classified as an Enterprise Fund.² Starting in fiscal year 2009, charter school equalization payments are included in total governmental revenue and shown as an expense under governmental activities.³ For fiscal year 2011, State Equalization revenue was reduced and backfilled with federal funding.

Table 3

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Nonspendable	\$ 53,113	\$ -	\$ 4,504	\$ 66,896	\$ 33,155	\$ -	\$ -	\$ -	\$ 5,610	\$ -
Restricted	6,402,000	6,013,000	5,626,000	5,387,000	5,132,000	4,853,000	4,593,000	4,493,000	4,416,000	4,685,000
Assigned	8,477,925	8,522,460	7,648,376	8,574,948	7,528,913	8,398,979	7,387,221	6,780,355	6,907,315	5,050,539
Unassigned	33,534,328	32,070,593	31,543,424	28,635,281	24,704,710	23,756,488	23,874,811	23,042,300	19,875,731	16,864,984
Total general fund	48,467,366	46,606,053	44,822,304	42,664,125	37,398,778	37,008,467	35,855,032	34,315,655	31,204,656	26,600,523
All Other Governmental Funds										
Nonspendable	203,126	80,886	25,929	17,264	94,072	-	-	-	-	-
Restricted	75,144,788	160,590,545	206,924,671	26,408,889	24,774,672	25,568,459	26,465,421	27,016,847	26,455,539	27,742,856
Assigned (by Fund Type)										
Special Revenue ¹	2,957,995	2,109,248	1,837,862	1,589,135	1,107,342	443,384	6,749,110	3,773,798	4,511,793	6,696,491
Capital Projects ¹	22,278,228	20,027,442	16,754,047	12,422,437	13,080,227	12,057,724	4,043,588	4,190,767	3,385,025	-
Unassigned	-	(15,469)	(8,044)	(11,989)	(94,072)	-	-	-	-	-
Total all other governmental funds	100,584,137	182,792,652	225,534,465	40,425,736	38,962,241	38,069,567	37,258,119	34,981,412	34,352,357	34,439,347
Governmental Funds										
Restricted	81,803,027	166,684,431	212,581,104	31,880,049	30,033,899	30,421,459	31,058,421	31,509,847	30,877,149	32,427,856
Unrestricted	67,248,476	62,714,274	57,775,665	51,209,812	46,327,120	44,656,575	42,054,730	37,787,220	34,679,864	28,612,014
Total governmental funds	\$ 149,051,503	\$ 229,398,705	\$ 270,356,769	\$ 83,089,861	\$ 76,361,019	\$ 75,078,034	\$ 73,113,151	\$ 69,297,067	\$ 65,557,013	\$ 61,039,870

1 Beginning in 2014, Technology Fund is presented in Capital Projects, rather than Special Revenue.

Source: School District Financial Records/Financial Audits

Table 4

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
Taxes	\$ 106,386,079	\$ 104,078,916	\$ 98,227,407	\$ 94,914,782	\$ 88,746,966	\$ 87,241,469	\$ 85,998,101	\$ 85,301,987	\$ 90,618,426	\$ 91,988,978
Intergovernmental	167,654,841	151,555,450	147,320,202	142,654,084	135,749,893	123,834,564	119,177,812	114,229,191	114,945,076	117,244,672
Investment income	4,550,279	3,715,274	1,453,174	239,234	82,667	76,114	129,671	114,293	106,725	177,662
Tuition	1,845,597	1,624,798	1,676,775	1,552,452	1,525,248	1,510,350	1,460,014	1,423,982	1,348,302	1,306,224
Miscellaneous	6,848,528	6,827,761	5,954,260	5,850,917	6,160,018	3,098,462	2,825,484	2,106,539	1,764,954	2,178,993
Total revenues	287,285,324	267,802,199	254,631,818	245,211,469	232,264,792	215,760,959	209,591,082	203,175,992	208,783,483	212,896,529
EXPENDITURES										
Current										
Instruction	154,663,398	146,775,930	142,201,587	137,801,642	134,684,468	126,909,178	121,577,230	117,958,985	117,242,707	113,296,682
Pupil services	11,500,838	10,037,402	9,207,853	8,731,093	8,945,536	7,598,443	6,942,622	6,697,838	6,152,734	5,519,786
Instructional staff	9,938,747	8,212,405	7,539,540	7,402,280	6,814,464	6,325,592	5,687,895	5,585,794	6,054,903	5,915,069
General administration	2,165,802	1,695,488	1,674,507	1,481,708	1,438,478	1,583,768	1,518,087	1,420,629	1,333,149	1,395,361
School administration	20,380,436	17,932,250	17,424,037	16,740,051	16,024,503	14,900,074	14,547,980	13,982,790	13,013,134	14,920,089
Business administration	2,671,701	2,437,315	2,315,769	2,354,885	2,299,608	2,231,064	2,144,004	2,075,844	2,002,070	1,976,424
Central services	7,939,234	6,461,464	5,561,553	5,380,583	4,796,129	4,563,598	4,321,269	3,939,723	4,052,467	4,003,777
Community services	791,143	340,024	442,019	664,704	761,507	529,647	738,458	804,655	392,963	234,912
Operation & maintenance of plant	19,626,054	18,460,826	18,224,525	17,609,670	17,720,832	17,184,956	16,153,804	15,899,277	15,360,738	15,516,601
Risk management services	2,272,438	2,344,536	2,822,781	2,974,860	2,398,148	2,653,089	2,434,238	2,420,629	2,893,838	2,768,505
Food services ³	5,382,573	5,130,991	5,183,692	5,099,596	5,105,038	-	-	-	-	-
Pupil transportation	8,064,863	7,683,272	7,454,918	7,047,502	6,921,236	6,581,957	6,278,306	5,914,195	6,460,412	6,454,322
Capital outlay	99,262,465	65,793,409	10,437,568	6,166,918	5,189,609	3,570,411	4,154,173	2,225,848	2,888,044	4,392,007
Debt Service										
Principal retirement	12,260,000	14,580,000	11,599,341	13,342,064	13,065,291	8,582,811	11,195,897	12,694,821	17,279,237	19,717,409
Interest and fiscal charges	10,924,165	10,991,429	9,188,054	5,937,364	5,743,033	10,781,488	8,281,035	8,158,794	9,314,944	8,359,046
Other issuance costs	-	103,888	849,928	-	281,688	-	-	301,970	-	465,693
Total expenditures	367,843,857	318,980,629	252,127,672	238,734,920	232,189,568	213,996,076	205,974,998	200,081,792	204,441,340	204,935,683
OTHER FINANCING SOURCES (USES)										
Bond proceeds	-	8,975,000	160,000,000	-	29,545,000	-	-	33,805,000	-	58,380,000
Bond premium	-	1,021,892	24,531,550	-	2,751,574	-	-	5,783,653	-	7,482,470
Payments to escrow agents	-	-	-	-	(32,012,442)	-	-	(39,117,799)	-	(65,392,395)
Sale of assets	211,331	223,474	231,212	252,293	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	200,000	200,000	175,000	175,000	175,000
Total other financing sources (uses)	211,331	10,220,366	184,762,762	252,293	284,132	200,000	200,000	645,854	175,000	645,075
NET CHANGE IN FUND BALANCES	\$ (80,347,202)	\$ (40,958,064)	\$ 187,266,908	\$ 6,728,842	\$ 359,356	\$ 1,964,883	\$ 3,816,084	\$ 3,740,054	\$ 4,517,143	\$ 8,605,922
Debt service as a percentage of non-capital expenditures ¹	8.1%	9.2%	8.4%	8.2%	8.4%	9.1%	9.6%	10.5%	13.1%	13.9%

1 Ratio of total debt service expenditures to noncapital expenditures:

Principal retirement	12,260,000
<u>+ Interest and fiscal charges</u>	<u>10,924,165</u>
Total Debt Service	23,184,165

Total Expenditures	367,843,857
<u>- Capital Outlay ²</u>	<u>82,158,875</u>
Non Capital Expenditures	285,684,982

<u>Total Debt Service</u>	<u>23,184,165</u>	8.1%
Non Capital Expenditures	285,684,982	

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

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

Table 5

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction	\$ 117,400,183	\$ 112,404,593	\$ 108,600,000	\$ 104,380,544	\$ 102,651,646	\$ 97,197,984	\$ 93,736,659	\$ 90,705,707	\$ 90,657,877	\$ 86,300,123
Instruction - charter schools	32,906,409	27,686,375	27,102,609	26,350,810	25,470,904	23,337,203	22,390,710	21,659,428	20,949,718	20,293,833
Total Instruction	<u>150,306,592</u>	<u>140,090,968</u>	<u>135,702,609</u>	<u>130,731,354</u>	<u>128,122,550</u>	<u>120,535,187</u>	<u>116,127,369</u>	<u>112,365,135</u>	<u>111,607,595</u>	<u>106,593,956</u>
Supporting Services										
Pupil Services	10,872,835	10,037,402	9,207,853	8,731,093	8,945,536	7,598,443	6,942,622	6,697,838	6,152,734	5,519,786
Instructional Staff	8,164,040	7,465,344	6,799,895	6,662,428	6,158,842	5,683,219	5,276,881	5,154,804	5,609,025	5,438,652
General Administration	2,165,802	1,695,488	1,674,507	1,481,708	1,438,478	1,583,768	1,518,087	1,420,629	1,333,149	1,395,361
School Administration	19,653,436	17,932,250	17,424,037	16,740,051	16,024,503	14,900,074	14,547,980	13,982,790	13,013,134	14,920,089
Business Support Services	2,616,391	2,437,315	2,315,769	2,354,885	2,299,608	2,231,064	2,144,004	2,075,844	2,002,070	1,976,424
Operations & Maintenance	19,764,054	18,460,826	18,224,525	17,609,670	17,720,832	17,184,956	16,153,804	16,117,306	15,360,738	15,524,046
Risk Management Services	2,272,438	2,344,536	2,822,781	2,974,860	2,398,148	2,653,089	2,434,238	2,420,629	2,893,838	2,768,505
Central Support Services	3,004,323	1,994,917	1,818,148	1,687,693	1,716,160	1,479,057	1,406,955	1,341,764	1,451,619	1,597,606
Community Services	791,143	340,024	442,019	664,704	761,507	529,647	738,458	804,655	392,963	234,912
Total Support Services	<u>69,304,462</u>	<u>62,708,102</u>	<u>60,729,534</u>	<u>58,907,092</u>	<u>57,463,614</u>	<u>53,843,317</u>	<u>51,163,029</u>	<u>50,016,259</u>	<u>48,209,270</u>	<u>49,375,381</u>
Other Financing Uses	<u>20,741,699</u>	<u>19,732,078</u>	<u>18,302,694</u>	<u>13,740,652</u>	<u>13,401,150</u>	<u>12,077,654</u>	<u>10,037,654</u>	<u>8,836,038</u>	<u>9,648,768</u>	<u>11,159,402</u>
Total Expenditures and Other Uses	<u>\$ 240,352,753</u>	<u>\$ 222,531,148</u>	<u>\$ 214,734,837</u>	<u>\$ 203,379,098</u>	<u>\$ 198,987,314</u>	<u>\$ 186,456,158</u>	<u>\$ 177,328,052</u>	<u>\$ 171,217,432</u>	<u>\$ 169,465,633</u>	<u>\$ 167,128,739</u>

Source: School District Financial Records/Financial Audits

Table 5

Revenues/Sources vs Expenditures/Uses

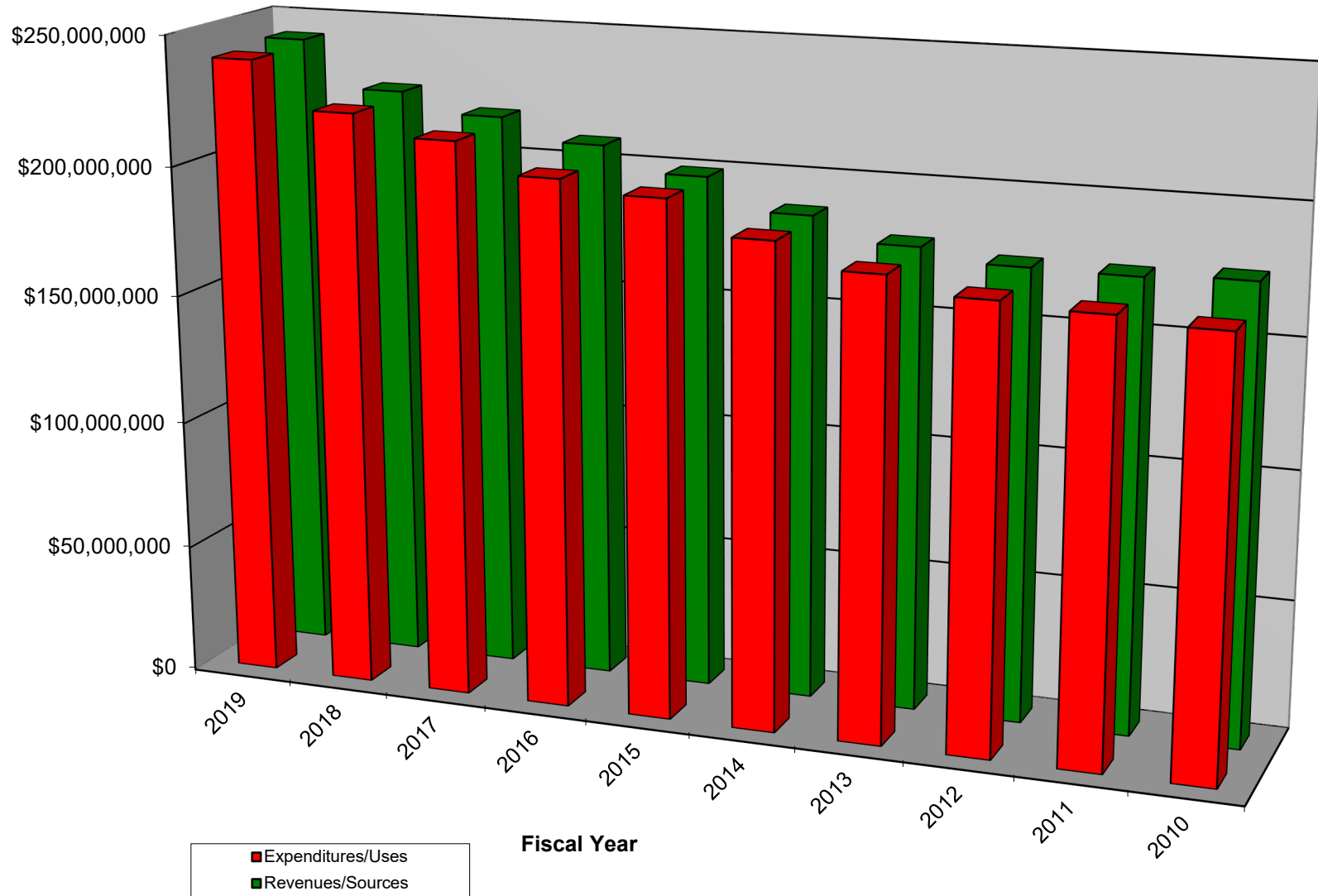


Table 6.1

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

	<u>Asset Sufficiency Ratio</u>	<u>Debt Burden Ratio</u>	<u>Operating Reserve Ratio</u>	<u>Operating Margin Ratio</u>	<u>Deficit Fund Balance Ratio</u>	<u>Change in Fund Balance Ratio</u>
2019	2.956	1.101	0.2017	0.008	0.000	0.040
2018	2.776	0.953	0.2096	0.008	0.000	0.040
2017	2.801	11.483	0.2089	0.010	0.000	0.051
2016	2.742	11.872	0.2100	0.025	0.000	0.141
2015	2.441	11.532	0.1881	0.002	0.000	0.011
2014	2.639	10.620	0.1990	0.006	0.000	0.032
2013	2.582	10.120	0.2020	0.009	0.000	0.045
2012	2.554	9.370	0.2010	0.018	0.000	0.100
2011	2.497	7.484	0.1840	0.026	0.000	0.173
2010	2.292	7.239	0.1590	0.049	0.000	0.473

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

Table 6.2

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

2019	<u>73,245,791</u> 24,778,425	=	2.956
2018	<u>72,851,568</u> 26,245,515	=	2.776
2017	<u>69,714,254</u> 24,891,950	=	2.801
2016	<u>67,157,147</u> 24,493,022	=	2.742
2015	<u>63,359,810</u> 25,961,032	=	2.441
2014	<u>59,585,804</u> 22,577,337	=	2.639
2013	<u>58,512,894</u> 22,657,862	=	2.582
2012	<u>56,398,584</u> 22,082,929	=	2.554
2011	<u>52,044,950</u> 20,840,294	=	2.497
2010	<u>47,186,289</u> 20,585,766	=	2.292

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

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

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

Negative Indicators: ASR < 1.0 (liabilities exceed assets)

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

Table 6.3

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

2019	$\frac{25,533,705}{23,184,165}$	=	1.101
2018	$\frac{24,374,117}{25,571,429}$	=	0.953
2017*	$\frac{238,709,721}{20,787,395}$	=	11.483
2016	$\frac{228,886,022}{19,279,428}$	=	11.872
2015	$\frac{216,896,585}{18,808,324}$	=	11.532
2014	$\frac{205,634,376}{19,364,299}$	=	10.619
2013	$\frac{178,667,429+17,842,781+482,120}{11,195,897+8,268,385}$	=	10.121
2012	$\frac{174,153,431+20,502,196+666,075}{12,694,821+8,150,644}$	=	9.370
2011	$\frac{173,894,766+24,603,063+456,096}{17,279,237+9,304,294}$	=	7.484
2010	$\frac{175,497,042+287,985+27,372,699}{19,717,410+8,348,708}$	=	7.239

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

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

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

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

Table 6.4

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

2019	$\frac{48,467,366}{219,611,054+20,741,699}$	=	0.202
2018	$\frac{46,606,053}{202,799,070+19,532,078}$	=	0.210
2017	$\frac{44,822,304}{196,432,143+18,102,694}$	=	0.209
2016	$\frac{42,664,125}{189,638,446+13,540,652}$	=	0.210
2015	$\frac{37,398,778}{185,586,164+13,201,150}$	=	0.188
2014	$\frac{37,008,467}{174,378,504+11,877,654}$	=	0.199
2013	$\frac{35,855,032}{167,290,398+9,837,654}$	=	0.202
2012	$\frac{34,315,655}{162,381,394+8,661,038}$	=	0.201
2011	$\frac{31,204,656}{159,816,865+9,473,768}$	=	0.184
2010	$\frac{26,600,523}{155,969,337+10,984,402}$	=	0.159

Formula:
$$\frac{\text{General Fund Fund Balance}}{\text{Total General Fund Expenditures +/- Transfer}}$$

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

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

Negative Indicators: ORR < .0192

The District's general fund balance can cover approximately 10.5 weeks of operating expenses.

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

Table 6.5

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

2019	$\frac{242,214,066 - (219,611,054 + 20,741,699)}{242,214,066}$	=	0.008
2018	$\frac{224,114,897 - (202,799,070 + 19,532,078)}{224,114,897}$	=	0.008
2017	$\frac{216,693,016 - (196,432,143 + 18,102,694)}{216,693,016}$	=	0.010
2016	$\frac{208,444,445 - (189,638,446 + 13,540,652)}{208,444,445}$	=	0.025
2015	$\frac{199,177,625 - (185,586,164 + 13,201,150)}{199,177,625}$	=	0.002
2014	$\frac{187,409,593 - (174,378,504 + 11,877,654)}{187,409,593}$	=	0.006
2013	$\frac{178,667,429 - (167,290,398 + 9,837,654)}{178,667,429}$	=	0.009
2012	$\frac{174,153,431 - (162,381,394 + 8,661,038)}{174,153,431}$	=	0.018
2011	$\frac{173,894,766 - (159,816,865 + 9,473,768)}{173,894,766}$	=	0.026
2010	$\frac{175,497,042 - (155,969,337 + 10,984,402)}{175,497,042}$	=	0.049

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

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

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

Negative Indicators: OMR < 0.00

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

Table 6.6

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

2019	No deficit fund balances.	=	0.000
2018	No deficit fund balances.	=	0.000
2017	No deficit fund balances.	=	0.000
2016	No deficit fund balances.	=	0.000
2015	No deficit fund balances.	=	0.000
2014	No deficit fund balances.	=	0.000
2013	No deficit fund balances.	=	0.000
2012	No deficit fund balances.	=	0.000
2011	No deficit fund balances.	=	0.000
2010	No deficit fund balances.	=	0.000

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

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

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

Negative Indicators: Deficit fund balances.

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

Table 6.7

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

2019	$\frac{48,467,366-46,606,053}{ 46,606,053 }$	=	0.040
2018	$\frac{46,606,053-44,822,304}{ 44,822,304 }$	=	0.040
2017	$\frac{44,822,304-42,664,125}{ 42,664,125 }$	=	0.051
2016	$\frac{42,664,125-37,398,778}{ 37,398,778 }$	=	0.141
2015	$\frac{37,398,778-37,008,467}{ 37,008,467 }$	=	0.011
2014	$\frac{37,008,467-35,855,032}{ 35,855,032 }$	=	0.032
2013	$\frac{35,855,032-34,315,655}{ 34,315,655 }$	=	0.045
2012	$\frac{34,315,655-31,204,656}{ 31,204,656 }$	=	0.100
2011	$\frac{31,204,656-26,600,523}{ 26,600,523 }$	=	0.173
2010	$\frac{26,600,523-18,057,221}{ 18,057,221 }$	=	0.473

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

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

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

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

In 2009 the district attained a positive fund balance ratio and has maintained a positive ratio into 2019.

Revenue Capacity

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

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

Table 7

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

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>
Revenue from Local Sources									
Property Taxes	\$ 42,765,693	17.7%	\$ 41,449,839	18.5%	\$ 39,709,715	18.1%	\$ 38,635,660	18.5%	\$ 36,336,766
Property Taxes - MLO	26,620,538	11.0%	26,645,858	11.9%	26,727,613	12.5%	26,625,318	12.8%	26,771,674
Specific Ownership Taxes	11,930,761	4.9%	11,883,278	5.3%	10,885,843	5.0%	9,472,082	4.5%	8,685,655
Interest on Investments	1,710,952	0.7%	996,328	0.4%	494,563	0.2%	182,887	0.1%	58,326
Other Local Revenue	3,621,600	1.5%	3,200,473	1.4%	3,004,799	1.4%	2,807,690	1.3%	2,789,174
Total Local Sources	86,649,545	35.8%	84,175,776	37.5%	80,822,532	37.3%	77,723,637	37.3%	74,641,595
Revenue From State Sources									
Equalization Aid - General Fund	141,844,833	58.6%	130,229,064	58.1%	126,299,327	58.2%	121,708,205	58.3%	115,576,439
Amendment 23 Revenue *	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Other State Aid	10,179,483	4.2%	6,468,569	2.9%	6,323,188	2.9%	6,116,180	2.9%	5,820,766
Total State Sources	152,024,316	62.8%	136,697,633	60.9%	132,622,515	61.1%	127,824,385	61.3%	121,397,205
Revenue from Federal Sources									
ARRA & Education Job Funds **	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Impact Aid -7002	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Impact Aid -7003	1,789,068	0.7%	1,755,958	0.8%	1,651,732	0.8%	1,416,792	0.7%	1,736,350
Other Federal Aid	1,751,137	0.7%	1,485,530	0.7%	1,596,237	0.7%	1,479,631	0.7%	1,402,475
Total Federal Sources	3,540,205	1.5%	3,241,488	1.4%	3,247,969	1.5%	2,896,423	1.4%	3,138,825
Total Revenue	242,214,066	100.0%	224,114,897	99.9%	216,693,016	99.9%	208,444,445	99.9%	199,177,625
Other Sources	-	0.0%	200,000	0.1%	200,000	0.1%	200,000	0.1%	200,000
Total Revenue and Other Sources	\$ 242,214,066	100.0%	\$ 224,314,897	100.0%	\$ 216,893,016	100.0%	\$ 208,644,445	100.0%	\$ 199,377,625

Source: School District Financial Records/Financial Audits

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

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

<u>2014</u>			<u>2013</u>			<u>2012</u>			<u>2011</u>			<u>2010</u>			
18.2%	\$	35,845,621	19.1%	\$	35,812,807	20.0%	\$	35,441,168	20.3%	\$	37,867,152	21.8%	\$	37,928,686	21.6%
13.4%		25,535,958	13.6%		24,805,851	13.9%		22,039,108	12.6%		20,599,267	11.8%		17,920,786	10.2%
4.4%		8,173,602	4.4%		7,582,020	4.2%		7,343,290	4.2%		7,587,257	4.4%		7,914,003	4.5%
0.0%		50,780	0.0%		78,017	0.0%		50,505	0.0%		60,572	0.0%		80,890	0.0%
1.4%		3,088,538	1.6%		2,696,590	1.5%		2,224,420	1.3%		2,122,843	1.2%		3,522,890	2.0%
37.4%		72,694,499	38.7%		70,975,285	39.7%		67,098,490	38.5%		68,237,091	39.2%		67,367,255	38.3%
58.0%		107,613,303	57.4%		101,120,601	56.5%		99,199,268	56.9%		94,490,255	54.3%		101,882,903	58.0%
0.0%		-	0.0%		-	0.0%		-	0.0%		-	0.0%		1,449,286	0.5%
2.9%		5,126,024	2.7%		4,238,350	2.4%		3,805,278	2.2%		3,752,522	2.2%		2,767,132	1.9%
60.9%		112,739,327	60.1%		105,358,951	58.9%		103,004,546	59.1%		98,242,777	56.4%		106,099,321	60.4%
0.0%		-	0.0%		-	0.0%		-	0.0%		5,706,984	3.3%		-	0.0%
0.0%		-	0.0%		-	0.0%		1,726,624	1.0%		-	0.0%		-	0.0%
0.9%		1,350,506	0.7%		1,661,838	0.9%		1,753,300	1.0%		1,585,646	0.9%		1,471,673	0.8%
0.7%		625,261	0.3%		671,355	0.4%		570,470	0.3%		122,268	0.1%		558,793	0.3%
1.6%		1,975,767	1.1%		2,333,193	1.3%		4,050,394	2.3%		7,414,898	4.3%		2,030,466	1.2%
99.9%		187,409,593	99.9%		178,667,429	99.9%		174,153,431	99.9%		173,894,766	99.9%		175,497,042	99.9%
0.1%		200,000	0.1%		200,000	0.1%		175,000	0.1%		175,000	0.1%		175,000	0.1%
100.0%	\$	187,609,593	100.0%	\$	178,867,429	100.0%	\$	174,328,431	100.0%	\$	174,069,766	100.0%	\$	175,672,042	100.0%

Table 8

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

Assessment Year	Collection Year	Assessed Values						Total Taxable Assessed Value	Total Direct Tax Rate	Total Market (Actual) Value	Taxable Assessed Value as a Percentage of Market Value	Assessment Rates	
		Residential Property	Commercial Property	Industrial, Agricultural and Natural Resources	State Assessed, Vacant Land, and Other	Tax Increment Financing (TIF) ¹						Residential	Commercial
2018	2019	\$ 903,922,170	\$ 586,038,230	\$ 27,063,720	\$ 93,068,910	\$ (22,778,100)		1,587,314,930	6.0216	\$ 14,989,315,582	10.59%	7.20%	29.00%
2017	2018	\$ 866,566,880	\$ 575,323,350	\$ 30,269,360	\$ 94,968,000	\$ (21,964,700)		1,545,162,890	6.0216	\$ 14,451,155,459	10.69%	7.96%	29.00%
2016	2017	836,138,880	515,185,460	29,228,410	87,701,960	(14,853,650)		1,453,401,060	6.0216	12,684,073,131	11.46%	7.96%	29.00%
2015	2016	814,407,310	506,356,350	34,321,450	90,393,210	(12,686,590)		1,432,791,730	6.0216	12,407,455,105	11.55%	7.96%	29.00%
2014	2015	738,193,530	483,354,510	32,312,930	88,795,620	(7,627,170)		1,335,029,420	6.0216	11,358,361,928	11.75%	7.96%	29.00%
2013	2014	723,536,870	469,496,790	32,027,760	88,568,220	(4,920,740)		1,308,708,900	6.0216	11,124,683,125	11.76%	7.96%	29.00%
2012	2013	721,209,240	460,779,790	32,879,360	88,629,600	(693,740)		1,302,804,250	6.0216	11,068,481,302	11.77%	7.96%	29.00%
2011	2012	709,404,130	464,087,280	34,098,810	96,774,950	(708,400)		1,303,656,770	6.0216	10,963,874,278	11.89%	7.96%	29.00%
2010	2011	749,077,530	499,890,100	34,803,310	111,140,840	(606,510)		1,394,305,270	6.0216	11,637,693,307	11.98%	7.96%	29.00%
2009	2010	737,081,050	504,666,510	39,824,030	119,502,810	-		1,401,074,400	6.0216	11,549,597,980	12.13%	7.96%	29.00%

Source: El Paso County Treasurer's Office

Notes:

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

"7.20% is the Current Assessment Rate for residential property, set by the State Legislature, not the percentage of Increase or Decrease in market value. This is the percentage of the estimated Market value upon which your property tax is calculated."
<http://asr.elpasoco.com/Pages/AbstractofAssessment.aspx>

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

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

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

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

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

Table 9

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

<u>Taxing Authority</u>	<u>Collection Year</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Academy School District Twenty										
General Fund	26.952	26.952	26.952	26.952	26.952	26.952	26.952	26.952	26.952	26.952
S.B. 184 ⁽¹⁾	0.432	0.204	0.447	0.356	0.519	0.184	0.505	0.587	0.389	0.756
Voter Approved Override	16.851	17.312	18.405	18.670	20.036	19.608	19.121	16.887	15.073	12.965
Debt Service Fund	<u>15.981</u>	<u>15.748</u>	<u>14.412</u>	<u>14.238</u>	<u>12.709</u>	<u>13.472</u>	<u>13.638</u>	<u>15.790</u>	<u>17.802</u>	<u>19.543</u>
District Total	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216
El Paso County	8.068	7.965	7.919	7.869	7.791	7.714	7.663	7.597	7.882	7.531
Cities & Towns										
Colorado Springs	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279
Monument	6.289	6.225	6.289	6.255	6.289	6.289	6.289	6.289	6.289	6.289
Fire Districts										
Black Forest	10.052	10.114	10.178	10.237	10.356	10.382	10.379	10.406	6.275	6.322
Donald Westcott	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Falcon	14.886	8.612	8.612	8.612	8.612	8.612	8.612	8.612	5.712	5.712
Tri-Lakes	18.400	18.100	11.500	11.500	11.500	11.500	11.500	8.500	8.500	8.500
Sanitation Districts										
Monument	-	-	-	-	-	-	-	-	-	-
Water Districts										
Park Forest	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437
SE Colo Water Cons.	0.944	0.939	0.940	0.941	0.940	0.940	0.944	0.947	0.947	0.940
Upper Black Squirrel	1.065	1.065	1.063	1.057	1.082	1.082	1.082	1.082	1.082	0.682
Sanitation & Water Districts										
Academy ⁽²⁾	2.937	2.937	2.937	2.937	2.937	2.937	24.755	24.950	24.150	23.637
Donala- Area A	21.296	21.296	21.296	21.296	21.296	21.296	21.296	16.296	16.296	16.296
Special Districts										
Brgte Ctr BID	39.000	39.000	39.000	45.000	45.000	45.000	45.000	35.674	25.000	25.000
CS Brgte Gn Imp	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000
Briargate	4.409	4.409	4.409	4.409	4.409	4.409	4.409	4.409	4.409	4.409
CS Cottonwood	-	-	-	-	-	6.500	6.500	6.500	6.500	7.000
Norwood	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935
Woodstone	3.615	3.615	3.615	3.615	3.615	3.615	3.615	3.615	3.615	3.615
Metropolitan Districts										
Fly Horse Rch # 2	43.237	43.224	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Fly Horse Rch # 3	41.581	41.653	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Pikes Peak Library District	4.000	3.812	3.957	3.857	4.000	4.000	4.000	3.999	3.556	3.468

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

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

⁽²⁾Confirmed reduction in mill levy due to bond payoff.

Table 10

ACADEMY SCHOOL DISTRICT TWENTY
Principal Taxpayers
(Based on Property Valuation)
Current Year and Nine Years Ago As of June 30, 2019

<u>Taxpayer</u>	<u>Assessed Valuation(1)</u>	<u>% of Total Assessed Valuation</u>	<u>Taxes Assessed</u>	<u>El Paso County Tax Credit</u>
Wal-Mart Real Estate (Retail)	35,726,300	2.25%	2,596,354	\$ (228,153)
Great Wolf Lodge of Colorado LLC (C/O Property Tax Service Company)	14,735,500	0.93%	1,841,936	\$ (55,520)
Progressive Direct Insurance CO (Insurance)	12,820,450	0.81%	993,675	\$ -
T Rowe Price Assoc (Financial Investing)	11,213,870	0.71%	869,153	\$ -
IMI Colorado Springs LLC (Property Management - Miller Capital Advisory))	10,223,000	0.64%	1,768,523	\$ (355)
QWEST Corporation (Network and Exchange Services)	9,039,000	0.57%	544,292	\$ -
Chapel Hills Reality LLC (Property Management)	8,213,420	0.52%	636,598	\$ -
Dar Briargate LLC (Property Management)	7,860,130	0.50%	609,215	\$ -
United Services Automobile Assoc (c/o Deloitte & Touche - Insurance Co)	7,335,090	0.46%	568,521	\$ -
Realty Income Properites 7 LLC (Dividend & Leasing Company)	6,705,630	0.42%	600,201	\$ -
TOTAL	\$ 123,872,390	7.80%	\$ 11,028,468	\$ (284,028)

Source: El Paso County Treasurer's Office

Note: 1. Based upon 2018 assessment for taxes due in 2019

2. Total Assessed valuation = \$ 1,587,314,930

**Principal Taxpayers
(Based on Property Valuation)
As of June 30, 2010**

<u>Taxpayer</u>	<u>Assessed Valuation(1)</u>	<u>% of Total Valuation</u>	<u>Taxes Assessed</u>	<u>El Paso County Tax Credit</u>
Chapel Hills Mall LLC (Property Management)	15,988,170	1.14%	1,221,938	(102)
Progressive Casualty Insurance CO (Insurance)	13,755,510	0.98%	1,147,677	-
Mack Briargate LLC (Property Management)	10,879,640	0.78%	831,574	-
T Rowe Price Assoc (Financial Investing)	10,788,690	0.77%	824,623	-
Digital Equipment Corp (Technology)	9,616,450	0.69%	735,024	-
Colorado Springs Office Buildings, INC. (Property Management)	9,246,660	0.66%	706,759	-
Dar Briargate LLC Overland Briargate LLC (Property Management)	9,157,490	0.65%	699,944	-
Oracle Corporation (Technology)	8,967,190	0.64%	724,411	(23,758)
Wal-Mart Real Estate (Retail)	8,520,600	0.61%	698,782	(8,317)
TOTAL	\$ 96,920,400	6.92%	\$ 7,590,732	\$ (32,177)

Source: El Paso County Treasurer's Office

Note: 1. Based upon 2009 assessment for taxes due in 2010.

2. Total District assessed value = \$ 1,401,074,400

Table 11

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

<u>Tax Year</u>	<u>Collection Year</u>	<u>Current Tax Levy(1)</u>	<u>Current Tax Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collection (2)</u>	<u>Total Tax Collection</u>	<u>Percent of Total Collection to Levy</u>
2018	2019	\$ 70,214,876	\$ 68,105,730	97.0%	63,916	\$ 68,169,646	97.1%
2017	2018	\$ 68,710,303	\$ 67,764,535	98.6%	102,753	\$ 67,867,288	98.8%
2016	2017	66,571,582	65,876,785	99.0%	78,226	65,955,011	99.1%
2015	2016	65,876,899	64,263,537	97.6%	66,252	64,329,788	97.7%
2014	2015	63,423,242	61,918,457	97.6%	655,318	62,573,775	98.7%
2013	2014	61,174,323	59,586,505	97.4%	137,932	59,724,437	97.6%
2012	2013	60,682,016	58,985,694	97.2%	162,012	59,147,706	97.5%
2011	2012	57,916,263	55,969,415	96.6%	129,629	56,099,044	96.9%
2010	2011	59,138,066	57,112,089	96.6%	114,203	57,226,292	96.8%
2009	2010	56,985,905	54,639,358	95.9%	112,092	54,751,450	96.1%

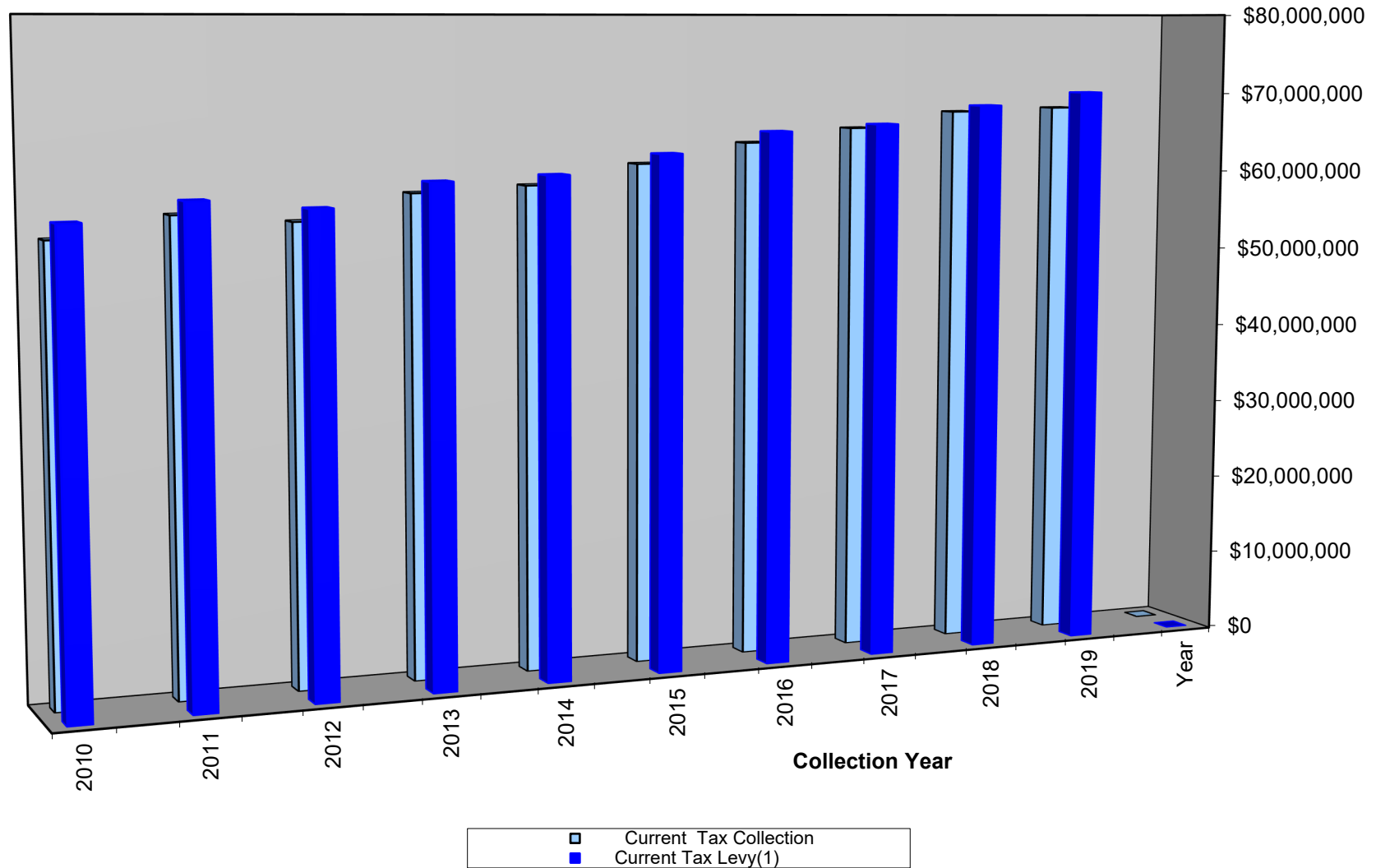
Source: El Paso County Treasurer's Office
County Treasurer's Report to School Districts (Monthly Reports July 30, 2018 through June 30, 2019)

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

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

Table 11

Property Tax Levy vs. Collections



Debt Capacity

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

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

Table 12

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

Fiscal Year	Governmental Activities			Total Primary Government	Assessed Valuation (3)	Percent of Debt to Assessed Value (4)	District Population(5)	Total Debt Per Capita	Personal Income (6)	Total Debt as % Personal Income	October Funded Pupil Count (7)	Total Debt per Pupil
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases (2)									
2019	\$ 264,759,274	\$ -	\$ -	\$ 264,759,274	\$ 1,587,314,930	16.68%	111,192	\$ 2,381	5,324,611,536	4.97%	24,330.6	\$ 10,882
2018	280,230,047	-	-	280,230,047	1,545,162,890	18.14%	111,192	2,520	5,228,099,125	5.36%	24,330.6	11,518
2017	287,812,320	-	-	287,812,320	1,453,401,060	19.80%	110,249	2,611	4,820,772,705	5.97%	24,124.2	11,930
2016	119,090,354	-	-	119,090,354	1,432,791,730	8.31%	108,318	1,099	4,660,078,271	2.56%	23,701.6	5,025
2015	133,657,056	1,265,000	-	134,922,056	1,335,029,420	10.11%	106,512	1,267	4,333,319,057	3.11%	23,306.4	5,789
2014	148,961,994	1,965,000	-	150,926,994	1,308,708,900	11.53%	106,151	1,422	4,377,178,513	3.45%	23,227.4	6,498
2013	153,969,150	2,606,223	-	156,575,373	1,302,804,250	12.02%	103,836	1,508	4,281,729,133	3.66%	22,720.9	6,891
2012	165,416,371	3,227,449	-	168,643,820	1,303,656,770	12.94%	102,543	1,645	4,228,398,088	3.99%	22,437.9	7,516
2011	178,290,291	3,818,675	-	182,108,966	1,394,305,270	13.06%	100,032	1,821	4,124,864,250	4.41%	21,888.5	8,320
2010	193,717,743	4,389,901	-	182,824,364	1,401,074,400	13.05%	97,718	1,871	4,029,452,560	4.54%	21,382.2	8,550

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

Notes:

- (1) Bonded debt is net of premiums, discounts, deferred losses on refunding, and accreted interest. Prior years 2008 to 2012 were restated to conform with current year presentation.
- (2) In May 2005, the District entered into a ten-year lease agreement to finance the purchase and renovation of a new administrative building. The lease was paid off early, after 5 years, in 2010.
- (3) Based upon 2018 assessment for taxes due 2019.

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

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

\$10,000 (Market Value) x 29% (Assessment Rate) = \$2,900 (Assessed Value)

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

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

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

ACADEMY SCHOOL DISTRICT TWENTY
Computation of Direct and Overlapping Debt
General Obligation Bonded Debt
As of June 30, 2019
(Unaudited)

	2018 Assessed Valuation ⁽³⁾	Outstanding General Obligation Debt	Outstanding General Attributable to the District ⁽⁴⁾ Percent	Obligation Debt Debt
Direct Debt:				
Academy School District 20 (Direct Debt)	\$ 1,587,314,930	\$ 264,759,274	100%	264,759,274
			Subtotal Direct Debt	264,759,274
Overlapping Debt⁽¹⁾⁽²⁾:				
Allison Valley Metropolitan District No. 1 ⁽⁵⁾	\$ 1,158,260	\$ 2,230,709	100%	\$ 2,230,709
Allison Valley Metropolitan District No. 2 ⁽⁵⁾	6,102,770	5,711,179	100%	5,711,179
Black Forest Fire/Rescue Protection District	241,080,680	385,000	76.69%	295,257
Briargate Center Business Improvement District	12,207,740	3,198,359	100%	3,198,359
Cathedral Pines Metropolitan District	11,288,430	4,600,000	100%	4,600,000
Colorado Crossing Metropolitan Districts No. 2 ⁽⁵⁾	762,050	14,781,000	100%	14,781,000
City of Colorado Springs Briargate G.I.D.	103,123,090	7,180,000	100%	7,180,000
Copper Ridge Metropolitan District	1,976,370	16,170,000	100%	16,170,000
Flying Horse Metropolitan District No. 2 ⁽⁵⁾	52,796,370	22,715,000	100%	22,715,000
Flying Horse Metropolitan District No. 3 ⁽⁵⁾	16,686,320	17,800,000	100%	17,800,000
Interquest North Business Improvement District ⁽⁵⁾	25,406,250	10,660,000	100%	10,660,000
Interquest South Business Improvement District ⁽⁵⁾	17,037,320	4,000,000	100%	4,000,000
Morningview Metropolitan District ⁽⁵⁾	1,882,080	1,187,000	100%	1,187,000
Old Ranch Metropolitan District ⁽⁶⁾	220	7,424,000	100%	7,424,000
Southeastern Colorado Water Conservancy District ⁽⁷⁾	8,475,210,160	19,078,438	16.21%	3,092,615
Sterling Ranch Metropolitan District No. 2 ⁽⁸⁾	125,380	13,365,000	97.84%	13,076,316
Triview Metropolitan District	83,183,850	45,100,000	3.60%	1,623,600
Upper Cottonwood Creek Metro. Dist. No. 2 ⁽⁵⁾	22,351,970	9,740,000	100%	9,740,000
Wildwood Ridge Metropolitan District ⁽⁵⁾	1,215,350	747,341	100%	747,341
Woodmen Road Metropolitan District ⁽⁵⁾	179,168,730	13,235,000	6.48%	857,628
			Subtotal Overlapping Debt	147,090,003
TOTAL		GRAND TOTAL - Direct and Overlapping Debt		411,849,277

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

(2) Pursuant to a funding agreement, Woodmen Heights Metropolitan Districts Nos. 2 and 3 impose a required mill levy to support the limited tax supported revenue bonds issued by Woodmen Heights Metropolitan District No. 1 and currently outstanding in the amount of \$35,779,896. Woodmen Heights Metropolitan District No. 1 does not overlap the District; however, Woodmen Heights Metropolitan Districts Nos. 2 and 3 do. The 2018 assessed values of Woodmen Heights Metropolitan Districts Nos. 2 and 3 are \$43,431,890 and \$2,379,650, respectively.

(3) Assessed values certified in 2018 are for collection of ad valorem property taxes in 2019.

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

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

(6) Pursuant to an intergovernmental agreement, Upper Cottonwood Creek Metropolitan District ("UCCMD"), which overlaps the District, has pledged a portion of its mill levy to repay the general obligation debt issued by Old Ranch Metropolitan District. The 2018 assessed value of UCCMD is \$19,084,050.

(7) Estimated debt as of December 31, 2018, most recent figure available. Southeastern Colorado Water Conservancy District ("SCWCD") is comprised of portions of nine Colorado counties and its debt consists of a contractual obligation with the United States Bureau of Reclamation for payment of the reimbursable costs of the Frypan-Arkansas Project. The project's primary purpose is to divert water from the Colorado River tributaries for use in water-short areas. Revenues to meet payments are provided via an ad valorem mill levy applied against property within the nine counties and via fees charged for sale and storage of water. SCWCD dedicates nine-tenths of its mill levy to the contractual obligation.

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

Sources: Assessors' Offices of Bent, Chaffee, Crowley, El Paso, Fremont, Kiowa, Otero, Prowers, and Pueblo Counties; and information obtained from

Table 14

ACADEMY SCHOOL DISTRICT TWENTY										
Computation of Legal Debt Margin										
As of June 30, 2019										
(Unaudited)										
	2019 ⁽¹⁾	2018 ⁽¹⁾	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 317,462,986	\$ 309,032,578	\$ 290,680,212	\$ 286,307,462	\$ 267,005,884	\$ 261,741,780	\$ 260,560,850	260,731,354	278,861,054	280,214,880
Total net debt applicable to limit	237,550,000	249,810,000	255,415,000	107,014,342	119,091,406	131,181,697	139,104,508	149,660,405	161,745,226	178,434,463
Legal debt margin	79,912,986	59,222,578	35,265,212	179,293,120	147,914,478	130,560,083	121,456,342	111,070,949	117,115,828	101,780,417
Total bonded debt as a percentage of debt limit	74.83%	80.84%	87.87%	37.38%	44.60%	50.12%	53.39%	57.40%	58.00%	63.68%

Legal Debt Margin Calculation for Fiscal Year 2018/2019

Estimated Property Market Value----2018	\$ 14,989,315,582
Based upon 2017 assessment for taxes due in 2019	\$ 1,587,314,930
20%	
of Assessed Valuation	
Percent of Assessed Valuation	\$ 317,462,986
Less: Bonded Debt June 30, 2019	237,550,000
MAXIMUM LEGAL DEBT MARGIN	\$ 79,912,986

Note (1) The debt margin calculation for 2019 is calculated at 20%, since District 20 does not qualify as a fast growing district. As of 2018 the growth rate was not 2.5% or greater for 3 consecutive years. (CRS 22-42-104)

	Funded Pupil Count ^c	% Growth
Oct-18	24,665.6	1.38%
Oct-17	24,330.6	0.86%
Oct-16	24,124.2	1.78%
Oct-15	23,701.6	1.70%
Oct-14	23,306.4	0.34%
Oct-13	23,227.4	2.23%
Oct-12	22,720.9	1.26%
Oct-11	22,437.9	2.51%
Oct-10	21,888.5	2.37%
Oct-09	21,382.2	2.68%

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

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

Note (2) Funded Pupil Count includes Full Day Kindergarten Factor

Table 15

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

<u>Fiscal Year</u>	<u>General Fund Expenditures</u>	<u>Annual Debt Service(1)</u>	<u>% of Debt Service to Expenditures</u>
2019	\$ 219,611,054	\$ 23,184,165	10.6%
2018	202,799,070	25,571,429	12.6%
2017	196,432,143	20,787,395	10.6%
2016	189,638,446	17,985,988	9.5%
2015	185,586,164	18,318,957	9.9%
2014	174,378,504	18,606,219	10.7%
2013	167,290,398	18,666,719	11.2%
2012	162,381,394	20,087,896	12.4%
2011	159,816,865	25,823,466	16.2%
2010	155,969,337	22,018,769	14.1%

Source: District financial records

Note: 1. Includes principal, interest and fees

Demographic and Economic Information

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

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

Table 16

ACADEMY SCHOOL DISTRICT TWENTY
Demographic Data - El Paso County ⁽¹⁾
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income ⁽²⁾ (thousands of dollars)</u>	<u>Median Household Income ⁽³⁾</u>	<u>Per Capita Income ⁽²⁾</u>	<u>Median Age</u>	<u>District 20 School Enrollment</u>	<u>Unemployment Rate</u>
2019	726,109	\$ 34,770,805	\$ 62,044	47,886	34.3	26,178	4.1%
2018	708,414	33,308,559	61,429	47,019	33.8	25,831	2.8%
2017	698,276	31,907,807	60,821	45,695	33.8	25,591	3.4%
2016	688,284	30,565,961	60,219	44,409	33.6	25,063	4.2%
2015	674,290	29,631,593	58,062	43,945	33.6	24,578	5.0%
2014	662,647	28,142,423	57,487	42,470	33.6	24,481	6.1%
2013	654,993	26,626,735	57,125	40,652	33.8	23,973	8.5%
2012	645,641	26,050,723	57,531	40,349	34.1	23,657	9.4%
2011	636,901	25,242,286	57,079	39,633	34.2	23,119	9.1%
2010	626,950	23,633,803	56,268	37,696	34.3	22,620	9.6%

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

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

Table 17

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

Calendar Year	<u>Property Values-----Assessed</u>			<u>Commercial Construction</u>		<u>Residential Construction</u>		Total Units	Total Construction Value
	Commercial, Industrial, Agricultural	Residential, Public Utility, Other	Total	Units	Estimated Value	Single Family Units	Estimated Value		
2019	\$ 2,198,387,240 (2)	\$ 4,905,170,720 (2)	\$ 7,103,557,960 (2)	1,298 (1)	\$ 404,595,764 (1)	3,856 (1)	\$ 1,516,644,352 (1)	5,154 (1)	\$ 1,921,240,116 (1)
2018	2,179,097,610	4,786,254,180	6,965,351,790	1,245	410,243,104	3,504	1,417,418,973	4,749	1,827,662,077
2017	1,946,823,110	4,595,377,210	6,542,200,320	1,155	391,125,033	3,237	1,360,333,105	4,392	1,751,458,138
2016	1,927,937,240	4,508,220,600	6,436,157,840	1,222	391,403,051	2,739	1,131,190,529	3,961	1,522,593,580
2015	1,883,324,970	4,154,810,190	6,038,135,160	940	142,726,070	2,433	1,032,039,203	3,373	1,174,765,273
2014	1,872,256,030	4,062,568,000	5,934,824,030	878	380,876,383	2,688	1,079,909,778	3,566	1,460,786,161
2013	1,885,551,780	4,070,365,710	5,955,917,490	863	198,027,513	2,216	801,352,986	3,079	999,380,499
2012	1,884,059,810	4,060,728,590	5,944,788,400	672	243,573,323	1,399	496,585,288	2,071	740,158,611
2011	2,065,234,830	4,381,616,240	6,446,851,070	694	74,847,818	1,404	465,349,499	2,098	540,197,317
2010	2,061,225,930	4,371,420,100	6,432,646,030	974	282,021,540	1,105	378,446,473	2,079	660,468,013

Source: Pikes Peak Regional Building Department

<https://www.pprbd.org/permitreps/2018govrep.pdf>

El Paso County Assessor's Office

<https://assessor.elpasoco.com/wp-content/uploads/2018-Abstract-of-Assessment.pdf>

Notes: (1) Unit and construction value data available through January 2019.

(2) Based on 2018 Assessment, Taxes due 2019.

Table 18

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

Employer	2018		2009	
	Rank	Percentage of Total County Employment	Rank	Percentage of Total County Employment
Fort Carson Army Post	1	11.0%	1	9.8%
United States Air Force Academy	2	3.1%	3	2.7%
Schriever Air Force Base ²	3	2.5%	4	2.6%
UCHealth Memorial Health System	4	2.5%	5	2.0%
Peterson Air Force Base	5	2.0%	2	3.5%
Colorado Springs School District 11	6	1.4%	6	1.7%
El Paso County	7	1.2%	10	0.9%
Academy School District 20	8	1.2%	8	1.1%
Penrose-St. Francis Health Services	9	1.1%	7	1.3%
City of Colorado Springs ¹	10	0.9%	9	1.0%
		<u>26.9%</u>		<u>26.6%</u>

Source: City of Colorado Springs - 2018 Comprehensive Annual Financial Report

2018 is the most current CAFR available from City of Colorado Springs, the City's Fiscal Year is from January to December
https://coloradosprings.gov/sites/default/files/inline-images/2018_co_springs_cafr_final.pdf p.279

City Sources: The Colorado Springs Chamber & Economic Development Corporation

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

²Schriever Air Force Base previously known as Falcon Air Force Base

Operating Information

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

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

ACADEMY SCHOOL DISTRICT TWENTY

District Building Information¹

Last Ten Fiscal Years

(Unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
ELEMENTARY SCHOOLS										
Academy Endeavour Elementary (1998)										
Building Square feet	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467
Modular Square feet	7,200	5,760	5,760	5,760	5,760	7,200	7,200	7,200	7,200	7,200
Capacity (students)	723	723	723	723	723	723	723	723	723	723
Enrollment	436	559	574	545	573	609	624	629	622	513
Academy International Elementary (1998)										
Building Square feet	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467	47,467
Modular Square feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment ²	547	590	591	591	600	721	695	728	740	734
Antelope Trails Elementary (1992)										
Building Square feet	48,122	48,122	48,122	48,122	48,122	48,122	48,122	48,122	48,122	48,122
Modular Square feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Capacity (students)	541	541	541	541	541	541	541	541	541	541
Enrollment	342	364	373	388	468	530	530	537	573	581
Chinook Trail Elementary (2007)										
Building Square feet	73,064	73,064	73,064	73,064	73,064	73,064	73,064	73,064	73,064	73,064
Modular Square feet	5,700	5,700	4,275	2,850	2,850	2,850	1,440	1,440	1,440	-
Capacity (students)	710	710	660	610	610	610	560	560	560	510
Enrollment ³	1,026	637	624	864	767	730	590	483	406	363
Discovery Canyon Campus (2005)										
Building Square feet	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Modular Square feet	1,410	1,410	1,410	1,410	1,410	1,410	-	-	-	-
Capacity (students)	560	560	560	560	560	560	510	510	510	510
Enrollment	511	536	524	535	520	525	528	516	528	516
Douglass Valley Elementary (1958)										
Building Square feet	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	318	339	316	309	345	383	387	383	415	371
Edith Wolford Elementary (2004)										
Building Square feet	53,063	53,063	53,063	53,063	53,063	53,063	53,063	53,063	53,063	53,063
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	303	330	320	316	378	392	302	301	359	369
Explorer Elementary (1989)										
Building Square feet	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600
Modular Square feet	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Capacity (students)	517	517	517	517	517	517	517	517	517	517
Enrollment	506	506	495	504	505	517	521	522	529	515
Foothills Elementary (1981)										
Building Square feet	43,046	43,046	43,046	43,046	43,046	43,046	43,046	43,046	43,046	43,046
Modular Square feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Capacity (students)	590	590	590	590	590	590	590	590	590	590
Enrollment	409	432	425	423	414	439	439	430	416	400
Frontier Elementary (1985)										
Building Square feet	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900
Modular Square feet	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Capacity (students)	664	664	664	664	664	664	664	664	664	664
Enrollment	349	447	433	442	429	434	390	417	408	427
High Plains Elementary (1981)										
Building Square feet	41,846	41,846	41,846	41,846	41,846	41,846	41,846	41,846	41,846	41,846
Capacity (students)	468	468	468	468	468	468	468	468	468	468
Enrollment	321	352	335	286	273	380	399	388	378	361
Journey K8										
Building Square feet ⁵	1,732	-	-	-	-	-	-	-	-	-
Modular Square feet	-	1,440	1,440	1,440	-	-	-	-	-	-
Capacity (students)	75	50	50	50	-	-	-	-	-	-
Enrollment	117	114	118	139	181	190	-	-	-	-
Legacy Peak Elementary (2018)										
Building Square feet	64,034	-	-	-	-	-	-	-	-	-
Capacity (students)	540	-	-	-	-	-	-	-	-	-
Enrollment	436	-	-	-	-	-	-	-	-	-
Mountain View Elementary (2004)										
Building Square feet	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500
Modular Square feet	1,400	-	-	-	-	-	-	-	-	-
Capacity (students)	560	510	510	510	510	510	510	510	510	510
Enrollment	620	603	589	572	541	561	580	580	568	595
Pioneer Elementary (1987)										
Building Square feet	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900	47,900
Modular Square feet	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Capacity (students)	614	614	614	614	614	614	614	614	614	614
Enrollment	406	417	408	415	389	413	403	425	476	475
Prairie Hills Elementary (1993)										
Building Square feet	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100
Modular Square feet	4,320	4,320	4,320	5,760	5,760	5,760	5,760	5,760	5,760	5,760
Capacity (students)	664	664	664	664	664	664	664	664	664	664
Enrollment	438	436	445	446	473	498	502	528	548	583
Ranch Creek Elementary (2007)										
Building Square feet	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500
Modular Square feet	4,230	4,230	2,820	1,410	1,410	1,410	-	-	-	-
Capacity (students)	660	660	610	560	560	560	510	510	510	510
Enrollment	540	641	579	549	535	481	497	460	432	378
Rockrimmon Elementary (1972)										
Building Square feet	36,208	36,208	36,208	36,208	36,208	36,208	36,208	36,208	36,208	36,208
Modular Square feet	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Capacity (students)	494	494	494	494	494	494	494	494	494	494
Enrollment	329	338	338	364	351	367	341	344	349	365
School In the Woods (2019)										
Building Square feet	9,820	-	-	-	-	-	-	-	-	-
Modular Square feet	-	5,760	5,760	5,760	5,760	5,760	5,760	4,320	4,320	4,320
Capacity (students)	150	78	78	78	78	78	78	52	52	52
Enrollment	78	78	78	78	78	78	78	52	52	52
The da Vinci Academy Elementary (2004)										
Building Square feet	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500	56,500
Capacity (students)	510	510	510	510	510	510	510	510	510	510
Enrollment	480	484	456	447	447	454	407	397	382	423
Woodmen Roberts Elementary (1990)										
Building Square feet	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100	49,100
Modular Square feet	-	-	-	-	-	-	-	-	-	1,440
Capacity (students)	468	468	468	468	468	468	468	468	468	518
Enrollment	481	485	444	380	350	370	373	367	353	370

ACADEMY SCHOOL DISTRICT TWENTY

District Building Information¹

Last Ten Fiscal Years

(Unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
MIDDLE SCHOOLS										
Challenger Middle (1965)										
Building Square feet	101,793	101,793	101,793	101,793	101,793	101,793	101,793	101,793	101,793	101,793
Modular Square feet	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	5,760	5,760
Capacity (students)	964	964	964	964	964	964	964	964	1,014	1,014
Enrollment	909	913	879	856	810	766	718	720	691	635
Discovery Canyon Campus (2006)										
Building Square feet	114,039	114,039	114,039	114,039	114,039	114,039	114,039	114,039	114,039	114,039
Capacity (students)	850	850	850	850	850	1,000	1,000	1,000	1,000	1,000
Enrollment ³	957	891	912	1,017	960	964	939	903	867	736
Eagleview Middle (1986)										
Building Square feet	137,135	137,135	137,135	137,135	137,135	137,135	137,135	137,135	137,135	137,135
Capacity (students)	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105
Enrollment	1,013	962	986	962	989	958	945	937	976	964
Mountain Ridge Middle (1997)										
Building Square feet	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400
Modular Square feet	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Capacity (students)	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190
Enrollment	992	1,012	1,083	1,147	1,155	1,131	1,066	1,052	1,069	1,094
Aspen Valley Middle School Purchased 2013 ⁴										
Building Square feet	6,106	6,106	6,106	6,106	6,106	6,106	6,106	-	-	-
Building Utilization Capacity (90% of Design)	125	125	125	125	125	125	125	-	-	-
Enrollment	48	41	56	48	46	53	58	-	-	-
Timberview Middle (1988)										
Building Square feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Modular Square feet	5,760	5,760	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Capacity (students)	1,050	1,050	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	1,179	1,156	1,140	1,087	1,038	1,062	1,088	1,076	1,011	1,044
HIGH SCHOOLS										
Village High School										
Building Square feet ⁵	8,682	-	-	-	-	-	-	-	-	-
Modular Square feet	-	2,880	1,440	-	-	-	-	-	-	-
Capacity (students)	140	50	25	-	-	-	-	-	-	-
Enrollment	161	124	88	51	50	44	-	-	-	-
Air Academy High (1959)										
Building Square feet	243,362	243,362	243,362	243,362	243,362	243,362	243,362	243,362	243,362	243,362
Capacity (students)	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Enrollment	1,370	1,362	1,341	1,370	1,335	1,419	1,383	1,388	1,359	1,309
Aspen Valley High (1997)										
Building Square feet	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600
Modular Square feet	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Capacity (students)	150	150	150	150	150	150	150	150	150	150
Enrollment	102	89	113	103	115	97	105	99	88	94
Discovery Canyon Campus (2006)										
Building Square feet	173,418	173,418	173,418	173,418	173,418	173,418	173,418	173,418	173,418	173,418
Capacity (students)	1,148	1,148	1,148	1,148	1,148	1,350	1,350	1,350	1,350	1,350
Enrollment	1,189	1,160	1,196	1,172	1,107	1,020	940	877	775	562
Liberty High (1987)										
Building Square feet	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000	186,000
Modular Square feet	5,740	8,610	8,610	8,610	8,610	8,610	7,200	7,200	7,200	7,200
Capacity (students)	1,498	1,498	1,448	1,448	1,448	1,448	1,398	1,398	1,398	1,398
Enrollment	1,609	1,650	1,548	1,588	1,590	1,591	1,552	1,537	1,532	1,552
Pine Creek High (1998)										
Building Square feet	192,530	192,530	192,530	192,530	192,530	192,530	192,530	192,530	192,530	192,530
Modular Square feet	1,400	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Capacity (students)	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340
Enrollment	1,641	1,609	1,579	1,504	1,504	1,479	1,453	1,462	1,409	1,509
Rampart High (1982)										
Building Square feet	213,100	213,100	213,100	213,100	213,100	213,100	213,100	213,100	213,100	213,100
Capacity (students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	1,661	1,718	1,694	1,646	1,623	1,531	1,595	1,589	1,584	1,652
OTHER PROGRAMS										
Home School Academy										
Building Square feet ⁵	10,606	-	-	-	-	-	-	-	-	-
Robotics										
Building Square feet ⁵	852	-	-	-	-	-	-	-	-	-
Coding/Cyber Security										
Building Square feet ⁵	1,543	-	-	-	-	-	-	-	-	-
ADMINISTRATION BUILDINGS										
Education and Administration Center (EAC)										
Building Square feet	112,792	112,792	112,792	112,792	112,792	112,792	112,792	112,792	112,792	112,792
Maintenance										
Square feet	13,059	13,059	13,059	13,059	13,059	13,059	13,059	13,059	13,059	13,059
Transportation/Warehouse										
Building Square feet	35,966	35,966	35,966	35,966	35,966	35,966	35,966	35,966	35,966	35,966
Modular Square feet	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Woodmen Center (sold 2009)										
Square feet	-	-	-	-	-	-	-	-	11,016	11,016
Total Modular Square feet	72,680	85,590	77,040	77,040	75,600	77,040	71,400	69,960	71,400	71,400
Total Building Square feet	2,789,672	2,679,344	2,679,344	2,679,344	2,679,344	2,679,344	2,679,344	2,673,238	2,673,238	2,673,238
Total Square Feet	2,862,352	2,764,934	2,756,384	2,756,384	2,754,944	2,756,384	2,750,744	2,743,198	2,744,638	2,744,638

Source: District Facilities Maintenance Office and CDE Data Summary Report

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

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

² Enrollment included Briargate Preschool students until 2015

³ Enrollment included Home School Academy Enrollment until 2017

⁴ Previously "Summit Middle School"

⁵ Housed in Center for Modern Learning

Table 20

ACADEMY SCHOOL DISTRICT TWENTY
Schedule of Insurance Policies
as of July 1, 2018
(unaudited)

<u>Company</u>	<u>Policy Number</u>	<u>Policy Period</u> <u>From</u> <u>To</u>		<u>Coverage Details</u>
Affiliated FM Insurance Company	ER377	7/1/2018	6/30/2019	Facility/Property Coverages Building and Contents (\$785,485,568) Boiler and Machinery Extra Expense Earthmovement (Included in property) Flood (Included in property)
AIG Specialty Insurance Company	3695600	7/1/2018	6/30/2021	Pollution
American Alternative Insurance	GPPAPF605652901	7/1/2018	6/30/2019	General Liability/Wrongful Acts Damage to premises district rented Employee Benefit Liability
American Alternative Insurance Corp.	GPPAPF605652901	7/1/2018	6/30/2019	Educators Legal Liability
American Alternative Insurance Corp.	GPPAPF605652901	7/1/2018	6/30/2019	Auto Coverages Auto Liability Medical Pay (replaces PIP) Auto Physical Damage Hired/Borrowed Vehicles - liability
Traveler's Casualty & Surety Co of America	105798183	7/1/2018	6/30/2021	Crime Coverages (including faithful performance and dishonesty) Forgery, Alteration, Computer Fraud Theft, Disappearance, Destruction Secretary & Treasurer/Statutory Bond
ACE American Insurance Co	PHFD38268910002	7/1/2018	6/30/2019	Foreign Package GL/Auto Liability Workers' Comp/Employers Liability Accidental Death & Dismemberment & Medical Kidnap & Extortion
QBE Specialty Insurance	QLO0110102	7/1/2018	6/30/2019	Law Enforcement Liability
Great American	EPP1117707	7/1/2018	6/30/2019	Directors and Officers (for Foundation)
Beazley Insurance Co. Inc.	V1BCEE180301	7/1/2018	6/30/2019	Cyber Liability Funds Transfer fraud, Telephone fraud Legal, Forensic and Public Relations Crisis Mgmt
American Alternative Insurance Corp.	GPPAPF605652901	7/1/2018	6/30/2019	Umbrella Liability
Pinnacol Assurance	4140427	7/1/2018	6/30/2019	Worker's Compensation
Kaiser	6295	7/1/2018	6/30/2019	Employee Health/Dental Package
Delta Dental				
				Health Fulltime Employee Premium Fulltime Employer Premium Dental Fulltime Employee Premium Fulltime Employer Premium
Standard Insurance	640336-C	7/1/2018	6/30/2019	Employee Life Coverage Employee Premium Employer Premium

Source: District Internal Reports - Risk Management

<u>Deductible</u>	<u>Liability Limits</u>	<u>Annual Premium</u>
		\$256,992
\$25,000	\$250,000,000 per occurrence	
\$10,000	\$5,000,000	
	\$5,000,000	
\$100,000	\$100,000,000	
\$100,000	\$50,000,000	
\$25,000	\$1,000,000	\$31,797
		\$10,599/year
\$0	\$1,000,000	\$138,228
	\$3,000,000 /Aggregate	
	\$1,000,000	
	\$1,000,000	
	\$2,000,000/Aggregate	
\$25,000	\$1,000,000	\$89,966
	\$3,000,000 /Aggregate	
\$0	\$1,000,000	\$149,477
\$0	\$5,000	
\$5,000	Varies, depending on age of vehicle	
	\$1,000,000	
\$5,000	\$1,000,000	\$22,350
\$5,000	\$500,000	\$7450/year
\$5,000	\$500,000	
\$5,000	\$1,000,000	Included
\$1,000	\$1,000,000/\$2,000,000 aggregate	\$6,693
	As per Colorado law	
	\$1,500,000 aggregate	
	\$250,000	
\$5,000	\$1,000,000	\$12,364
\$0	\$1,000,000	\$818
\$50,000	\$1,000,000	\$16,902
\$50,000	\$500,000	
\$10,000	\$1,000,000	
\$0	\$3,000,000/Aggregate	\$63,826
	TOTAL PREMIUM	\$789,413
\$250,000	As per Colorado Statute	\$199,712

\$38.91 - \$1108.57/month
 \$408.12 - \$669.05/month
 \$0.23 - \$146.12/month
 \$30.95/month

\$0 - \$1.00/month
 \$4.25/month

Table 21

ACADEMY SCHOOL DISTRICT TWENTY
Full-time Equivalent Employees by Functional Program
Last Ten Fiscal Years
(Unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
PROGRAM										
Instruction	1,733.1	1,671.0	1,639.8	1,604.8	1,609.7	1,675.1	1,651.6	1,619.8	1,578.3	1,521.5
Instructional Pupil and Staff Support	245.4	220.9	219.5	226.5	229.2	228.7	224.1	224.4	219.0	216.2
General Administration	7.0	7.0	7.0	6.8	7.0	7.3	7.3	7.3	6.8	6.8
School Administration	278.1	273.5	266.4	262.0	263.1	259.7	261.6	257.7	258.9	259.1
Business Services	32.0	31.5	30.5	27.5	28.6	27.6	27.6	27.6	27.6	28.6
Maintenance and Operations	238.4	228.6	199.4	196.9	201.0	208.7	202.5	208.6	209.7	204.2
Transportation	223.1	223.9	220.6	225.3	220.2	209.8	200.3	169.3	201.8	197.3
Central Services ¹	64.6	58.1	57.1	54.7	51.6	47.7	45.9	44.6	46.5	49.9
Community and Other Services ²	7.0	7.0	7.0	0.0	0.6	0.6	1.0	1.0	1.1	2.1
	<u>2,828.6</u>	<u>2,721.6</u>	<u>2,647.4</u>	<u>2,604.5</u>	<u>2,610.8</u>	<u>2,665.1</u>	<u>2,621.8</u>	<u>2,560.3</u>	<u>2,549.6</u>	<u>2,485.4</u>

¹ Central Services includes Food Service personnel employed by District 20.

² Community and Other Services includes Construction Management Personnel from 20017 to 2019.

Source: District Financial Records

Table 22

ACADEMY SCHOOL DISTRICT TWENTY
Operating Statistics
Last Ten Fiscal Years ¹
(Unaudited)

Fiscal Year	Primary Government Expenditures	Pupil Enrollment	Funded Pupil Count	Cost per Pupil	Cost/Pupil % Change	Certified Staff	Pupil/Certified Staff Ratio	Graduation Rate*	Qualified for Federal Assistance		Average Teacher Salary (incl. benefits)	Teacher Salary Range	
									% Free	% Reduced		Low	High
2019	\$231,229,648	26,178	24,665.6	\$ 9,375	-46.1%	1,850	13.3	TBD	8.70%	3.70%	\$ 69,300	40,000	97,647
2018	\$422,909,186	25,831	24,330.6	\$ 17,382	14.4%	1,814	13.4	93.0%	9.10%	3.70%	\$ 66,680	38,200	93,963
2017	\$366,425,205	25,591	24,124.2	\$ 15,189	46.5%	1,770	13.6	89.9%	9.60%	3.90%	\$ 65,730	37,691	80,389
2016	\$245,703,889	25,063	23,701.6	\$ 10,367	3.1%	1,763	13.4	90.3%	9.60%	3.90%	\$ 64,500	36,862	83,553
2015	\$234,444,100	24,578	23,306.4	\$ 10,059	11.8%	1,778	13.1	90.2%	8.77%	3.98%	\$ 63,700	36,210	81,830
2014	\$209,021,998	24,481	23,227.4	\$ 8,999	1.2%	1,723	13.5	89.8%	9.19%	4.02%	\$ 61,500	35,155	79,010
2013	\$202,035,726	23,973	22,720.9	\$ 8,892	2.0%	1,709	13.3	91.4%	9.06%	3.53%	\$ 60,226	34,131	77,110
2012	\$195,631,277	23,657	22,437.9	\$ 8,719	-6.5%	1,706	13.1	89.0%	8.43%	3.55%	\$ 58,229	33,299	75,229
2011	\$204,034,873	23,119	21,888.5	\$ 9,322	1.8%	1,669	13.1	89.5%	7.91%	3.54%	\$ 58,874	33,299	75,229
2010	\$195,886,548	22,620	21,382.2	\$ 9,161	-1.9%	1,616	13.2	89.5%	7.01%	3.40%	\$ 58,796	33,299	75,229

Educational Increments	# of Teachers
BA	221
BA +16	100
BA + 32	68
BA + 48	133
MA	332
MA + 16	206
MA + 32	161
MA + 48	122
MA + 64	285
PHD	30

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

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

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



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



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



IV. Compliance Section





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

Board of Education
Academy School District Twenty
Colorado Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Academy School District Twenty, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Academy School District Twenty's basic financial statements, and have issued our report thereon dated November 11, 2019. Our report includes a reference to other auditors who audited the financial statements of New Summit Charter Academy, as described in our report on Academy School District Twenty'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 that are reported on separately by those auditors. The financial statements of New Summit Charter Academy 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 Academy School District Twenty'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 Academy School District Twenty's internal control. Accordingly, we do not express an opinion on the effectiveness of Academy School District Twenty's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Academy School District Twenty's Response to Finding

Academy School District Twenty's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Academy School District Twenty's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 11, 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
Academy School District Twenty
Colorado Springs, Colorado

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Academy School District Twenty 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 Academy School District Twenty 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 Academy School District Twenty's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Academy School District Twenty's internal control over compliance.

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

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

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 11, 2019

**ACADEMY SCHOOL DISTRICT TWENTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

CFDA Number(s)

10.553 and 10.555

84.010

Name of Federal Program or Cluster

Children Nutrition Cluster

Title I

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

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**ACADEMY SCHOOL DISTRICT TWENTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

2019 – 001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Academy School District Twenty (the District) did not record additions to construction in progress as costs were incurred for on-going projects.

Criteria or specific requirement: Expenditures incurred for construction in progress should be recorded as additions to capital assets as the project is on-going and then recorded as depreciable asset when the asset is placed in service.

Context: During the fiscal year ending June 30, 2019, the District recorded approximately \$4 million of depreciable assets for assets placed in service during 2019. However, the District should have recorded this amount as additions to construction in progress during fiscal years 2017 and 2018 as costs were incurred for on-going projects within the District

Effect: Capital assets for governmental activities, specifically construction in progress, was understated as of June 30, 2018 and June 30, 2017.

Cause: The District accurately reflected the expenditures during the prior fiscal years. However, the District did not accurately report the expenditures as additions to construction in progress for the fiscal years ended June 30, 2018 and June 30, 2017 resulting in an understatement of capital assets.

Repeat Finding: Not a repeat finding.

Recommendation: We recommend the District perform a detailed review of all capital related expenditures at the conclusion of the fiscal year to determine whether capital outlay related purchases are accurately reflected as capital assets, specifically construction in progress, at the conclusion of each fiscal year.

Views of responsible officials and planned corrective actions: We agree with the auditors' comments, and the following action has been implemented to improve the situation. We are now performing detailed reviews and placing completed assets in service as goods are received and invoices are paid. Construction in progress will be tracked at intervals throughout the year and moved to the balance sheet on our district-wide books. As construction in progress assets are completed, they will be placed in service.

ACADEMY SCHOOL DISTRICT TWENTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section III – Findings and Questioned Costs – Major Federal Programs

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

Section IV – Prior Year Findings

2018 – 001

Condition: As of June 30, 2018, the District did not account for retainage payable.

Status: Corrective action was taken during fiscal year 2019 and the District has accounted for retainage payable as of June 30, 2019.

ACADEMY SCHOOL DISTRICT TWENTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Federal Award Identification Number	Pass- through Entity Grant Code	Expenditures	Passed to Sub-recipients
<u>U.S. Department of Education</u>					
Direct Programs					
Impact Aid PL 874-7002	84.041	S041A-201X-1127		\$ 1,786,016	-
Impact Aid PL-874-7003	84.041	S041B-201X-1126		1,789,068	-
Subtotal Direct Programs				\$ 3,575,084	-
Passed through Colorado Department of Education					
Special Education	84.027	H027A180020	4027	3,445,324	-
Special Education - Preschool	84.173	H173A180097	4173	66,737	-
Special Education Cluster Total				3,512,061	-
Title I	84.010	S010A180006	4010	1,094,681	-
English Language Acquisition	84.365	S365A180006	4365	43,045	-
English Language Acquisition - Set Aside Immigrant	84.365	S365A180006	7365	49,641	-
Improving Teacher Quality	84.367	S367A180050	4367	272,577	-
Student Support and Academic Achievement	84.424	S424A180006	4424	52,631	-
Colorado Charter Schools Program & Grant	84.282	U282A150018	5282	228,155	-
Subtotal Passed through Colorado Department of Education				\$ 5,252,791	-
Passed through Colorado Community College System					
Career and Technical Education	84.048	N/A		\$ 69,149	-
Subtotal U.S. Department of Education				<u>\$ 8,897,024</u>	-
<u>U.S. Department of Agriculture</u>					
Passed through Colorado Department of Human Services					
Food Donation	10.555	N/A		385,109	-
Passed through Colorado Department of Education					
School Breakfast Program	10.553	N/A	4553	195,204	-
National School Lunch Program	10.555	N/A	4555	1,341,900	-
Subtotal for Child Nutrition cluster and U.S. Department of Agriculture				<u>\$ 1,922,213</u>	-
<u>U.S. Department of Defense</u>					
Direct Programs					
JROTC	12.000	N/A		94,166	-
DoD Impact Aid (Supplement, CWSD, BRAC)	12.558	N/A		294,148	-
Subtotal U.S. Department of Defense				<u>\$ 388,314</u>	-
<u>U.S. Department of Commerce</u>					
Passed through National Institute of Standards and Technology/Pikes Peak Community College					
Regional Alliances and Multistakeholder Partnerships to Stimulate (RAMPS)	11.620	N/A		8,950	-
Subtotal U.S. Department of Commerce				<u>8,950</u>	-
<u>Environmental Protection Agency</u>					
Passed through National Space Science & Technology Institute					
Mobile Earth & Space Observatory (MESO)	66.951	N/A		1,071	-
Subtotal Environmental Protection Agency				<u>1,071</u>	-
Total Federal Awards				<u>\$ 11,217,572</u>	-

See Notes To Schedule of Expenditures of Federal Awards.

ACADEMY SCHOOL DISTRICT TWENTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2019 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: NONCASH PROGRAMS

Commodities donated to the District by the United States Department of Agriculture (USDA) of \$385,109 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch Program, CFDA 10.555.

Colorado Department of Education

Auditor's Electronic Financial Data Integrity Check Figures

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

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



Colorado Department of Education
Auditors Integrity Report
District: 1040 - Academy 20
Fiscal Year 2018-19
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	46,606,054	188,268,974	186,407,662	48,467,366
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	296,983	296,983	0
Sub- Total	46,606,054	188,565,957	186,704,645	48,467,366
11 Charter School Fund	15,406,472	38,234,775	35,889,506	17,751,741
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	629,788	5,332,727	5,382,573	579,942
22 Govt Designated-Purpose Grants Fund	0	6,568,854	6,568,854	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	2,109,248	8,670,499	7,821,752	2,957,995
31 Bond Redemption Fund	25,016,836	25,533,705	23,184,166	27,366,375
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	144,345,406	10,851,449	98,779,673	56,417,183
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	10,691,374	8,823,943	6,252,674	13,262,643
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	244,805,178	292,581,909	370,583,844	166,803,244
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	138,159	145,041	178,496	104,704
74 Pupil Activity Agency Fund	4,438,096	10,789,022	11,106,963	4,120,155
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	4,576,256	10,934,063	11,285,459	4,224,859

FINAL



Art Students

Cover	Elijah Patchen – 12 th	AAHS
Introductory Section	Anastasia Hall – 1 st	NSCA
Financial Section	Kyra Schmid - 4 th	TCA
Statistical Section	Haley Dyer – 12 th	PCHS
Compliance Section	Caleb Judkins – K	RRES
Blank Logo Pages	Liana Melin – 10 th	LHS

Issued by:
Fiscal Services
Academy District Twenty
1110 Chapel Hills Drive
Colorado Springs, Colorado 80920-3923
(719) 234-1200
www.asd20.org