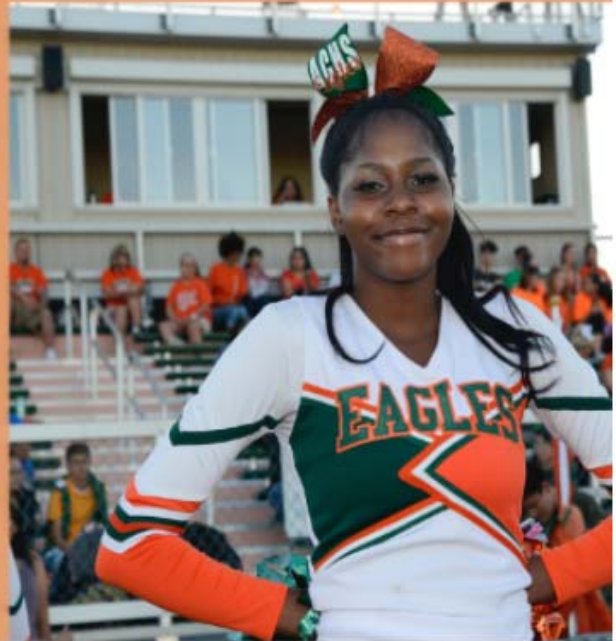




**ADAMS 14**  
Inspire. Educate. Empower. Inspira. Educa. Fortalece.



# ADAMS 14 - 2019-2020

Comprehensive Annual Financial Report  
for the fiscal year ended June 30, 2020

Adams County School District 14  
5291 E. 60th Avenue  
Commerce City, Colorado 80022  
303.853.3333  
[www.adams14.org](http://www.adams14.org)



**ADAMS COUNTY SCHOOL DISTRICT 14  
COMMERCE CITY, COLORADO**

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**Comprehensive Annual  
Financial Report**

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**For the Fiscal Year Ended June 30, 2020**

Board of Education

**Ms. Ramona Lewis, President**

**Ms. Renee N. Lovato, Vice President**

**Ms. Connie Quintana, Treasurer**

**Ms. Regina Hurtado, Secretary**

**Ms. Maria Zubia, Director**

Interim Superintendent of Schools

**Mr. Don Rangel**

Issued by Division of Finance

Executive Director of Finance

**Mr. Eduard Storz, CPA**

Chief Business Affairs Officer

**Ms. Shae Martinez, MBA**

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**Educational Support Services**  
5291 E. 60<sup>th</sup> Avenue  
Commerce City, CO 80022-3203  
P: 303.289.3940  
F: 303.286.9753  
[www.adams14.org](http://www.adams14.org)

November 25, 2020

Board of Education  
Adams County School District 14  
5291 E. 60<sup>th</sup> Avenue  
Commerce City, CO 80022

Dear Members of the Board of Education,

I am so pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Adams County School District 14 for the fiscal year ended June 30, 2020.

The CAFR, for the fiscal year ended June 30, 2019, 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. 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 also qualify for these prestigious awards.

The Division of Financial Services is to be congratulated for continuing to ensure the District meets the highest standards of fiscal accountability. The quality and completeness of this report is designed to continue to increase the confidence of all our stakeholders in the fiscal competence of our district.

I would also extend my thanks to the members of the Board of Education for their support and direction in establishing clear and attainable fiscal goals for the District.

Sincerely,

Don Rangel



November 25, 2020

Citizens and Members of the Board of Education of Adams County School District 14:

We are pleased to submit the fiscal year 2019-20 Comprehensive Annual Financial Report (CAFR) of Adams County School District 14 (District) for the fiscal period from July 1, 2019, to June 30, 2020. The District's Division of Financial Services prepared this report. Responsibility for both accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

All funds within the District are required under Colorado statute (C.R.S. 1973, 29-1-603) to have an annual audit performed on its financial statements by an independent certified public accountant. 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, 2020, 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 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. These reports can be found in a separately issued report along with information related to the single audit, schedule of expenditures of Federal awards and schedule of findings and questioned costs. The Auditor's Electronic Financial Data Integrity Check required by the Colorado Department of Education is also included in this separately issued report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the report of the independent auditors.



## **THE SCHOOL DISTRICT**

The District lies immediately north of Denver, Colorado, and serves a population of 60,336 according to the 2019 U.S. Census Bureau estimate. The District boundaries cover 52 square miles and serve Commerce City, parts of the City of Thornton and unincorporated Adams County. The District enjoys cultural and ethnic diversity as its ethnic composition is .12% Hawaiian or Other Pacific Islander, .20% Asian, .48% American Indian, 2.0% African American, 9.44% White, 86.67% Hispanic, and 1.0% multiple ethnicities. Adams County School District 14 has 434.8 teachers and 426.91 other staff, for a total of 861.71 employees. The District served 6,697 students in fiscal year 2019-20 based on enrollment, a decrease of 363 students from the prior fiscal year. These students were served in two preschools, seven pre-kindergarten to eighth grade schools, two middle schools and two high schools.

## **ENROLLMENT**

The District has experienced declining enrollment for the last five school years after seeing growth in each of the preceding three school years. Future enrollment is difficult to project as the District is experiencing the impacts of a global pandemic, works with potential charter schools, and implements turnaround plans working with its external management partner while also seeing potential development in the area. Overall, pending these variables, enrollment is projected to continue to decrease in the coming years. The district currently has nine schools that are below the recommended capacity, one preschool, 6 elementary schools and two middle schools. The school buildings within the District except for Adams City High School, which was built in 2009, were built between 1951 and 1968 and most of these have been renovated beginning in 2006, with Dupont Elementary and Adams City Middle School being the exceptions. The District is planning on opening a new Alsup Elementary in the fall of 2021 which will hopefully generate excitement and pride among the community.

## **ORGANIZATION OF THE SCHOOL DISTRICT**

A five-member Board of Education (Board) serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget, certifies the property tax mill levy and appropriates all expenditures that use District revenues. One Board member is designated as the Treasurer for the District.

The Superintendent is the Chief Executive Officer and is accountable to the Board for the education and support operations within the District. The Assistant Treasurer is the Chief of Business Services and along with the Executive Director of Finance is accountable to the Board for maintaining all financial records, issuing checks to pay the District's liabilities, acting custodian of all District funds and investing the District's idle cash as stipulated by Colorado law. The remaining Business Affairs team includes the Executive Director of Human Resources, the Director of Operations, the Director of Nutrition Services and the Manager of Transportation. The Superintendent also appoints the Chief Academic Affairs Officer who oversees the Executive



Directors of Elementary and Secondary Education as well as the Executive Director of Student Services.

## THE REPORTING ENTITY

The District has reviewed its reporting entity definition in accordance with the Governmental Accounting Standards Board (GASB), which defines the governmental reporting entity. This report includes all funds, organizations and activities for which the Board has oversight responsibility as further described in Note A in the Notes to Financial Statements. The District has no component units.

## SERVICES PROVIDED

The District provides a wide variety of education and support services as mandated by state statute or public desires. These include regular and vocational instruction, English language development programs, special education programs, student guidance and health services, preschool, and many extracurricular activities. Fee supported special revenue fund services include adult education programs, before and after programs and nutritional service operations.

## ECONOMIC CONDITION AND OUTLOOK

The Governor's FY 2021-22 Budget recognizes that one of the most important investments we can make in our State's future is in our children and our public schools – now more than ever. The economic downturn and global health pandemic have elevated the importance of providing a high-quality education for all students, regardless of zip code or family income. Although forecasted revenues have improved, the forecast continues to project an operating deficit. That's why this budget proposes stimulus and strategic investments to help Colorado climb out faster and better. This is essential to achieving our mutual goal of robust funding for K-12 education. Investments in the Governor's FY 2021-22 Budget include:

- **\$811M increase** in State funding for K-12 public schools, which represents a 19% increase over FY 2020-21 levels and increases per pupil funding by \$902. This request fully restores the cut that was made to public schools in FY 2020-21 and returns the Budget Stabilization Factor to the FY 2019-20 level of \$572M – nearly reaching an eleven-year low as a percent of Total Program funding.  
Increase to improve kindergarten readiness through funding the Colorado Imagination Library Program, which provides one free book per month to children from birth through age five.
- **\$0.25M increase** to restore the cut that was made in FY 2020-21 to the School Counselor Corps Grant Program to support student financial aid completion.

The Governor's FY 2021-22 Budget also protects funding for high priority programs, including: ● Free Full-Day Kindergarten and the Colorado Preschool Program

- **\$42M** for Early Literacy and the READ Act



- \$37M for English Language Learner Programs
- \$11M for CSI Mill Levy Equalization
- \$6M for Concurrent Enrollment and Career Development Programs
- \$3M for Dropout Prevention and Student Re-Engagement Programs

In response to the ongoing COVID-19 crisis, the Governor's State Stimulus funding package for FY 2020-21 includes an Office of Information Technology (OIT) broadband request for \$20M to connect Colorado students to schools and remote learning.

The enrollment projections included in this report were developed using the cohort survival methodology and Cooperative Strategies' custom enrollment projection software, S.T.E.P. (Student Trends & Enrollment Projections). This custom software was developed in collaborations with Ohio State University and is based on industry best practices as well as the national experience Cooperative Strategies has with schools, school districts, and state agencies. For FY 2019-20 there were 13 schools serving approximately 6,697 PK-12 students. Unofficial October count data indicated that the district is down another 590 students in FY 2020-21, as the District and state saw impacts to enrollment during Covid 19. Enrollment peaked in FY 2013-14 at 7,598 and has since decreased by 1640 students.

Nationwide, districts have undergone major shifts in public school enrollment. Factors include the baby boom, the availability and use of birth control, and the development of the suburbs. As of the 2010 Census, the size of a family was at an all-time low of 3.14 persons. The recession of 2008-09 had a tremendous effect on the birthrate. In Adams County, the population increased by 7% from 2000-2010, but the number of school-aged children decreased by 10%. Live births, which are counted by where the mother resides, fell from 794 in 2003, to a low of 583 in 2013. In 2017 this number was 644, still well below the number in 2003. Another important indicator is the cohort survival ratios. These indicate how well the District is retaining the student population. All of these models together indicate the possible loss of 1,000 students in the next 5 years. That is over \$2 million in lost revenue each year. The District is hopeful that the engagement of MGT will bring together key stakeholders in the community and district to improve student achievement and regain trust.

## **MAJOR INITIATIVES**

Adams 14 School District is beginning its 11<sup>th</sup> year of Turnaround Status. Last year, the Colorado State Board of Education approved a plan to hire an External Management Organization (EMO) to manage the school district. The District met with the Colorado State Board of Education in May of 2019, to gain approval of MGT Consulting of America as the proposed EMO. The contract for MGT was secured for an estimated \$8.3 million. Along with MGT, Schools Cubed and Math Partners have joined the District. University of Virginia Leadership training commenced in the summer of 2020.

In May of 2018 the District was awarded a BEST (Building Excellent Schools Today) grant for approximately \$19.0 million from the Colorado Department of Education. The District issued COP's of approximately \$7.0 million and utilized reserves of approximately \$7.2 million beginning



in December of 2018 to replace its lowest rated facility Alsup Elementary. The project is on track for completion by Fall 2021.

## **FINANCIAL INFORMATION**

District management is responsible for establishing and maintaining a system of internal controls that are designed to provide reasonable, but not absolute, assurance that District assets are protected from material loss, theft or misuse. Furthermore, this system of internal controls shall provide accurate, reliable and sufficient accounting data to prepare financial statements in conformity with GAAP. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits that are likely to be derived from it; and (2) the valuation of those costs and benefits may require certain accounting estimates and professional judgment by District management. Accordingly, we believe that the District's internal controls do provide adequate safeguards of District assets and provide reasonable assurance that financial transactions are properly recorded.

Single Audit As a recipient of Federal and State financial assistance, the District is responsible for maintaining adequate internal controls to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by District management.

Budgeting Controls The Board is required to, and adopts the annual budget (appropriation) for all funds except for its fiduciary fund for the District in June for the next fiscal year. Colorado statutes provide that the Board can make changes to this adopted budget through January 31st. All disbursements and transfers of cash between funds require appropriate authorization from the Board. All purchase order requests must comply with District's purchasing practices and must be approved by the Assistant Treasurer or her designee. Upon approval, the necessary funds are encumbered and the purchase orders are released to the appropriate vendor. Appropriations within a fund that exceed the amount available are prohibited by law and rejected until additional funds have been secured. Management has the authority to modify budget line items as long as the total fund appropriation is not exceeded.

The finance system used by the District provides interim financial reports, which details year-to-date expenditures and encumbrances with comparative data to the original appropriation plus any authorized additional appropriations. Every administrator and school principal has the ability to retrieve financial and budgetary information about their department or school that they are responsible for. These reports detail monthly transactions and summarize the amounts available for future expenditures of goods and services among the various programs. In addition, the Board of Education receives quarterly General Fund financial reports as required by law.

## **OTHER INFORMATION**

Awards The Association of School Business Officials (ASBO) awarded a Certificate of



Excellence in Financial Reporting to Adams County School District 14 for its Comprehensive Annual Financial Report for fiscal year ended June 30, 2019. These certificates are awarded to government units that publish an easy-to-read and well-organized Comprehensive Annual Financial Report, whose content conforms to the program standards. Such reports must satisfy both generally accepted accounting principles and any other applicable legal requirements.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to Adams County School District 14 for its comprehensive annual financial report the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 that our current comprehensive annual financial report continues to meet the Certificate of Excellence and Certificate of Achievement Programs' requirements and we are submitting it to both ASBO and GFOA to determine its eligibility for another certificate.

*Acknowledgment* We want to extend a special thanks to our independent certified public accountant, CliftonLarsonAllen LLP, for their professional assistance helping us prepare our Comprehensive Annual Financial Report.

In closing, we commend the Board for their continued interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

Shae Martinez

Chief Business Affairs Officer

Eduard Storz

Executive Director of Financial Services



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **Adams County School District 14**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

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



A handwritten signature in black ink that reads 'Claire Hertz'.

Claire Hertz, SFO  
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Adams County School District 14  
Colorado**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Merrill*

Executive Director/CEO

**ADAMS COUNTY SCHOOL DISTRICT 14**

5291 E. 60<sup>th</sup> Avenue  
Commerce City, CO 80022-3203

---

**BOARD OF EDUCATION**

Ms. Ramona Lewis ..... President  
Ms. Renee N. Lovato ..... Vice President  
Ms. Connie Quintana ..... Treasurer  
Ms. Regina Hurtado ..... Secretary  
Ms. Maria D. Zubia ..... Director

---

**DISTRICT INSTRUCTIONAL TEAM**

Mr. Don Rangel ..... Superintendent of Schools  
Ms. Shelagh Burke ..... Chief Academic Officer  
Ms. Jeremy Jimenez ..... Executive Director Secondary Education  
Mr. Matt Schwartz ..... Executive Director Elementary Education  
Ms. Mindy Roden ..... Executive Director Student Services

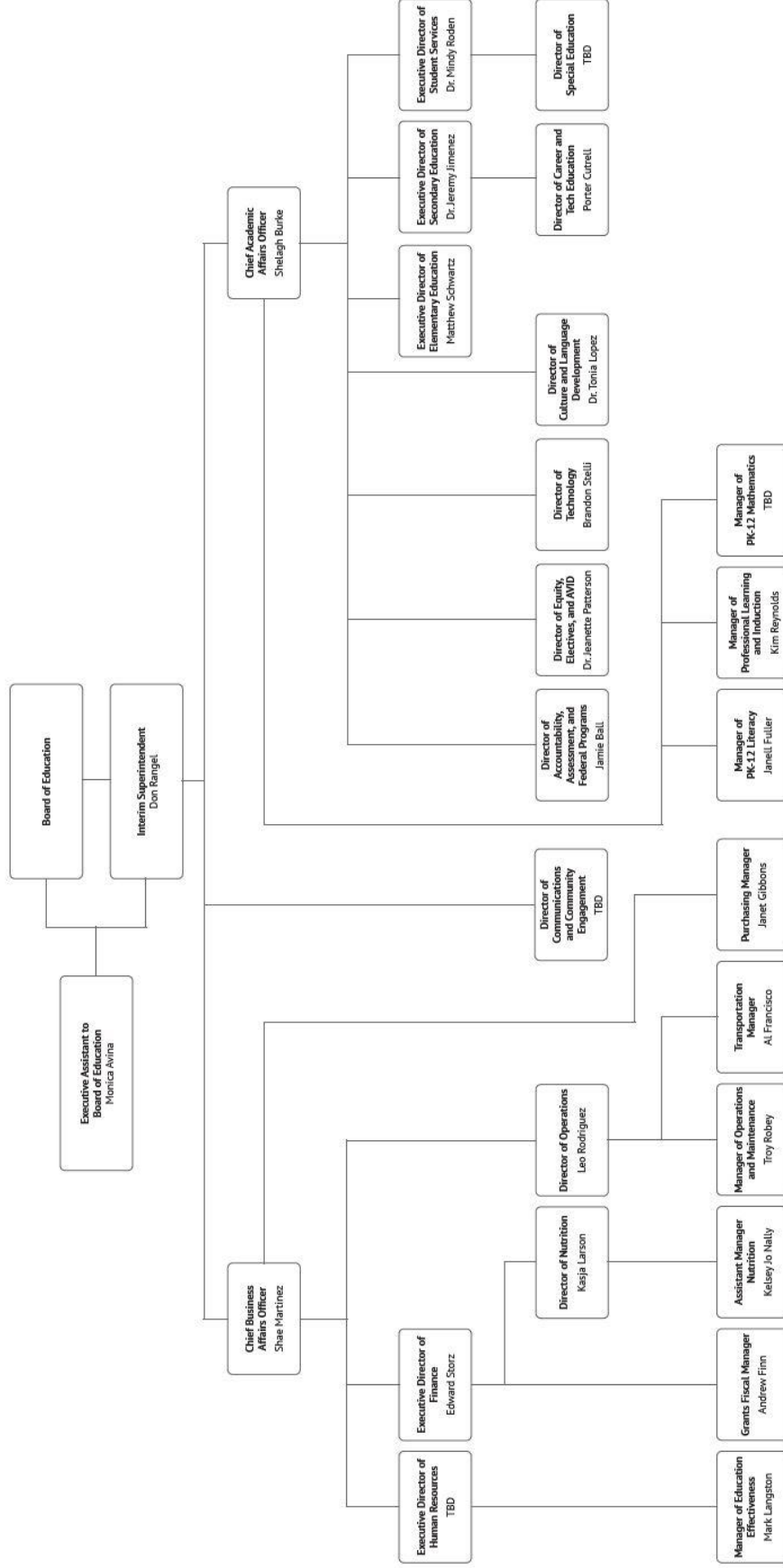
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**DISTRICT OPERATIONAL TEAM**

Ms. Shae Martinez ..... Chief Business Services  
Mr. Eduard Storz ..... Executive Director Finance

# Adams 14 District Organizational Chart

Updated June 18, 2020





CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Board of Education  
Adams County School District 14  
Commerce City, Colorado

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County School District 14, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County School District 14 as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

#### *Change in Accounting Principle*

As discussed in Note L to the financial statements, Adams County School District 14 implemented GASB Statement No. 84, Fiduciary Activities. Adams County School District 14 reported a restatement of beginning net position and fund balance for the change in accounting principle. Our opinion is not modified with respect to that matter.

### ***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 other postemployment benefits 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 Adams County School District 14's basic financial statements. The introductory and statistical sections, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Colorado Department of Education Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Education  
Adams County School District 14

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Colorado Department of Education Auditor's Integrity Report 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.

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.

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

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
November 18, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Adams County School District 14 (District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letters of transmittal on pages 1 - 7 of this report.

### FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources, including long term bonds payable exceeded total assets and deferred outflows of resources of the primary government, including land, buildings and equipment at the close of fiscal year 2019-20 by \$135,147,807 (*Net Position*). To arrive at unrestricted net position, this amount is further reduced by, \$39,731,078 representing the net investment in capital assets, \$6,925,603 restricted for debt service, \$2,430,760 restricted for emergencies, and \$412,439 restricted for Food Services. This leaves the final Unrestricted Net Position at a negative \$184,647,687, largely reflecting the District's continuing requirement to record PERA pensions and OPEB benefits.
- The District's total Net Position for the primary reporting entity increased by \$31.2 million, while unrestricted Net Position increased by \$18.1 million. This change is mainly reflective of the District's PERA pension liability and deferred inflows and outflows dropping by a net \$26.9 million, and an increase in the amounts shown as net investment in capital assets to reflect the activity in the building fund. Debt payments further improved the District's financial position at year-end, although this gain is offset by a similar amount being recorded as depreciation expense for the year.
- The District's Governmental Funds fund balance decreased by \$2,394,246 to an ending fund balance of \$41,967,192. This change in fund balance is largely due to the spend down of funds in the Building fund as the new Alsup elementary is built.
- The Governmental Funds reported combined unassigned fund balance of \$10,449,818.

At June 30, 2020, \$2,430,760 of the \$21,093,704 fund balance of the General Fund was restricted for the the emergency contingency required by Article X, Section 20 of the Colorado Constitution. In addition, \$134,367 was considered non-spendable as it was held in inventories and prepaid items, and another \$3,530,803 was considered committed to the board designated 5% reserve, while another \$350,069 is assigned to risk management and insurance reserves, and \$4,197,887 was assigned for future budgeted use of reserves. The \$10,449,818 unassigned portion of the fund balance is equivalent to 14.8% of the total General Fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers a broad overview of the school district's financial activities in a manner similar to a private sector business.

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

The statement of activities presents information showing how the Net Position of the District changed during the current fiscal year. Changes in Net Position are recorded in the statement of activities when the underlying event 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 in future fiscal periods (example: levied but uncollected property taxes and earned but unused employees' vacation leave).

The government-wide financial statements can be found on pages 26-27 of this report.

## **FUND FINANCIAL STATEMENTS**

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governments, uses fund accounting to ensure and demonstrate compliance. All of the funds of the District are considered governmental funds.

The government-wide financial statements reflect that the district has no business-type fund, with all funds on the government-wide statements being governmental. The Districts Governmental type funds include the General Fund, Grants Fund, Food Service Fund, Bond Redemption Fund, COP Debt Service Fund, Athletics and Activities Fund, Fee Supported Fund, Capital Projects Building Fund and Capital Projects Capital Reserve Fund.

### Governmental Funds

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

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

The District maintains four governmental funds that are classified as major funds. They are the General Fund, the Grants Fund, Capital Projects Building Fund and the Bond Redemption Fund. The General and Grant funds account for funds received from other government entities. The Bond Redemption Fund is used to account for property tax collections used to pay off the District's general obligation debt. Other governmental funds, classified as non-major funds include the Food Service Fund, Athletics Fund, COP Debt Service Fund, Capital Projects Capital Reserve and Fee Supported Fund.

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the General and Grants funds are included in the Required Supplementary Information to demonstrate compliance with the adopted budget. The remaining

governmental funds budgetary comparisons are reported as Supplementary Information and can be found after the Required Supplementary Information section of this report.

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

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

### **OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also contains Supplementary Information concerning the District's non-major governmental fund. The budget to actual schedules are presented after the Required Supplementary Information to the financial statements.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The assets of the District are classified as current assets or non-current assets. Cash and investments, receivables, prepaid expenses and inventories are current assets available to provide resources for the near-term operations of the District. Non-current assets include capital assets depreciated and not depreciated. Capital assets are used in the operations of the District and include buildings, land, machinery and equipment. The District also has deferred outflows of resources, which include deferred pension outflows and deferred charges resulting from the refunding of debt. These deferred outflows will not provide resources for near-term operations of the District, but instead represent the delayed recording of expenses as required by generally accepted accounting principles.

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position.

**Adams County School District 14**  
**Statement of Net Position**  
**For June 30, 2020 and 2019**

|                                  | Total            |                 |
|----------------------------------|------------------|-----------------|
|                                  | 2020             | 2019            |
| Assets:                          |                  |                 |
| Current and other assets         | \$ 57,423,181    | \$ 51,399,154   |
| Capital assets                   | 94,421,678       | 91,537,354      |
| Total assets                     | 151,844,859      | 142,936,508     |
| Deferred outflows of resources   |                  |                 |
| Deferred outflow pension         | 14,416,353       | 44,907,153      |
| Deferred outflow OPEB            | 303,880          | 357,648         |
| Deferred charge on refunding     | 5,220,674        | 5,741,323       |
|                                  | 19,940,907       | 51,006,124      |
| Liabilities:                     |                  |                 |
| Current liabilities              | 20,742,932       | 12,234,318      |
| Non-current liabilities          | 195,708,540      | 229,232,807     |
| Total liabilities                | 216,451,472      | 241,467,125     |
| Deferred inflow of resources     |                  |                 |
| Deferred inflow pension          | 88,987,506       | 118,752,407     |
| Deferred inflow OPEB             | 1,494,595        | 290,763         |
|                                  | 90,482,101       | 119,043,170     |
| Net position:                    |                  |                 |
| Net investment in capital assets | 39,731,078       | 25,995,593      |
| Restricted                       | 9,768,802        | 10,206,168      |
| Unrestricted                     | (184,647,687)    | (202,769,424)   |
| Total net position               | \$ (135,147,807) | \$(166,567,663) |

**GOVERNMENT-WIDE ACTIVITIES**

Governmental activities increased the Net Position of the District by \$31.2 million during the current fiscal year. As discussed earlier this is largely reflective of the change in the PERA pension plan liability, deferred outflows and deferred inflows and a restatement due to GASB 84 which moved assets previously reported in a fiduciary fund into the Government-wide statements. While these are the basic areas causing the decrease in our net position we believe that our discussion of the overall change in the General Fund balance provided later in this document provides more relevant financial information regarding the fiscal activity at the District during the year and we direct the user to that section for further discussion.

The main sources of governmental revenue for the primary government are local property tax, state equalization payments and grants. Property taxes and specific ownership taxes account for 36.5% of the revenue received by the District with 38.8% being received from state equalization payments. Operating grants and contributions provide an additional 19.7%. Other sources, including general revenue grants, account for the remaining 1% of revenue.

Within the government wide financial statements revenues were up from fiscal year 2019 to 2020, increasing by \$2.4 million or 2.5%. Operating grants received by the district showed an increase of \$2.4 million, while Grants not restricted to specific programs an amount mostly comprised of impact aid showed a decreased \$57,393. The District did see a decrease of investment earnings of \$241,700 as interest rates decreased during the Covid pandemic. The previously discussed decrease of PERA pension liability affected every category of the government wide expenses, as it is the District's policy to proportionately spread the effect of the change in pension liability according to current year actual expenditures in each category.

**Adams County School District 14  
Changes in Net Position  
For June 30, 2020 and 2019**

|  | Total            |                  |
|--|------------------|------------------|
|  | 2020             | 2019             |
| <b>REVENUES</b>                            |                  |                  |
| Program revenues                           |                  |                  |
| Charges for services                       | \$ 564,579       | \$ 380,186       |
| Operating grants and contributions         | 19,019,709       | 16,582,321       |
| General revenues                           |                  |                  |
| Taxes:                                     |                  |                  |
| Property taxes                             | 32,961,642       | 29,363,035       |
| Specific ownership taxes                   | 2,159,379        | 2,678,093        |
| Grants not restricted to specific programs | 3,062,048        | 3,119,441        |
| State equalization                         | 37,376,977       | 40,144,898       |
| Investment earnings                        | 352,402          | 594,102          |
| Miscellaneous                              | 817,971          | 1,003,513        |
| Total revenues                             | 96,314,707       | 93,865,589       |
| <b>EXPENSES</b>                            |                  |                  |
| Instructional services                     | 27,813,395       | 30,281,429       |
| Operation and maintenance                  | 9,421,255        | 9,392,445        |
| Pupil services                             | 3,465,084        | 4,014,467        |
| Central support services                   | 3,632,982        | 4,874,950        |
| School administration                      | 4,327,507        | 4,368,448        |
| Instructional support                      | 5,019,738        | 5,642,553        |
| Pupil transportation                       | 1,615,587        | 1,860,294        |
| Business administration                    | 1,022,816        | 1,045,516        |
| General administration                     | 2,579,705        | 1,372,837        |
| Community services                         | 466,790          | 519,053          |
| Adult education                            | 529,319          | 594,941          |
| Other support services                     | 48,881           | 61,236           |
| Nutrition services                         | 2,313,981        | 2,833,973        |
| Interest and fiscal charges                | 2,891,048        | 2,911,493        |
| Unallocated depreciation expense           | 3,933,376        | -                |
| Total expenses                             | 65,148,086       | 69,773,636       |
| Change in net position                     | 31,166,621       | 24,091,953       |
| Net position - beginning(restated)         | (166,314,428)    | (190,659,616)    |
| Net position - ending                      | \$ (135,147,807) | \$ (166,567,663) |

## FUND FINANCIAL ANALYSIS

Adams County School District 14 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current fiscal year the District's governmental funds reported a combined ending fund balance of \$41,967,192.

### Major Governmental Funds

#### 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 \$73.6 million in fiscal year 2019-20 compared to \$74.0 million in fiscal year 2018-19, a decrease of .5%, which in part is representative of the decreases to transportation, investment income and miscellaneous income caused by the Covid pandemic.

|                                   | <u>FY2019-20</u>     | <u>FY2018-19</u>     | <u>Amount<br/>of Change</u> | <u>Percentage<br/>of Change</u> |
|-----------------------------------|----------------------|----------------------|-----------------------------|---------------------------------|
| <b>Revenues</b>                   |                      |                      |                             |                                 |
| Federal                           |                      |                      |                             |                                 |
| Impact Aid                        | \$ 3,062,048         | \$ 3,119,441         | \$ (57,393)                 | -1.8%                           |
| Subtotal                          | <u>3,062,048</u>     | <u>3,119,441</u>     | <u>(57,393)</u>             |                                 |
| State                             |                      |                      |                             |                                 |
| Equalization payments             | 37,388,581           | 40,144,898           | (2,756,317)                 | -6.9%                           |
| Vocational education              | 80,121               | 93,746               | (13,625)                    | -14.5%                          |
| Exceptional children's act (ECEA) | 1,561,036            | 1,359,637            | 201,399                     | 14.8%                           |
| Transportation reimbursement      | 410,580              | 903,833              | (493,253)                   | -54.6%                          |
| PERA state funds                  | 1,146,377            | 1,193,650            | (47,273)                    | 100.0%                          |
| ELPA reimbursement                | 520,412              | 501,228              | 19,184                      | 3.8%                            |
| Subtotal                          | <u>41,107,107</u>    | <u>44,196,992</u>    | <u>(3,089,885)</u>          |                                 |
| Local                             |                      |                      |                             |                                 |
| Property taxes                    | 28,504,990           | 25,322,836           | 3,182,154                   | 12.6%                           |
| Payment in lieu of taxes          | 55,000               | 53,512               | 1,488                       | 2.8%                            |
| Miscellaneous                     | 543,260              | 772,664              | (229,404)                   | -29.7%                          |
| Investment income                 | 280,466              | 495,081              | (214,615)                   | -43.3%                          |
| Subtotal                          | <u>29,383,716</u>    | <u>26,644,093</u>    | <u>2,739,623</u>            |                                 |
| Total revenues                    | <u>\$ 73,552,871</u> | <u>\$ 73,960,526</u> | <u>\$ (407,655)</u>         | -0.6%                           |

Fiscal year 2019-20 General Fund expenditures, which include the accrual for teacher salaries and benefits, totaled \$70.6 million, compared to \$69.3 million in fiscal year 2018-19. This represents an increase of \$1.3 million (1.9%) from the previous fiscal year and is a smaller than expected increase based on additional demands on the General Fund in the current year for contractual payments to the District's eternal management partner. Significant efforts were made in FY 19-20 at the direction of MGT to look for and implement cost reductions in areas where inefficiency could be identified.

These efforts included a late year budget reduction implemented before the pandemic as well as a spending and hiring freeze implemented follow the impact of the pandemic. When transfers to other funds are factored in the change in the General fund balance for the year was an increase of \$130,317. Instructional services costs increased from the prior year, which is expected given that the majority of these costs are salaries and related benefits and the District provided staff with a 5% salary increase in the start of the year. The following table compares expenditures for fiscal years 2019-20 and 2018-19 using the modified accrual basis of accounting.

|                            | <u>FY2019-20</u>     | <u>FY2018-19</u>     | <u>Amount<br/>of Change</u> | <u>Percentage<br/>of Change</u> |
|----------------------------|----------------------|----------------------|-----------------------------|---------------------------------|
| <b>Expenditures</b>        |                      |                      |                             |                                 |
| Instructional services     | \$ 37,335,512        | \$ 36,583,560        | \$ 751,952                  | 2.1%                            |
| Operations and maintenance | 7,641,819            | 7,686,234            | (44,415)                    | -0.6%                           |
| Pupil services             | 4,501,372            | 4,154,061            | 347,311                     | 8.4%                            |
| Central support services   | 5,269,985            | 6,255,329            | (985,344)                   | -15.8%                          |
| School administration      | 5,570,356            | 5,581,363            | (11,007)                    | -0.2%                           |
| Instructional support      | 3,606,083            | 3,367,339            | 238,744                     | 7.1%                            |
| Pupil transportation       | 2,376,899            | 2,378,499            | (1,600)                     | -0.1%                           |
| Business administration    | 1,238,865            | 1,133,896            | 104,969                     | 9.3%                            |
| General administration     | 2,487,243            | 1,387,497            | 1,099,746                   | 79.3%                           |
| Other supporting services  | 71,521               | 79,772               | (8,251)                     | -10.3%                          |
| Community services         | 298,164              | 221,479              | 76,685                      | 34.6%                           |
| Education for adults       | -                    | 11,162               | (11,162)                    | -100.0%                         |
| Capital outlay             | 218,235              | 477,914              | (259,679)                   | -54.3%                          |
| Total Expenditures         | <u>\$ 70,616,054</u> | <u>\$ 69,318,105</u> | <u>\$ 1,297,949</u>         | 1.9%                            |

### Grants Fund

The Grants Fund, a special revenue fund, maintains a separate accounting for Federal, State and local grant-funded programs which may have a different fiscal period than that of the District. Funds are received for a specific purpose to address a particular student group or need related to student achievement. The funds must be supplemental to the efforts of the District and are not used to supplant District funding responsibilities. Specific rules, statutes and regulations guide these programs, and the money received is accounted for independently of local budget funds. Board of Education policy regulates the application and receipt of these funds. Fiscal year 2019-20 grant revenues totaled \$10.1 million and expenditures totaled \$10.1 million compared to grant revenues of \$8.8 million and expenditures of \$8.8 million in the 2018-19 fiscal year. This increase was a result of the District receiving Corona Virus Relief Fund(CRF) grant funds in Fiscal year 19-20 while there were no comparable expenses or revenues in 2018-19.

### Bond Redemption Fund

The Bond Redemption Fund is reported as a major fund for the fiscal year 2019-20. The Bond Redemption Fund is used to account for the requirements of the general obligation bonds. The primary revenue source is a voter approved mill levy to satisfy principal and interest requirements on the debt. Principal and interest payments were \$6.5 million for fiscal year 2019-20 compared to \$6.5 million for fiscal year 2018-19. The increase in payments was a result of scheduled increases in the 2013 refunding GO principal payments.

### Capital Projects Building Fund

The Capital Projects Building Fund, is reported as a major fund for fiscal year 2019-20, and is used to account for the District's building activity which is Board approved capital outlay related to the COP funded BEST grant the District was awarded in June of 2018 to replace Alsup Elementary. In this fund revenue of \$3,751,864 was recognized for the BEST grant funding the District has received to date. Expenditures in this fund occur as progress on the construction of the new Alsup occurs and the District's previously set aside funding is spent down along with the BEST grant revenue. The Project is expected to be completed in Summer of 2021.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The proposed budget for fiscal year 2019-20 was presented and approved by the Board of Education on June 29, 2019, with total General Fund appropriations of \$90,186,894 including appropriated fund balance of \$18,155,329. The budget was amended on January 28<sup>th</sup>, 2020 with total General Fund appropriations of \$75,063,931 including appropriated fund balance of \$3,224,502. This compares to the prior year ending total appropriations of \$87,370,446 with \$17,952,039 being appropriated fund balance.

Overall actual revenues were \$280,526 lower than final budgeted revenues. Variances were seen in Impact Aid where the District received \$212,048 more than budgeted, Property Taxes, which was below projected amounts due to delays in payments to the county related to Covid by \$238,429 and in miscellaneous and investment income by a total of \$326,024 as the District experienced lost facility use and investment income in the spring when the pandemic sprung up.

Total operating expenditures were \$4.4 million under total appropriations.

The District monitors and controls budgets comprised of two components, amounts budgeted within department or building budgets (budget control groups) and amounts not included in department or building budgets, typically salaries and benefits as FTE, but also including other unreleased budget items such as budget contingency. The amounts budgeted within building or department budgets in fiscal year 2019-20 totaled \$22.0 million and \$3.6 million of these funds were budgeted but unspent at year end. The largest driver of unspent amounts within all department budgets was District implemented mid-year reductions to budgets in early spring, which accounted for \$1.1 million in saved funds. In addition, \$206,000 was unspent in utilities budgets likely because of the covid move to remote learning. \$436,000 was unspent in school level budgets remaining even after accounting for the District implemented budget reductions. In additional, \$555,000, which was budgeted for payments to the external management partner from the General fund in the supplemental budget was subsequently paid using state grant funds when additional funds were awarded and as District and MGT staff completed requirements allowing it to be charged to the grant. Student services budget of \$375,000 was unspent as payments to vendors and contractors in spring came in lower than projected due to the move to remote learning, while similarly the District did not pay \$230,000 in budgeted network costs as needs shifted in the spring. Finally, lower actual amounts for sub costs, leave payouts and central administration accounted for the remaining savings of approximately \$700,000. Together, these factors, along with variances between budgeted and actual General Fund revenue resulted in the increase rather than budgeted decrease in the General Fund fund balance in the current year.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's governmental activities net investment in capital assets totaled \$39,731,078 for fiscal year 2019-20. This includes \$94,421,678 in fixed assets after considering accumulated depreciation, less \$73,346,402 in debt and related items, but with \$5,220,674 of deferred charges, \$3,138,272 in construction related payables and retainage, the remaining fund balance in the Building Fund of \$11,128,861 and \$5,444,539 of unspent Certificates of Participation proceeds added back. Current year activity including additions, change in useful lives estimates and depreciation accounted for a decrease of \$2.9 million. Current year additions were \$6,955,163 mainly leased vehicles and construction in progress on a new building to replace the existing Alsop Elementary school building. The decrease is a result of the annual depreciation of capital assets out pacing the minimal level of capital additions completed for the year.

At June 30, 2020, the District had total bonded debt outstanding of \$59,935,000 backed by the full faith and credit of the District. In November 2006, the voters in our District approved \$78 million in general obligation bonds along with a 6.876 mill levy increase to fund the construction of a new high school, install air conditioning in schools that did not already have it, expanded our full-day kindergarten facilities and upgraded our middle school science labs. The final \$3.375 million of general obligation bonds were issued on January 3, 2008. In fiscal year 2012-13, the District issued 2013 Refunding bonds to advance refund a portion of the 2006 series bonds and take advantage of a lower available interest rate. The District again took advantage of low interest rates in 2014-15 to issue \$11,590,000 in refunding bonds and refund \$12,435,000 worth of series 2007 and series 2008 general obligation bonds. In December of 2018 the District issued \$6,729,407 in Certificates of Participation payable from the General fund which will be used as a portion the District match required for the BEST, Building Excellent Schools Today, grant award the District received to replace the Alsop elementary building.

Additional information on the District's capital assets and debt administration can be found in notes E, F and G of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The largest source of revenue for the District's operating funds is derived from the Public School Finance Act funding formula. In April 1994, the Colorado state legislature enacted the Public School Finance Act of 1994, which remains in effect. Funding is based on a statewide base per pupil funding formula that is adjusted for individual school districts by recognizing differences in personnel costs, non-personnel costs, local cost of living and school district size. Additional funding is also provided based on the presence of at-risk pupils. Starting in FY 2010-11, a new factor was introduced in the school finance formula due to the statewide budget challenges facing Colorado at the time. This new factor named the "Negative Factor" reduces the amount of funding districts would have received prior to this factor's application.

At the time of the Colorado Legislative Council's September 18, 2020 Economic Forecast, it was noted the second quarter 2020 plunge in U.S. economic activity was the worst on record. Following that plunge the U.S. has seen a significant but not full recovery. Unprecedented federal stimulus has supported economic activity by offsetting wage losses and boosting consumption. Surprisingly as a result August U.S. retail sales exceeded pre-pandemic levels and manufacturing moved back to expansion, while tourism continued to struggle. Inflation expectations for 2020 remain subdued at to 1.7%, which is down from calendar year 2019. Projected pupil count statewide is expected to decrease significantly, as District's across the state have seen student enrollments impacted by Covid complications for 2020-21. These items together impact total program requirements for fiscal year 2020-21. The State of Colorado has seen the second half of the year result in revenues so far greater than projected in spring, of 2020, which may allow for restoring cut programs and decreasing the negative factor in 2021-22. Significant uncertainty remains regarding several items including economic impacts of Covid for the remainder of 2020 and for 2021, future changes to student enrollments and additional federal stimulus action. The impacts of Covid 19 will weigh heavily on FY 2020-21 State General Fund revenue collections which are projected to decline by 11.6% from year-ago levels. Budget reductions put in place in spring 2020 more than offset this decline, which if this trend continues then 2021-22 funding may not see increased reductions from current levels and as seen the Governors initial proposed budget may result in partial restoration of current reductions.

In addition to the concerns noted surrounding funding for 2021 the Districts mill levy override is lower than most other Adams County Districts and remains on the far lower end when compared to other Denver/Boulder area District's. This offsets additional funding received for at risk or ELL students when comparing Adams 14 to other districts and represents a significant competitive disadvantage for the District as it attempts to compete with surrounding districts on academic results.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Adams County School District 14's finances for all those with an interest in the District. Questions concerning any of the information provided in this report, requests for the financial statements of the District's component unit, or requests for additional information should be addressed to:

Division of Financial Services  
Adams County School District 14  
5291 East 60<sup>th</sup> Avenue  
Commerce City, Colorado 80022-3203



**Adams County School District 14**  
**Statement of Net Position**  
**June 30, 2020**

|   | <b>Total Primary<br/>Government</b> |
|---|-------------------------------------|
| <b>ASSETS</b>                                   |                                     |
| Current assets:                                 |                                     |
| Cash and investments                            | \$ 51,137,697                       |
| Accounts receivable                             | 2,599,695                           |
| Property taxes receivable                       | 1,801,123                           |
| Due from other governments                      | 1,558,803                           |
| Inventories                                     | 280,063                             |
| Prepaid expenses                                | 45,800                              |
| Total current assets                            | 57,423,181                          |
| Non-current assets:                             |                                     |
| Capital assets, not depreciated                 |                                     |
| Land and land improvements                      | 8,647,082                           |
| Construction in progress                        | 7,382,252                           |
| Capital assets, net of accumulated depreciation |                                     |
| Buildings and improvements                      | 142,043,526                         |
| Machinery and equipment                         | 10,851,570                          |
| Accumulated depreciation                        | (74,502,752)                        |
| Total non-current assets                        | 94,421,678                          |
| Total assets                                    | 151,844,859                         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                                     |
| Deferred outflow pension                        | 14,416,353                          |
| Deferred outflow OPEB                           | 303,880                             |
| Deferred charge on refunding debt               | 5,220,674                           |
| Total Deferred outflows of resources            | 19,940,907                          |
| <b>LIABILITIES</b>                              |                                     |
| Current liabilities:                            |                                     |
| Accounts payable                                | 3,736,767                           |
| Retainage payable                               | 199,021                             |
| Accrued salaries and benefits                   | 5,725,045                           |
| Unearned revenue                                | 5,249,388                           |
| Accrued interest payable                        | 235,937                             |
| Due within one year:                            |                                     |
| General obligation bonds                        | 4,567,789                           |
| Capital leases and COP's                        | 430,500                             |
| Compensated absences and early retirement       | 598,485                             |
| Total current liabilities                       | 20,742,932                          |
| Non-current liabilities:                        |                                     |
| Due in more than one year:                      |                                     |
| General obligation bonds                        | 61,608,686                          |
| Capital leases & COP's                          | 6,739,427                           |
| Compensated absences and early retirement       | 2,162,014                           |
| Net pension liability                           | 119,330,922                         |
| Net OPEB liability                              | 5,867,491                           |
| Total non-current liabilities                   | 195,708,540                         |
| Total liabilities                               | 216,451,472                         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                                     |
| Deferred inflow pension                         | 88,987,506                          |
| Deferred inflow OPEB                            | 1,494,595                           |
| Total deferred inflows of resources             | 90,482,101                          |
| <b>NET POSITION</b>                             |                                     |
| Net investment in capital assets                | 39,731,078                          |
| Restricted for:                                 |                                     |
| Debt service                                    | 6,925,603                           |
| Emergencies                                     | 2,430,760                           |
| Food Service                                    | 412,439                             |
| Unrestricted                                    | (184,647,687)                       |
| Total net position                              | \$ (135,147,807)                    |

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

**Adams County School District 14**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

| <u>Functions/Programs</u>                  | <u>Expenses</u> | <u>Program Revenues</u>             |   | <u>Net (Expense)</u>                               |
|--|-----------------|-------------------------------------|---|--|
|  |                 | <u>Charges<br/>for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Revenue and<br/>Changes in Net<br/>Position</u> |
|  |                 |                                     |   | <u>Total</u>                                       |
| <b>Primary Government</b>                  |                 |                                     |   |  |
| <b>Governmental activities:</b>            |                 |                                     |   |  |
| Instructional services                     | \$ 27,813,395   | \$ -                                | \$ 11,551,546                                     | \$ (16,261,849)                                    |
| Operation and maintenance                  | 5,487,879       | -                                   | 202,040   | (5,285,839)  |
| Pupil services                             | 3,465,084       | -                                   | 633,846   | (2,831,238)  |
| Central support services                   | 3,632,982       | -                                   | 131,848   | (3,501,134)  |
| School administration                      | 4,327,507       | -                                   | 141,880   | (4,185,627)  |
| Instructional staff                        | 5,019,738       | -                                   | 3,708,444   | (1,311,294)  |
| Pupil transportation                       | 1,615,587       | -                                   | 426,407   | (1,189,180)  |
| Business administration                    | 1,022,816       | -                                   | -   | (1,022,816)  |
| General administration                     | 2,579,705       | -                                   | 1,294,190   | (1,285,515)  |
| Other supporting services                  | 48,881          | -                                   | -   | (48,881)   |
| Community services                         | 466,790         | 564,579                             | 122,796   | 220,585  |
| Food service operations                    | 2,313,981       | -                                   | 172,073   | (2,141,908)  |
| Education for adults                       | 529,319         | -                                   | 634,639   | 105,320  |
| Interest and fiscal charges                | 2,891,048       | -                                   | -   | (2,891,048)  |
| Unallocated Depreciation Expense           | 3,933,376       | -                                   | -   | (3,933,376)  |
| Total primary government                   | \$ 65,148,086   | \$ 564,579                          | \$ 19,019,709                                     | (45,563,798)                                       |
| <b>General revenues:</b>                   |                 |                                     |   |  |
| <b>Taxes:</b>                              |                 |                                     |   |  |
| Property taxes                             |                 |                                     |   | 32,961,642   |
| Specific ownership taxes                   |                 |                                     |   | 2,159,379  |
| Grants not restricted to specific programs |                 |                                     |   | 3,062,048  |
| State equalization                         |                 |                                     |   | 37,376,977   |
| Investment earnings                        |                 |                                     |   | 352,402  |
| Miscellaneous                              |                 |                                     |   | 817,971  |
| Total general revenues                     |                 |                                     |   | 76,730,419   |
| Change in net position                     |                 |                                     |   | 31,166,621   |
| Net position - beginning (restated)        |                 |                                     |   | (166,314,428)                                      |
| Net position - ending                      |                 |                                     |   | \$ (135,147,807)                                   |

**Adams County School District 14**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

|   | General<br>Fund      | Grants<br>Fund      | Bond<br>Redemption<br>Fund | Capital<br>Projects<br>Building Fund | Non-major<br>Funds  | Total<br>Governmental<br>Funds |
|---|----------------------|---------------------|----------------------------|--------------------------------------|---------------------|--------------------------------|
| <b>ASSETS</b>   |                      |                     |                            |                                      |                     |                                |
| Cash and investments                                    | \$ 28,798,856        | \$ 2,903,354        | \$ 6,800,111               | \$ -                                 | \$ 188,432          | \$ 38,690,753                  |
| Cash with fiscal agent                                  | -                    | -                   | -                          | 12,446,944                           | -                   | 12,446,944                     |
| Accounts receivable                                     | 506,724              | -                   | -                          | 1,862,327                            | 230,644             | 2,599,695                      |
| Property taxes receivable                               | 1,440,733            | -                   | 360,390                    | -                                    | -                   | 1,801,123                      |
| Due from other funds                                    | -                    | 2,033,041           | 390                        | -                                    | 2,270,257           | 4,303,688                      |
| Due from other governments                              | -                    | 1,558,803           | -                          | -                                    | -                   | 1,558,803                      |
| Inventories   | 92,842               | -                   | -                          | -                                    | 187,221             | 280,063                        |
| Prepaid items   | 41,525               | -                   | -                          | -                                    | 4,275               | 45,800                         |
| Total assets  | <u>\$ 30,880,680</u> | <u>\$ 6,495,198</u> | <u>\$ 7,160,891</u>        | <u>\$ 14,309,271</u>                 | <u>\$ 2,880,829</u> | <u>\$ 61,726,869</u>           |
| <b>LIABILITIES</b>                                      |                      |                     |                            |                                      |                     |                                |
| Liabilities:  |                      |                     |                            |                                      |                     |                                |
| Accounts payable  | \$ 681,830           | \$ 106,983          | \$ -                       | \$ 2,939,272                         | \$ 8,682            | \$ 3,736,767                   |
| Retainage payable                                       | -                    | -                   | -                          | 199,021                              | -                   | 199,021                        |
| Accrued salaries and benefits                           | 4,406,986            | 1,138,827           | -                          | -                                    | 179,232             | 5,725,045                      |
| Due to other funds                                      | 4,261,571            | -                   | -                          | 42,117                               | -                   | 4,303,688                      |
| Unearned revenue  | -                    | 5,249,388           | -                          | -                                    | -                   | 5,249,388                      |
| Total liabilities                                       | <u>9,350,387</u>     | <u>6,495,198</u>    | <u>-</u>                   | <u>3,180,410</u>                     | <u>187,914</u>      | <u>19,213,909</u>              |
| <b>DEFERRED INFLOW OF RESOURCES</b>                     |                      |                     |                            |                                      |                     |                                |
| Unavailable revenue                                     | 436,589              | -                   | 109,179                    | -                                    | -                   | 545,768                        |
| Total deferred inflow of resources                      | <u>436,589</u>       | <u>-</u>            | <u>109,179</u>             | <u>-</u>                             | <u>-</u>            | <u>545,768</u>                 |
| <b>FUND BALANCE:</b>                                    |                      |                     |                            |                                      |                     |                                |
| Nonspendable:   |                      |                     |                            |                                      |                     |                                |
| Inventories   | 92,842               | -                   | -                          | -                                    | 187,221             | 280,063                        |
| Prepaid items   | 41,525               | -                   | -                          | -                                    | 4,275               | 45,800                         |
| Restricted for:   |                      |                     |                            |                                      |                     |                                |
| TABOR   | 2,430,760            | -                   | -                          | -                                    | -                   | 2,430,760                      |
| Food service activities                                 | -                    | -                   | -                          | -                                    | 220,943             | 220,943                        |
| Building fund activities                                | -                    | -                   | -                          | 11,128,861                           | -                   | 11,128,861                     |
| Debt service  | -                    | -                   | 7,051,712                  | -                                    | 649                 | 7,052,361                      |
| Committed:  | 3,530,803            | -                   | -                          | -                                    | 243,470             | 3,774,273                      |
| Assigned for:   |                      |                     |                            |                                      |                     |                                |
| Activities  | -                    | -                   | -                          | -                                    | -                   | -                              |
| Fee supported activities                                | -                    | -                   | -                          | -                                    | 153,057             | 153,057                        |
| Capital projects fund activities                        | -                    | -                   | -                          | -                                    | 1,883,300           | 1,883,300                      |
| Risk management activities                              | 350,069              | -                   | -                          | -                                    | -                   | 350,069                        |
| Future budgeted use of reserves                         | 4,197,887            | -                   | -                          | -                                    | -                   | 4,197,887                      |
| Unassigned:   | 10,449,818           | -                   | -                          | -                                    | -                   | 10,449,818                     |
| Total fund balance                                      | <u>21,093,704</u>    | <u>-</u>            | <u>7,051,712</u>           | <u>11,128,861</u>                    | <u>2,692,915</u>    | <u>41,967,192</u>              |
| Total liabilities, deferred Inflows<br>and fund balance | <u>\$ 30,880,680</u> | <u>\$ 6,495,198</u> | <u>\$ 7,160,891</u>        | <u>\$ 14,309,271</u>                 | <u>\$ 2,880,829</u> | <u>\$ 61,726,869</u>           |

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

**Adams County School District 14**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2020**

|   |    |                             |
|---|----|-----------------------------|
| Total fund balances for governmental funds  | \$ | 41,967,192                  |
| 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 in the funds  |    | 94,421,678                  |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds   |    | 545,768                     |
| OPEB plan accounts, such as deferred inflows of (\$1,494,595), deferred outflows of \$303,880 and net OPEB liability of (5,867,491) are not receivable or payable in the current period and, therefore, are not reported in the fund statements   |    | (7,058,206)                 |
| Pension plan accounts, such as deferred inflows of (\$88,987,506), deferred outflows of \$14,416,353, and net pension liability of (\$119,330,922), are not receivable or payable in the current period and, therefore, are not reported in the fund statements   |    | (193,902,075)               |
| Long-term liabilities, including long-term debt outstanding of (\$73,346,402) net of deferred charge on refunding debt of \$5,220,674, compensated absences and early retirement payments of (\$2,760,499), and accrued interest payable of (\$235,937) are not due and payable in the current period and therefore are not reported in the funds |    | <u>(71,122,164)</u>         |
| Total net position of governmental activities   | \$ | <u><u>(135,147,807)</u></u> |

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

**Adams County School District 14**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2020**

|   | <u>General Fund</u>  | <u>Grants Fund</u> | <u>Bond Redemption Fund</u> | <u>Capital Projects Building Fund</u> | <u>Non-major Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|--------------------|-----------------------------|---------------------------------------|------------------------|---------------------------------|
| <b>REVENUES</b>   |                      |                    |                             |                                       |                        |                                 |
| Federal   | \$ 3,062,048         | \$ 7,934,985       | \$ -                        | \$ -                                  | \$ 2,677,304           | \$ 13,674,337                   |
| State   | 41,107,107           | 1,998,203          | -                           | 3,751,864                             | 74,052                 | 46,931,226                      |
| Local:  |                      |                    |                             |                                       |                        |                                 |
| Taxes   | 28,504,990           | -                  | 6,585,940                   | -                                     | -                      | 35,090,930                      |
| Payments in lieu of taxes                                 | 55,000               | -                  | 45,000                      | -                                     | -                      | 100,000                         |
| Charges for services                                      | -                    | -                  | -                           | -                                     | 564,579                | 564,579                         |
| Miscellaneous   | 543,260              | 174,711            | -                           | -                                     | -                      | 717,971                         |
| Investment income   | 280,466              | -                  | 71,936                      | -                                     | -                      | 352,402                         |
| Total revenues  | <u>73,552,871</u>    | <u>10,107,899</u>  | <u>6,702,876</u>            | <u>3,751,864</u>                      | <u>3,315,935</u>       | <u>97,431,445</u>               |
| <b>EXPENDITURES</b>                                       |                      |                    |                             |                                       |                        |                                 |
| Current operating:  |                      |                    |                             |                                       |                        |                                 |
| Instructional services                                    | 37,335,512           | 2,760,875          | -                           | -                                     | 897,580                | 40,993,967                      |
| Operations and maintenance                                | 7,641,819            | 289,441            | -                           | -                                     | 198,539                | 8,129,799                       |
| Pupil services  | 4,501,372            | 633,846            | -                           | -                                     | -                      | 5,135,218                       |
| Central support services                                  | 5,269,985            | 131,848            | -                           | -                                     | -                      | 5,401,833                       |
| School administration                                     | 5,570,356            | 141,880            | -                           | -                                     | -                      | 5,712,236                       |
| Instructional support                                     | 3,606,083            | 3,708,444          | -                           | -                                     | 120,120                | 7,434,647                       |
| Pupil transportation                                      | 2,376,899            | 15,827             | -                           | -                                     | -                      | 2,392,726                       |
| Business administration                                   | 1,238,865            | -                  | -                           | -                                     | 273,416                | 1,512,281                       |
| General administration                                    | 2,487,243            | 1,294,190          | -                           | -                                     | -                      | 3,781,433                       |
| Other supporting services                                 | 71,521               | -                  | -                           | -                                     | -                      | 71,521                          |
| Community services  | 298,164              | 122,796            | -                           | -                                     | 270,298                | 691,258                         |
| Food service operations                                   | -                    | 172,073            | -                           | -                                     | 3,262,476              | 3,434,549                       |
| Education for adults                                      | -                    | 634,639            | -                           | -                                     | 150,017                | 784,656                         |
| Capital outlay  | 218,235              | 202,040            | -                           | 6,468,731                             | 589,353                | 7,478,359                       |
| Principal retirement                                      | -                    | -                  | 3,765,000                   | -                                     | 427,491                | 4,192,491                       |
| Interest and fiscal charges                               | -                    | -                  | 2,719,606                   | -                                     | 286,358                | 3,005,964                       |
| Paying agent fee  | -                    | -                  | -                           | -                                     | 2,500                  | 2,500                           |
| Total expenditures  | <u>70,616,054</u>    | <u>10,107,899</u>  | <u>6,484,606</u>            | <u>6,468,731</u>                      | <u>6,478,148</u>       | <u>100,155,438</u>              |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,936,817</u>     | <u>-</u>           | <u>218,270</u>              | <u>(2,716,867)</u>                    | <u>(3,162,213)</u>     | <u>(2,723,993)</u>              |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                      |                    |                             |                                       |                        |                                 |
| Capital lease proceeds                                    | -                    | -                  | -                           | -                                     | 320,641                | 320,641                         |
| Proceeds from sale  | -                    | -                  | -                           | -                                     | 9,106                  | 9,106                           |
| Transfers out   | (2,806,500)          | -                  | -                           | -                                     | -                      | (2,806,500)                     |
| Transfers in  | -                    | -                  | -                           | -                                     | 2,806,500              | 2,806,500                       |
| Total other financing sources (uses)                      | <u>(2,806,500)</u>   | <u>-</u>           | <u>-</u>                    | <u>-</u>                              | <u>3,136,247</u>       | <u>329,747</u>                  |
| Net change in fund balances                               | 130,317              | -                  | 218,270                     | (2,716,867)                           | (25,966)               | (2,394,246)                     |
| Fund balance - beginning (restated)                       | 20,963,387           | -                  | 6,833,442                   | 13,845,728                            | 2,718,881              | 44,361,438                      |
| Fund balance - ending                                     | <u>\$ 21,093,704</u> | <u>\$ -</u>        | <u>\$ 7,051,712</u>         | <u>\$ 11,128,861</u>                  | <u>\$ 2,692,915</u>    | <u>\$ 41,967,192</u>            |

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

**Adams County School District 14  
Reconciliation of the Statement of Revenues  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2020**

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

|  |                |
|--|----------------|
| Net change in fund balances - total governmental funds   | \$ (2,394,246) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the sum of depreciation expense of (\$4,070,839) exceeds the sum of capital outlays of \$6,955,163.   | 2,884,324      |
| Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. This amount represents property taxes not available at year end.  | 30,091         |
| Bond 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 premium of \$612,789, amortization of loss on refunding of (\$520,649) and an decrease in accrued interest payable of \$16,170, lease proceeds of (\$320,641). | (212,331)      |
| Additional funding of the net pension liability in the pension plan does not use current financial resources and, therefore, is not reported as expenses in the governmental funds.  | 26,922,756     |
| Additional funding of the net OPEB liability in the pension plan does not use current financial resources and, therefore, is not reported as expenses in the governmental funds.   | 215,645        |
| Compensated absences and early retirement are not recorded as an expenditure in the governmental statements until it becomes due and payable. However, in the statement of activities they are reported as an expense when earned or incurred.   | (472,109)      |
| Repayments of bond principal of \$3,765,000, COP payments of \$231,889 and capital lease payments of \$195,602 are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.   | 4,192,491      |
| Change in net position of governmental activities  | \$ 31,166,621  |

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

## **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Adams County School District 14 (The “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the acceptable standard-setting body for establishing governmental accounting and financial reporting principles.

A summary of the District’s significant policies consistently applied in the preparation of these financial statements follows. These policies are presented to assist the reader in interpreting the financial statements and other data in the report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

### **1. Reporting Entity**

As directed by the Governmental Accounting Standards Board, the financial reporting entity as presented consists of the District and organizations, which District Administration feels, would be misleading to exclude from this report. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. In addition, if there were any legally separate organizations for which the District was financially accountable, they would be considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to or imposes financial burdens on the District. The District has no organizations included in this financial statement based on financial accountability.

### **2. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equal to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support; however, at this time, the District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or a 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 others 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 revenues are reported as general revenues rather than as program revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Property tax revenues are considered to be available if collected within 60 days after year-end. All other revenues are considered to be available in the period earned if the receipt of the money is expected to be collected within 120 days.

Property taxes, specific ownership taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

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

The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the District, except those that are required to be accounted for in another fund. This fund would typically be used to liquidate pension and OPEB liabilities if required.

The **Grants Fund** is provided to maintain a separate accounting for fully funded Federal, State and local grant programs. The Grants fund is considered a special revenue fund as it is established for a revenue source restricted in use to grant purposes.

The **Bond Redemption Fund** is provided to maintain a separate accounting for the District's bond principal and interest payments using property taxes dedicated for debt service.

The **Capital Projects Building Fund** accounts for Board approved building activities financed with Certificates of Participation.

The District reports the following non-major funds:

The **Capital Reserve Capital Projects Fund** accounts for Board approved capital outlay and routine preventative and repair maintenance.

The **COP Debt Service Fund** is provided to maintain a separate accounting for the District's COP principal and interest payments using funds transferred from the General Fund and dedicated for debt service.

The **Fee Supported Fund** accounts for the revenue and expenditures of the adult education program, District printshop, before and after daycare programs and community use of district facilities.

The **Athletics Fund and Activities Fund** accounts for the revenue and expenditures associated with middle and high school funded athletic programs. In addition, the Athletics and Activities fund is used to

account for resources legally held in trust for use by individual school administration for selected programs. All resources of the fund, including any earnings on invested resources, may be used to support the school activities. There is no requirement that any portion of these resources be preserved as capital.

The **Food Service Fund** accounts for the financial activities associated with the District's school breakfast and lunch programs. Revenues in this fund are mainly reimbursements from the State Department of Education for meals served.

4. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

**Deposits and Investments**

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

Investments are either measured at net asset value, which approximates fair value, or at amortized cost in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

**Receivables and Payables**

All receivables are reported at their gross value and, where appropriate, reduced by the estimated portion that is expected to be uncollectible. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds" (i.e., the current portion of interfund loans).

**Property and Specific Ownership Tax Receivables**

All trade and property tax receivables are shown net of an allowance for uncollectible representing 1% of expected revenue, for fiscal year 2019-20 this amount was \$328,845.

The County (Adams County Treasurer) bills and collects property taxes for all taxing districts within the County. Property tax receipts are remitted to the District in the subsequent month. The taxes are recorded as a receivable and reported as deferred inflow of resources if not available.

The County collects specific ownership taxes on motor vehicles registered within the District's assessment area. Tax receipts collected by the County are remitted to the District in the subsequent month.

**Due from Other Governments**

The District records amounts expected to be received from other governments, including amounts receivable for reimbursement of grant expenditures, as due from other governments.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of payment, and an expenditure/expense is reported in the year in which the services are consumed.

**Inventories**

General Fund purchased inventories are stated at cost, determined by the weighted average cost method and recorded under the consumption method. Inventory in the General Fund consists of expendable

supplies held for consumption. Expenditures for supplies are recorded upon delivery of these items to the various schools and departments from the District warehouse.

Food Service Fund purchased inventories are stated at cost, determined by the weighted average cost method and recorded under the consumption method. Expenses for food items are recorded when used.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value.

The costs of minor repairs are not capitalized. Costs of major repairs (repairs over \$100,000) are added to the carrying amount of the repaired asset and depreciated over the remaining life of that asset. Roof repairs and asphalt repairs are never considered sufficient to extend the useful life of the underlying asset.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u>            | <u>Years</u> |
|--------------------------|--------------|
| Buildings & Improvements | 15 - 40      |
| Machinery & Equipment    | 3 – 8        |

**Accrued Salaries and Benefits**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August through July but are incurred over the school year, which is approximately ten months. Accordingly, the accrued compensation is reflected as a liability in the General, Athletic, Grants, Food Service and Fee Supported Funds in the accompanying fund financial statements.

**Unearned Revenues**

Unearned revenues arise when resources are received by the District before it has legal claim to them or when assets are not available as current financial resources in the governmental funds. Grant funds that have been collected but the corresponding expenditures have not been incurred are reported as unearned revenues.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, the deferred OPEB outflow and the deferred pension outflow reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The deferred pension & OPEB outflows consists of several pension & OPEB related items including the accumulated payments made to reduce the District’s liabilities at PERA after the

measurement date used to record the net pension liability and OPEB, the difference between projected and actual earnings on pension plan and Health Care Trust Fund investments or projected and actual pension & OPEB experience, and changes assumptions and other inputs. The deferred pension & OPEB outflows will be recorded as pension or OPEB expense or a reduction of the pension or OPEB liability in the next year's pension & OPEB liability calculations. The deferred charge on refunding amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The District also has two items, deferred inflow pension and deferred inflow OPEB, which arise only under the full accrual basis of accounting that qualifies for reporting in this category. Accordingly, that item is reported only on the Statement of Net Position. The deferred inflow of resources is related to experience, assumptions and change in proportionate share for the pension and OPEB, and will reduce future pension or OPEB expense.

### **Compensated Absences/Early Retirement**

Vacation pay is accrued for eligible classified, support & technical and administrative personnel according to agreements between the District and each employee group. For the classified personnel, the largest group in the District, this is at a rate based upon years of service. District policy allows eligible classified employees to accumulate up to thirty (30) days of vacation leave and eligible support & technical and administrative employees to accumulate up to forty (40) days of vacation leave. Payment is made to eligible employees upon separation with the District.

Sick pay is accumulated for all certified, classified, support & technical and administrative and full-time personnel. District policy allows certified and classified employees to accumulate up to 90 days of unused sick leave, while admin and support & technical employees can accumulate up to 120 days. Payment is made to employees upon separation with the District and is paid out at an employee's per diem rate for 50% of the unused leave. Sick pay is reported as a liability in the government-wide financial statements. Beginning in fiscal year 2018 certified employees were required to have 5 years of continuous employment to qualify for a payout.

At various times the District has provided a financial incentive for early retirement to certain groups of employees with at least 20 years of continuous full-time service with the District. The retirement request must be submitted to the District no later than five years after they qualify. The maximum salary on which the early retirement benefit will be computed shall be the employee's twentieth (20<sup>th</sup>) year salary. The early retirement incentive is equal to eighty percent (80%) of the twentieth-year salary. The retirement incentive is made in three (3) equal annual installments. Although future early retirement incentive payments may be subject to appropriation depending upon the employee group, they are reported as a liability in the government-wide financial statements upon acceptance by the retiring employees and as a liability in the fund financial statements when due.

## **Pensions**

Adams County School District 14 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. Some, but not all, of these changes were in effect as of June 30, 2020.

Pension Liabilities are paid by the fund incurring related salary costs, any additional amounts would be paid by the General fund.

## **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 was 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 (Entity) by the State of Colorado has been recorded in the fund financial statements.

## **Postemployment Benefits Other Than Pensions (OPEB)**

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

## **Long-term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued along with any premium or discount is reported as other financing sources while issue costs are recorded as expenditures when debt is issued.

**Net Position/Fund Balance**

In the government-wide financial statements and governmental fund statements, Net Position and Fund Balance are restricted when constraints placed on the Net Position or Fund Balance are externally imposed.

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

**Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can be used only for specific purposes determined by a formal action of the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education.

**Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board of Education’s adopted policy DBB, the Board of Education delegates to the Superintendent or his/her designee the authority to designate as assigned amounts intended to be used for specific purposes.

**Unassigned** – all other spendable amounts. A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes. Per Board policy DBB the District will maintain a minimum unassigned fund balance in its general fund of five percent of the current year’s budgeted expenditures.

The details of the fund balances are included in the Governmental Fund Balance Sheet.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

**NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

|                      |                      |
|----------------------|----------------------|
| Cash and investments | \$ 51,137,697        |
| Total                | <u>\$ 51,137,697</u> |

A summary of deposits and investments at June 30, 2020 follows:

|                        |    |                   |
|------------------------|----|-------------------|
| Petty Cash             | \$ | 2,925             |
| Deposits               |    | 3,088,412         |
| Cash with Fiscal Agent |    | 12,446,944        |
| Investments            |    | 35,599,416        |
| Total                  | \$ | <u>51,137,697</u> |

1. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of Federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2020, the District had bank deposits of \$3,788,096 collateralized by securities held by the financial institution's agent but not in the District's name.

2. Investments

The District's investment policy defines eligible investments as well as the requirements to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk. Following is a list of the investment instruments that comply with State statutes:

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

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

As of June 30, 2020 the District had the following investments:

| Local Government Investment Pool | Fair Value           | S&P<br>Rating | Fitch<br>Rating | Maturity             |
|----------------------------------|----------------------|---------------|-----------------|----------------------|
|                                  |                      |               |                 | 12 Months or<br>Less |
| Colotrust                        | \$ 26,210,420        | AAAm          | N/A             | \$ 26,210,420        |
| CSAFE                            | 6,800,111            | AAAm          | N/A             | 6,800,111            |
| CSIP                             | 2,588,885            | N/A           | AAAf            | 2,588,885            |
|                                  | <u>\$ 35,599,416</u> |               |                 | <u>\$ 35,599,416</u> |

CSAFE – As of June 30, 2020, the District had invested \$6,800,111 in the Colorado Surplus Asset Fund 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 is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

ColoTrust – The District invested 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. The Trust records its investments at fair value and the District records its investment in the Trust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. At year end June 30, 2020 the district had \$26,210,420 of investments, at COLOTRUST.

CSIP – As of June 30, 2020, the District had invested \$2,588,885 in the Colorado Local Government Liquid Asset Trust (“CSIP”) an investment vehicle established for local governmental 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. CSIP is rated AAAf by Fitch. Investments are limited to those allowed by State statutes. 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. The Trust records its investments at fair value and the District records its investment in the Trust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

To minimize credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, the District’s investment policy and State statutes limit direct investments in U.S.

government agency securities to the highest rating issued by at least two nationally recognized statistical rating organizations (NRSROs). In addition, repurchase agreements must be collateralized at no less than 102% of the market value with U.S. agency or treasury securities. The District's investment policy and state statutes also limit investments of money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 29-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when investments are not diversified. District policy states that its intent is to maintain a proportionate mix of investments of no more than 25% of the total investment portfolio in Jumbo CDs and 75% of the total in government securities. Of the portion invested in government securities no more than one-third may be in government agency securities. At June 30, 2020, all of the District's investments were in CSIP, CSAFE or COLOTRUST which invests in a mix of these security types.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's investment policy follows State statutes. 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 these limits.

**NOTE C – PROPERTY TAXES**

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes are recognized as revenue based upon when received by the County Treasurer. The 2020 fiscal year property tax calendar for Adams County was as follows:

|  |                   |
|--|-------------------|
| Assessor certifies total assessed valuation..... | December 10, 2019 |
| Levy date .....                                  | December 15, 2019 |
| Lien date .....                                  | January 1, 2020   |
| Tax bills mailed.....                            | January 15, 2020  |
| First installment due .....                      | February 28, 2020 |
| Second installment due .....                     | June 15, 2020     |
| If paid in full, due .....                       | April 30, 2020    |
| Tax sale: Delinquent property taxes.....         | November 6, 2020  |

**NOTE D – INTERFUND BALANCES AND TRANSACTIONS**

Interfund balances at June 30, 2020, were as follows:

| FUND                 | DUE FROM<br>OTHER FUNDS | DUE TO<br>OTHER FUNDS |
|----------------------|-------------------------|-----------------------|
| General Fund         | \$ -                    | \$ 4,261,571          |
| Grants Fund          | 2,033,041               | -                     |
| Building Fund        | -                       | 42,117                |
| Bond Redemption Fund | 390                     | -                     |
| Non-Major Funds      | 2,270,257               | -                     |
| Total                | \$ 4,303,688            | \$ 4,303,688          |

The District maintains a pooled cash account that all funds use to deposit money into and write checks out of. Periodically, usually monthly, an accounting and settlement is made of all applicable interfund transactions. A due to interfund balance represents the net amount owed to other funds for transactions incurred since the last settlement. A due from interfund balance represents the net amount due from other funds for transactions incurred since the last settlement.

The District made interfund transfers during the year as directed by the board approved annual budget mainly to provide funding in the appropriate fund for capital projects such as the recently completed roofing projects.

Interfund transfer activity for the year ended June 30, 2020 is as follows:

| FUND                     | TRANSFERS IN        | TRANSFERS<br>OUT    |
|--------------------------|---------------------|---------------------|
| Governmental Funds       |                     |                     |
| General Fund             | \$ -                | \$ 2,806,500        |
| Non-Major Funds          | 2,806,500           | -                   |
| Total Governmental Funds | <u>\$ 2,806,500</u> | <u>\$ 2,806,500</u> |

#### NOTE E – CAPITAL ASSETS

Activity for capital assets, which are capitalized by the District, is summarized below:

|   | Balance<br>June 30, 2019 | Additions           | Deletions    | Balance<br>June 30, 2020 |
|---|--------------------------|---------------------|--------------|--------------------------|
| <b>Governmental Activities Capital Assets</b> |                          |                     |              |                          |
| Not Being Depreciated                         |                          |                     |              |                          |
| Land  | \$ 8,647,082             | \$ -                | \$ -         | \$ 8,647,082             |
| Construction in Progress                      | 913,521                  | 6,468,731           | -            | 7,382,252                |
| Total Not Being Depreciated                   | <u>9,560,603</u>         | <u>6,468,731</u>    | <u>-</u>     | <u>16,029,334</u>        |
| Being Depreciated                             |                          |                     |              |                          |
| Buildings                                     | 141,980,833              | 62,693              | -            | 142,043,526              |
| Machinery and Equipment                       | 10,433,236               | 423,739             | 5,405        | 10,851,570               |
| Total Being Depreciated                       | <u>152,414,069</u>       | <u>486,432</u>      | <u>5,405</u> | <u>152,895,096</u>       |
| Less: Accumulated Depreciation                |                          |                     |              |                          |
| Buildings                                     | 63,312,470               | 3,537,408           | -            | 66,849,878               |
| Machinery and Equipment                       | 7,124,848                | 533,431             | 5,405        | 7,652,874                |
| Total Accumulated Depreciation                | <u>70,437,318</u>        | <u>4,070,839</u>    | <u>5,405</u> | <u>74,502,752</u>        |
| Total Being Depreciated, Net                  | <u>81,976,751</u>        | <u>(3,584,407)</u>  | <u>-</u>     | <u>78,392,344</u>        |
| Total Governmental Activities                 |                          |                     |              |                          |
| Capital Assets, Net                           | <u>\$ 91,537,354</u>     | <u>\$ 2,884,324</u> | <u>-</u>     | <u>\$ 94,421,678</u>     |

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

|                                  |                     |
|----------------------------------|---------------------|
| Governmental Activities          |                     |
| Instruction                      | \$ 137,463          |
| Unallocated Depreciation Expense | 3,933,376           |
| Total Governmental Activities    | <u>\$ 4,070,839</u> |

#### NOTE F – SHORT-TERM DEBT

During the year ended June 30, 2020, the District had no short-term debt.

#### NOTE G – LONG-TERM OBLIGATIONS

##### 1. Changes in Long-Term Obligations

The changes in long-term debt for the year ended June 30, 2020, are as follows:

| <u>Governmental Activities</u> | <u>Balance at June<br/>30, 2019</u> | <u>Additions</u>    | <u>Deletions</u>     | <u>Balance at June<br/>30, 2020</u> | <u>Due Within<br/>One Year</u> |
|--------------------------------|-------------------------------------|---------------------|----------------------|-------------------------------------|--------------------------------|
| General Obligation Bonds       |                                     |                     |                      |                                     |                                |
| Dated March 11, 2013           | \$ 54,110,000                       | \$ -                | \$ 3,765,000         | \$ 50,345,000                       | \$ 3,955,000                   |
| Dated April 14, 2015           | 9,590,000                           | -                   | -                    | 9,590,000                           | -                              |
| Bond Premium (2013)            | 5,526,838                           | -                   | 445,114              | 5,081,724                           | 445,114                        |
| Bond Premium (2015)            | 1,327,426                           | -                   | 167,675              | 1,159,751                           | 167,675                        |
| Net Pension Liability          | 146,979,577                         | -                   | 27,648,655           | 119,330,922                         | -                              |
| Net OPEB Liability             | 7,340,736                           | -                   | 1,473,245            | 5,867,491                           | -                              |
| Certificates of Participation  | 6,729,407                           | -                   | 231,889              | 6,497,518                           | 237,278                        |
| Capital Lease                  | 547,370                             | 320,641             | 195,602              | 672,409                             | 193,222                        |
| Compensated Absences           | 1,872,744                           | 2,720,991           | 2,215,739            | 2,377,996                           | 356,699                        |
| Early Retirement               | 415,646                             | 155,081             | 188,224              | \$ 382,503                          | 241,786                        |
| Totals                         | <u>\$ 234,439,744</u>               | <u>\$ 3,196,713</u> | <u>\$ 36,331,143</u> | <u>\$ 201,305,314</u>               | <u>\$ 5,596,774</u>            |

The governmental activities liabilities of compensated absences and early retirement are expected to be liquidated with revenues from the General Fund and Food Services Fund.

On March 11, 2013, the District issued \$62,245,000 of General Obligation Refunding Bonds, Series 2013, with interest rates ranging from 2.000% to 5.250% to refund a portion of the District's outstanding General Obligation, Series 2006 bonds. Principal payments are due annually beginning on December 1, 2013, through 2031. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.0% to 5.25%.

On April 14, 2015, the District issued \$11,590,000 of General Obligation Refunding Bonds, Series 2015, with interest rates ranging from 2.000% to 5.000% to refund the District's outstanding General Obligation, Series 2007 bonds and a portion of the Series 2008 bonds. Principal payments are due beginning with a payment on December 1, 2015; however, the remaining principal payments will be made annually beginning December 1, 2015 through 2027. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.0% to 5.00%.

On December 6, 2018, the District issued \$6,729,407 of BEST (Building Excellent Schools Today) matching money Certificates of Participation (COP's). The COP's have a 3.893% interest rate. Principal payments are due annually on December 1 beginning in 2019 and running through 2038. The COP's serve as a portion of the District's match on the BEST grant program where the District was awarded approximately \$19 million of BEST grant funds to construct a new Alsup Elementary School.

The District entered into a Master Lease agreement on July 2, 2018 for a total of \$213,587 of white fleet vehicles, all of which was capitalized. The remaining book value of these vehicles is \$160,190. Lease payments are due monthly beginning August 1, 2018 through October 1, 2023 with interest accruing at 1.65% per annum. The lease has been capitalized at the present value of future lease payments. The capital lease is an obligation of the Capital Reserve Capital Projects fund.

The District entered into a Lease agreement on January 18, 2019 for a total of \$558,276 of yellow fleet vehicles, all of which was capitalized. The remaining book value of these vehicles (buses) is \$453,599. Lease payments are due annually beginning January 22, 2019 through January 22, 2023 with interest accruing at 4.53% per annum. The lease has been capitalized at the present value of future lease payments. The capital lease is an obligation of the Capital Reserve Capital Projects fund.

The District entered into a Lease agreement on March 15, 2020 for a total of \$320,641 of yellow fleet vehicles, all of which was capitalized. The remaining book value of these vehicles (buses) is \$300,601. Lease payments are due annually beginning March 15, 2020 through March 15, 2024 with interest accruing at 2.61% per annum. The lease has been capitalized at the present value of future lease payments. The capital lease is an obligation of the Capital Reserve Capital Projects fund.

## 2. Summary of Debt Service Requirements to Maturity

The following schedule reflects the debt service requirements to maturity for the District's general obligation bonded debt and Certificates of Participation at June 30, 2020;

| Year Ended<br>June 30, | GO Bonds             |                      | Certificates of Participation |                     | Total                |
|------------------------|----------------------|----------------------|-------------------------------|---------------------|----------------------|
|                        | Principal            | Interest             | Principal                     | Interest            |                      |
| 2021                   | \$ 3,955,000         | \$ 2,546,381         | \$ 237,278                    | \$ 248,330          | \$ 6,986,989         |
| 2022                   | 4,100,000            | 2,394,531            | 246,515                       | 238,913             | 6,979,959            |
| 2023                   | 4,250,000            | 2,236,781            | 256,112                       | 229,129             | 6,972,022            |
| 2024                   | 4,425,000            | 2,041,156            | 266,082                       | 218,965             | 6,951,203            |
| 2025                   | 4,515,000            | 1,817,656            | 276,441                       | 208,404             | 6,817,501            |
| 2026-2030              | 26,295,000           | 5,373,838            | 1,552,259                     | 868,657             | 34,089,754           |
| 2031-2035              | 12,395,000           | 390,234              | 1,878,866                     | 535,693             | 15,199,793           |
| 2036-2039              | -                    | -                    | 1,783,965                     | 142,214             | 1,926,179            |
| Totals                 | <u>\$ 59,935,000</u> | <u>\$ 16,800,577</u> | <u>\$ 6,497,518</u>           | <u>\$ 2,690,305</u> | <u>\$ 85,923,400</u> |

The following schedule reflects the future minimum lease payments required under capital lease obligations at June 30, 2020

| Year Ended June 30,                     |                   |
|---|-------------------|
| 2021                                    | \$ 224,423        |
| 2022                                    | 224,423           |
| 2023                                    | 224,423           |
| 2024                                    | 78,803            |
| Total minimum lease payments            | <u>752,072</u>    |
| Less: Interest portion                  | <u>(79,663)</u>   |
| Present Value of Minimum Lease Payments | <u>\$ 672,409</u> |

**NOTE H – RISK MANAGEMENT**

As mentioned above, beginning July 1, 2015, the District obtained Property and Liability insurance through Colorado School District Self Insurance Pool (CSDSIP). Coverage levels for fiscal year 2019-20 were as follows;

|  | CSDSIP per Occurrence Limit | CSDSIP Member Limit  |
|--|-----------------------------|----------------------|
| Property                                 | \$1,000,000,000             | \$212,860,758        |
|  |                             | Per Occurrence Limit |
| Flood                                    |                             | \$ 100,000,000       |
| Earth Movement                           |                             | \$ 100,000,000       |
| General Liability                        |                             | \$ 10,000,000        |
| Employment Wrongful Act Annual Aggregate |                             | \$ 15,000,000        |
| Equipment Breakdown                      |                             | \$ 250,000,000       |
| Rented Premise Damage                    |                             | \$ 500,000           |
| Crime Coverage                           |                             | \$ 100,000           |
| Excess Crime                             |                             | \$ 900,000           |
| Nuclear, Chemical, Biological, Terrorism |                             | \$ 10,000,000        |
| Employee Benefits Liability              |                             | \$ 250,000           |
| School Auto                              |                             | \$ 5,000,000         |
| School Crisis                            |                             | \$ 250,000           |
| Pollution & Remediation                  |                             | \$ 1,000,000         |
| Cyber Enterprise Risk Management         |                             | \$ 1,000,000         |

Outside of the coverages listed above workers’ compensation insurance is now obtained through Pinnacle Assurance.

**NOTE I – RETIREMENT PLANS**

**Defined Benefit Pension Plan**

**General Information about the Pension Plan**

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

Benefits provided as of December 31, 2019. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent 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 of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions. Eligible employees of Adams County School District 14 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020.

Employer contribution requirements are summarized in the table below:

|  | July 1, 2019 Through<br>June 30, 2020 |
|--|---------------------------------------|
| Employer Contribution Rate   | 10.40%                                |
| Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) | (1.02)%                               |
| Amount Apportioned to the SCHDTF   | 9.38%                                 |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411                                    | 4.50%                                 |
| Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411                      | 5.50%                                 |
| <b>Total Employer Contribution Rate to the SCHDTF</b>  | <b>19.38%</b>                         |

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

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

Subsequent to the SCHDTF’s December 31, 2019, measurement date, HB 20-1379 Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and Adams County School District 14 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Adams County School District 14 were \$9,051,473 for the year ended June 30, 2020.

**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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The Adams County School District 14 proportion of the net pension liability was based on Adams County School District 14 contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2020 Adams County School District 14 reported a liability of \$119,330,922 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Adams County School District 14 were as follows:

|  |               |
|--|---------------|
| Adams County School District 14 proportionate share of the net pension liability   | \$119,330,922 |
| The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the Adams County School District 14. | \$15,135,607  |
| Total  | \$134,466,532 |

At December 31, 2019, the Adams County School District 14 proportion was 0.7987 percent, which was a decrease of 0.0313 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, Adams County School District 14 recognized pension income of \$22,386,464, and revenue of \$478,760 for support from the state as a nonemployer contributing entity. At June 30, 2020 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   | \$6,503,614                           | -                                    |
| Changes of assumptions or other inputs  | \$3,406,715                           | \$54,127,375                         |
| Net difference between projected and actual earnings on pension plan investments                                | -                                     | \$14,135,936                         |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | -                                     | \$20,724,195                         |
| Contributions subsequent to the measurement date  | \$4,506,024                           | -                                    |
| <b>Total</b>  | <b>\$14,416,353</b>                   | <b>\$88,987,506</b>                  |

\$4,506,024 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year ended June 30:</b> | <b>Amount</b>         |
|----------------------------|-----------------------|
| 2021                       | (\$43,581,196)        |
| 2022                       | (\$29,914,677)        |
| 2023                       | (\$ 772,677)          |
| 2024                       | (\$4,808,627)         |
| <b>Total</b>               | <b>(\$79,077,177)</b> |

Actuarial assumptions. The total pension liability in the December 31, 2018 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 – 9.70 percent                     |
| Long-term investment rate of return, net of pension plan investment expenses, including price inflation | 7.25 percent                            |
| Discount rate   | 7.25 percent                            |
| Post-retirement benefit increases:  |   |
| PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic) <sup>1</sup>        | 1.25 percent compounded annually        |
| PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) <sup>1</sup>              | Financed by the Annual Increase Reserve |

<sup>1</sup> For 2019, the annual increase was 0.00 percent.

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.

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

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

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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

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

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

| <b>Asset Class</b>                | <b>Target Allocation</b> | <b>30 Year Expected Geometric Real Rate of Return</b> |
|-----------------------------------|--------------------------|---|
| U.S. Equity – Large Cap           | 21.20%                   | 4.30%   |
| U.S. Equity – Small Cap           | 7.42%                    | 4.80%   |
| Non U.S. Equity – Developed       | 18.55%                   | 5.20%   |
| Non U.S. Equity – Emerging        | 5.83%                    | 5.40%   |
| Core Fixed Income                 | 19.32%                   | 1.20%   |
| High Yield                        | 1.38%                    | 4.30%   |
| Non U.S. Fixed Income – Developed | 1.84%                    | 0.60%   |
| Emerging Market Debt              | 0.46%                    | 3.90%   |
| Core Real Estate                  | 8.50%                    | 4.90%   |
| Opportunity Fund                  | 6.00%                    | 3.80%   |
| Private Equity                    | 8.50%                    | 6.60%   |
| Cash                              | 1.00%                    | 0.20%   |
| 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 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Adams County School District 14 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were

calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

|   | 1% Decrease<br>(6.25%) | Current<br>Discount<br>Rate (7.25%) | 1% Increase<br>(8.25%) |
|---|------------------------|-------------------------------------|------------------------|
| Proportionate share of<br>the net pension liability | \$158,258,353          | \$119,330,922                       | \$86,647,952           |

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

### **Defined Contribution Pension Plan**

#### Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$250,741. The District does not contribute to this plan.

### **Defined Benefit Other Post-Employment Benefit (OPEB) Plan**

#### *Plan Description*

Eligible employees of the Adams County School District 14 are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

#### *Benefits Provided*

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

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

#### *PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the 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 Adams County School District 14 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Adams County School District 14 were \$476,393 for the year ended June 30, 2020.

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

At June 30, 2020, the Adams County School District 14 reported a liability of \$5,867,491 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2019. The Adams County School District 14's proportion of the net OPEB liability was based on the Adams County School District 14's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF. At December 31, 2019, the Adams County School District 14's proportion was 0.5220%, which was a decrease of 0.0175% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Adams County School District 14 recognized OPEB revenue of \$20,086. At June 30, 2020, the Adams County School District 14 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Difference between Expected and Actual Experience   | \$19,471                                      | \$985,954                                    |
| Difference in Assumptions   | \$48,678                                      |  |
| Net Difference between Projected and Actual Earnings on OPEB Plan Investments                                   |   | \$97,936                                     |
| Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions |   | \$410,705                                    |
| Contributions Subsequent to the Measurement Date  | \$235,731                                     |  |
| Total   | \$303,880                                     | \$1,494,595                                  |

\$235,731 reported as deferred outflows of resources related to OPEB resulting from Adams County School District 14 contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended June 30,</u> | <u>Amount</u>   |
|----------------------------|-----------------|
| 2021                       | \$ (311,943)    |
| 2022                       | (311,932)       |
| 2023                       | (283,576)       |
| 2024                       | (274,747)       |
| 2025                       | (230,448)       |
| Thereafter                 | <u>(13,799)</u> |
| Total                      | (1,426,445)     |

*Actuarial assumptions*

The total OPEB liability in the December 31, 2018 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 aggregate  |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | 7.25 percent   |
| Discount rate  | 7.25 percent   |
| Health care cost trend rates   |  |
| PERA benefit structure:  |  |
| Service-based premium subsidy  | 0.00 percent   |
| PERACare Medicare plans  | 5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029 |
| Medicare Part A premiums   | 3.50 percent in 2019, gradually increasing to 4.50 percent in 2029 |

DPS benefit structure:

|                               |              |
|-------------------------------|--------------|
| Service-based premium subsidy | 0.00 percent |
| PERACare Medicare plans       | N/A          |
| Medicare Part A premiums      | N/A          |

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

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

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

| Medicare Plan                                | Cost for Members Without Medicare Part A | Premiums for Members Without Medicare Part A |
|--|--|--|
| Medicare Advantage/Self-Insured Prescription | \$601                                    | \$240  |
| Kaiser Permanente Medicare Advantage HMO     | 605                                      | 237  |

The 2019 Medicare Part A premium is \$437 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 |
|--|--|
| Medicare Advantage/Self-Insured Prescription | \$562                                    |
| Kaiser Permanente Medicare Advantage HMO     | 571                                      |

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, 2018, 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 |
|-------|-------------------------|--------------------------|
| 2019  | 5.60%                   | 3.50%                    |
| 2020  | 8.60%                   | 3.50%                    |
| 2021  | 7.30%                   | 3.50%                    |
| 2022  | 6.00%                   | 3.75%                    |
| 2023  | 5.70%                   | 3.75%                    |
| 2024  | 5.50%                   | 3.75%                    |
| 2025  | 5.30%                   | 4.00%                    |
| 2026  | 5.10%                   | 4.00%                    |
| 2027  | 4.90%                   | 4.25%                    |
| 2028  | 4.70%                   | 4.25%                    |
| 2029+ | 4.50%                   | 4.50%                    |

Mortality assumptions 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.

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.

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

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

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

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

- 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 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

| 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%.

*Sensitivity of the Adams County School District 14’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the Adams County School District 14’s proportionate share of the net OPEB liability, as well as what the Adams County School District 14’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:

|   | 1% Decrease in<br>Trend Rate | Current Trend<br>Rates | 1% Increase in<br>Trend Rates |
|---|------------------------------|------------------------|-------------------------------|
| Initial PERACare Medicare Trend Rate          | 4.60%                        | 5.60%                  | 6.60%                         |
| Ultimate PERACare Medicare Trend Rate         | 3.50%                        | 4.50%                  | 5.50%                         |
| Intitial Medicare Part A Trend Rate           | 2.50%                        | 3.50%                  | 4.50%                         |
| Ultimate Medicare Part A Trend Rate           | 3.50%                        | 4.50%                  | 5.50%                         |
| Proportionate Share of the Net OPEB Liability | \$ 5,728,111                 | \$ 5,867,491           | \$ 6,028,555                  |

*Discount Rate*

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, 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.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's 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, and therefore, the discount rate is 7.25 percent.

*Sensitivity of the Adams County School District 14's proportionate share of the net OPEB liability to changes in the discount rate*

The following presents the Adams County School District 14's proportionate share of the net OPEB liability, as well as what the Adams County School District 14's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current discount rate:

|   | 1% Decrease<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|---|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net OPEB liability | \$ 6,634,379           | \$ 5,867,491                        | \$ 5,211,641           |

*OPEB plan fiduciary net position*

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

**NOTE K – COMMITMENTS AND CONTINGENCIES**

1. Taxpayer's Bill of Rights (TABOR) Amendment

In November 1992, the voters of the State of Colorado approved Article X, Section 20 to the State Constitution. This amendment is referred to as the Taxpayer's Bill of Rights (TABOR). TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, imposing a mill levy that will produce property tax revenue in excess of the amount collected in the previous year adjusted by the growth factor, extending an expiring tax or implementing a tax policy change which directly causes a net tax revenue gain.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

In November 1999, the voters approved a ballot issue authorizing the District to "...collect, retain and expend all excess revenues and other funds collected in the 1999-2000 budget year and in each subsequent budget year thereafter, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution or any other law, with the restriction that no local tax rate or property tax mill levy shall be increased without voter approval."

TABOR requires the District to maintain an emergency reserve of 3 percent of fiscal year eligible expenditures. At June 30, 2020, the District has restricted fund balance of \$2,430,760 in the General Fund and restricted Net Position in the government-wide financial statements. The District believes it complies with the requirements of TABOR. However, TABOR is complex and subject to interpretation. Ultimate interpretation may depend upon litigation and legislative guidance.

2. Operating Agreement

The District entered into an operating agreement with the City of Commerce City for a building, which was renovated to be a preschool. The agreement requires an annual payment of \$12. The property will revert to the City at the end of the agreement. The District is responsible for the utilities and maintenance on the property and those expenditures are included in the General Fund.

3. Grants

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2020, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

4. Litigation

The District is involved in various pending or threatened litigation. The outcome of the litigation cannot be predicted at this time.

5. Construction Commitments

The District had ongoing construction at June 30, 2020 for the replacement of Alsup Elementary. The total outstanding commitment at year-end was \$26,497,289, of this amount, the District will pay 42% and the State of Colorado BEST (Building Excellent Schools Today) program will pay the remaining 58% as part of the BEST grant award the District received in June of 2018. The District's 42% or \$11,128,861 was funded by a transfer from the General fund and by the issuance of the 2018 Certificates of Participation. The District's funds that will be used to pay this commitment are shown as Cash (with fiscal agent) within the Capital Projects Building fund.

6. Contingency with the Colorado Department of Education

Schools and districts not meeting expectations in achievement, growth and postsecondary workforce readiness, as determined by the School and District Performance Frameworks, are assigned a plan type of Priority Improvement or Turnaround. Per state law, schools and districts cannot retain one of those plan types for five consecutive years before significant action must be taken. This statutory timeline is referred to as the Accountability Clock. Adams 14 is currently in year 10 of this clock. The State Board of Education voted on November 15, 2018 to bring in an external management organization (EMO) to oversee management within the District. The District hired an EMO partner commonly referred to as MGT and legally organized as Adams 14 Schools Succeed, LLC in June of 2019. This organization is expected to be in place for 4 years. The impact of the Covid 19 pandemic on the accountability clock is unknown however some adjustments may occur. If scores and results do not improve while this EMO is in place, the State Board of Education will take additional action.

**NOTE L – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT**

The district previously reported the activity of the Pupil Activity Agency Fund (Fund 74) as a fiduciary fund. Beginning in FY2019-2020, the District has adopted Governmental Accounting Standard Board statement number 84, and such activity has been more appropriately reported in a special revenue fund (fund 23). Accordingly, the newly established combined Athletics and Activities special revenue fund reports a restated beginning balance of \$253,235, which is equal to the restatement of the net current assets and current liabilities previously reported in the agency fund. All remaining assets and liabilities, if any, previously reported in the agency fund are not recognized at the fund level under the modified accrual basis of accounting, and have been reclassified as assets and liabilities of the governmental activities as of July 1, 2019.

|                                   | <u>Activities Fund</u> | <u>Statement of<br/>Activities</u> |
|-----------------------------------|------------------------|------------------------------------|
| June 30 2019 as Originally Stated | \$ -                   | \$ 166,567,663                     |
| Restatement Amount                | 253,235                | 253,235                            |
| June 30 2019 as Restated          | <u>\$ 253,235</u>      | <u>\$ 166,314,428</u>              |

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*Required Supplementary Information*

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**Adams County School District 14**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended June 30, 2020**

|  | <u>Original<br/>Budget</u> | <u>Final Budget</u>  | <u>Actual</u>        | <b>Variance<br/>Positive<br/>(Negative)</b> |
|--|----------------------------|----------------------|----------------------|---|
| <b>REVENUES</b>  |                            |                      |                      |   |
| Federal:   |                            |                      |                      |   |
| Impact aid   | \$ 2,850,000               | \$ 2,850,000         | \$ 3,062,048         | \$ 212,048                                  |
| Subtotal   | <u>2,850,000</u>           | <u>2,850,000</u>     | <u>3,062,048</u>     | <u>212,048</u>                              |
| State:   |                            |                      |                      |   |
| Equalization payments  | 39,291,455                 | 37,243,432           | 37,376,977           | 133,545                                     |
| Vocational education   | 100,000                    | 100,000              | 80,121               | (19,879)                                    |
| Exceptional Children's Educational Act (ECEA)                | 1,519,076                  | 1,527,734            | 1,561,036            | 33,302                                      |
| Transportation reimbursement                                 | 475,000                    | 450,000              | 410,580              | (39,420)                                    |
| PERA state fund  | -                          | 1,193,650            | 1,146,377            | (47,273)                                    |
| ELPA reimbursement   | 450,000                    | 520,412              | 520,412              | -   |
| Other  | -                          | -                    | 11,604               | 11,604                                      |
| Subtotal   | <u>41,835,531</u>          | <u>41,035,228</u>    | <u>41,107,107</u>    | <u>71,879</u>                               |
| Local:   |                            |                      |                      |   |
| Property taxes   | 27,597,051                 | 28,743,419           | 28,504,990           | (238,429)                                   |
| Payments in lieu of taxes                                    | 55,000                     | 55,000               | 55,000               | -   |
| Miscellaneous  | 688,750                    | 699,750              | 543,260              | (156,490)                                   |
| Investment income  | 525,000                    | 450,000              | 280,466              | (169,534)                                   |
| Subtotal   | <u>28,865,801</u>          | <u>29,948,169</u>    | <u>29,383,716</u>    | <u>(564,453)</u>                            |
| Total revenues   | <u>73,551,332</u>          | <u>73,833,397</u>    | <u>73,552,871</u>    | <u>(280,526)</u>                            |
| <b>EXPENDITURES</b>  |                            |                      |                      |   |
| Current operating:   |                            |                      |                      |   |
| Instructional services                                       | 37,791,725                 | 39,596,681           | 37,335,512           | 2,261,169                                   |
| Operation and maintenance                                    | 8,539,004                  | 7,958,896            | 7,641,819            | 317,077                                     |
| Pupil services   | 5,202,134                  | 4,571,242            | 4,501,372            | 69,870                                      |
| Central support services                                     | 5,682,541                  | 5,548,746            | 5,269,985            | 278,761                                     |
| School administration  | 5,812,276                  | 5,743,249            | 5,570,356            | 172,893                                     |
| Instructional support  | 3,575,510                  | 3,533,828            | 3,606,083            | (72,255)                                    |
| Pupil transportation   | 2,254,778                  | 2,653,550            | 2,376,899            | 276,651                                     |
| Business administration                                      | 1,227,882                  | 1,650,627            | 1,238,865            | 411,762                                     |
| General administration                                       | 3,881,514                  | 3,026,116            | 2,487,243            | 538,873                                     |
| Other supporting services                                    | 65,750                     | 40,750               | 71,521               | (30,771)                                    |
| Community services   | 268,482                    | 260,449              | 298,164              | (37,715)                                    |
| Capital outlay   | -                          | 479,797              | 218,235              | 261,562                                     |
| Total expenditures   | <u>74,301,596</u>          | <u>75,063,931</u>    | <u>70,616,054</u>    | <u>4,447,877</u>                            |
| Excess (deficiency) of revenues<br>over (under) expenditures | (750,264)                  | (1,230,534)          | 2,936,817            | 4,167,351                                   |
| <b>Other financing (uses)</b>                                |                            |                      |                      |   |
| Transfers out  | (3,104,000)                | (2,804,000)          | (2,806,500)          | (2,500)                                     |
| Total other financing (uses)                                 | <u>(3,104,000)</u>         | <u>(2,804,000)</u>   | <u>(2,806,500)</u>   | <u>(2,500)</u>                              |
| Net change in fund balance                                   | (3,854,264)                | (4,034,534)          | 130,317              | 4,164,851                                   |
| Fund balance - beginning                                     | 19,086,828                 | 20,963,387           | 20,963,387           | -   |
| Fund balance - ending  | <u>\$ 15,232,564</u>       | <u>\$ 16,928,853</u> | <u>\$ 21,093,704</u> | <u>\$ 4,164,851</u>                         |

See the accompanying independent auditors' report.

**Adams County School District 14  
Budgetary Comparison Schedule  
Grants Fund  
For The Year Ended June 30, 2020**

|                            | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>Positive<br/>(Negative)</b> |
|----------------------------|--------------------------------------|---------------|---|
| <b>REVENUES</b>            |                                      |               |   |
| Federal                    | \$ 10,605,080                        | \$ 7,934,985  | \$ (2,670,095)                              |
| State                      | 2,218,874                            | 1,998,203     | (220,671)                                   |
| Local                      | 104,215                              | 174,711       | 70,496                                      |
| Total revenues             | 12,928,169                           | 10,107,899    | (2,820,270)                                 |
| <b>EXPENDITURES</b>        |                                      |               |   |
| Instructional services     | 6,252,756                            | 2,760,875     | 3,491,881                                   |
| Operation and maintenance  | -                                    | 289,441       | (289,441)                                   |
| Pupil services             | 872,586                              | 633,846       | 238,740                                     |
| Central support services   | 90,128                               | 131,848       | (41,720)                                    |
| School administration      | 123,953                              | 141,880       | (17,927)                                    |
| Instructional support      | 3,697,020                            | 3,708,444     | (11,424)                                    |
| Pupil transportation       | 29,050                               | 15,827        | 13,223                                      |
| General administration     | 904,980                              | 1,294,190     | (389,210)                                   |
| Community services         | 115,647                              | 122,796       | (7,149)                                     |
| Food service operations    | 159,450                              | 172,073       | (12,623)                                    |
| Education for adults       | 596,956                              | 634,639       | (37,683)                                    |
| Capital Outlay             | 85,643                               | 202,040       | (116,397)                                   |
| Total expenditures         | 12,928,169                           | 10,107,899    | 2,820,270                                   |
| Net change in fund balance | -                                    | -             | -   |
| Fund balance - beginning   | -                                    | -             | -   |
| Fund balance - ending      | \$ -                                 | \$ -          | \$ -  |

See the accompanying independent auditors' report.

**Adams County School District 14**  
**Schedule of the District's Proportionate Share of Net Pension Liability**  
**School Division Trust Fund**  
**Last 10 Fiscal Years**  
**For the Year Ended December 31, (Measurement Date)**  
**Employee Pension Plan**

|  | <b>2019</b>    | <b>2018</b>    | <b>2017</b>    | <b>2016</b>    | <b>2015</b>    | <b>2014</b>    |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| District's proportion of the net pension liability   | 0.798746%      | 0.830062%      | 0.961220%      | 1.002676%      | 1.034914%      | 1.068534%      |
| District's proportionate share of the net pension liability  | \$ 119,330,922 | \$ 146,979,577 | \$ 310,824,522 | \$ 298,535,421 | \$ 158,282,838 | \$ 144,822,259 |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with Adams County School District 14. | 15,135,610     | 20,097,416     | -              | -              | -              | -              |
| Total net pension liability  | 134,466,532    | 167,076,993    | 310,824,522    | 298,535,421    | 158,282,838    | 144,822,259    |
| District's covered payroll   | 46,858,775     | 45,468,953     | 44,188,524     | 44,869,373     | 45,100,841     | 44,773,404     |
| District's proportionate share of net pension liability as a percentage of its covered payroll   | 254.66%        | 323.25%        | 703.41%        | 665.34%        | 350.95%        | 323.46%        |
| Plan fiduciary net position as a percentage of the total pension liability   | 64.5%          | 57.0%          | 44.0%          | 43.1%          | 59.2%          | 62.8%          |

\* GASB 68 was implemented in fiscal year 2015 so the District can only provide data for the years shown above.

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

See the accompanying independent auditors' report.

**School Division Trust Fund  
Last 10 Fiscal Years  
For the Year Ended June 30, 2020**

|   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   | <b>2013</b>   | <b>2012</b>   | <b>2011</b>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution                                 | \$ 9,051,473  | \$ 8,916,526  | \$ 8,372,757  | \$ 8,122,695  | \$ 8,070,745  | \$ 7,414,954  | \$ 7,223,309  | \$ 6,649,419  | \$ 5,049,901  | \$ 5,075,298  |
| Contribution in relation to the contractually required contribution | 9,051,473     | 8,916,526     | 8,372,757     | 8,122,695     | 8,070,745     | 7,414,954     | 7,223,309     | 6,649,419     | 5,049,901     | 5,075,298     |
| Contribution deficiency (excess)                                    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Distict's covered payroll   | \$ 46,705,228 | \$ 46,610,170 | \$ 44,348,577 | \$ 44,196,792 | \$ 45,520,276 | \$ 43,927,451 | \$ 45,196,743 | \$ 44,082,592 | \$ 38,410,002 | \$ 38,219,953 |
| Contributions as a percentage of covered payroll                    | 19.38%        | 19.13%        | 18.88%        | 18.38%        | 17.73%        | 16.88%        | 15.98%        | 15.08%        | 13.15%        | 13.28%        |

See the accompanying independent auditors' report.

**Adams County School District 14**  
**Schedule of the Proportionate Share of Net OPEB Liability**  
**Public Employees' Retirement Association of Colorado Health Care Trust Fund**  
**Last 10 Fiscal Years**  
**For the Year Ended December 31, (Measurement Date)**

|  | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   |
|--|---------------|---------------|---------------|---------------|
| Distict's proportion of the OPEB liability   | 0.522020%     | 0.539545%     | 0.546156%     | 0.569933%     |
| District's proportionate share of the OPEB liability   | \$ 5,867,491  | \$ 7,340,736  | \$ 7,097,842  | \$ 7,389,376  |
| District's covered payroll   | \$ 46,858,775 | \$ 45,468,953 | \$ 44,188,524 | \$ 44,869,373 |
| District's proportionate share of net OPEB liability<br>as a percentage of its covered payroll | 12.52%        | 16.14%        | 16.06%        | 16.47%        |
| Plan fiduciary net position as a percentage of the total<br>OPEB liability                     | 24.49%        | 17.03%        | 16.72%        | 17.53%        |

GASB 75 was implemented in fiscal year 2018 so the District can only provide data for the years shown above.

See the accompanying independent auditors' report.

**Adams County School District 14**  
**Schedule of District's Contributions to the OPEB Plan**  
**Health Care Trust Fund**  
**Last 10 Fiscal Years**  
**For the Year Ended June 30, 2020**

|   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   | <b>2013</b>   | <b>2012</b>   | <b>2011</b>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution                                 | \$ 476,393    | \$ 475,424    | \$ 452,355    | \$ 450,807    | \$ 464,307    | \$ 448,060    | \$ 461,025    | \$ 449,643    | \$ 391,782    | \$ 389,845    |
| Contribution in relation to the contractually required contribution | 476,393       | 475,424       | 452,355       | 450,807       | 464,307       | 448,060       | 461,025       | 449,643       | 391,782       | 389,845       |
| Contribution deficiency (excess)                                    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Distict's covered payroll   | \$ 46,705,228 | \$ 46,610,170 | \$ 44,348,577 | \$ 44,196,792 | \$ 45,520,276 | \$ 43,927,451 | \$ 45,196,743 | \$ 44,082,592 | \$ 38,410,002 | \$ 38,219,953 |
| Contributions 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%         |

See the accompanying independent auditors' report.

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**

**NOTE I – BUDGETS AND BUDGETARY ACCOUNTING**

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

Budgets are required by State law for all funds. The Superintendent submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the District and the manner in which the budget proposes to fulfill such objectives.

Public hearings are conducted by the Board of Education to obtain public comments.

Prior to June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board shall not review or change the budget except that, where money for a specific purpose from other than ad valorem taxes becomes available to meet a contingency. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Superintendent. Revisions that alter the total expenditures in any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Education.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent and/or Board of Education throughout the year.

All appropriations lapse at the end of each fiscal year.

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*Supplementary Information*

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**Adams County School District 14  
Budgetary Comparison Schedule  
Bond Redemption Fund  
For The Year Ended June 30, 2020**

|                             | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>Positive<br/>(Negative)</b> |
|-----------------------------|--|---------------|---|
| <b>REVENUES</b>             |  |               |   |
| Taxes:                      |  |               |   |
| Property taxes              | \$ 6,271,782                             | \$ 6,585,940  | \$ 314,158                                  |
| Payments in lieu of taxes   | 45,000                                   | 45,000        | -   |
| Investment income           | 70,000                                   | 71,936        | 1,936                                       |
| Total revenues              | 6,386,782                                | 6,702,876     | 316,094                                     |
| <b>EXPENDITURES</b>         |  |               |   |
| Principal retirement        | 3,765,000                                | 3,765,000     | -   |
| Interest and fiscal charges | 2,719,606                                | 2,719,606     | -   |
| Paying Agent Fees           | 2,500                                    | -             | 2,500                                       |
| Total expenditures          | 6,487,106                                | 6,484,606     | 2,500                                       |
| Net change in fund balance  | (100,324)                                | 218,270       | 318,594                                     |
| Fund balance - beginning    | 6,870,674                                | 6,833,442     | (37,232)                                    |
| Fund balance - ending       | \$ 6,770,350                             | \$ 7,051,712  | \$ 281,362                                  |

**Adams County School District 14  
Budgetary Comparison Schedule  
Capital Projects Building Fund  
For The Year Ended June 30, 2020**

|   | <u>Original<br/>Budget</u> | <u>Final Budget</u> | <u>Actual</u>               | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|---------------------|-----------------------------|---|
| <b>REVENUES</b>   |                            |                     |                             |   |
| Best grant - state                                      | 17,910,000                 | \$ 19,120,292       | \$ 3,751,864                | \$ (15,368,428)                             |
| Total revenues  | <u>17,910,000</u>          | <u>19,120,292</u>   | <u>3,751,864</u>            | <u>(15,368,428)</u>                         |
| <b>EXPENDITURES</b>                                     |                            |                     |                             |   |
| Capital outlay matching contribution                    | 13,949,267                 | 13,845,728          | 2,716,867                   | 11,128,861                                  |
| Capital outlay best grant                               | 19,263,274                 | 19,120,292          | 3,751,864                   | 15,368,428                                  |
| Total capital outlay expenditures                       | <u>33,212,541</u>          | <u>32,966,020</u>   | <u>6,468,731</u>            | <u>26,497,289</u>                           |
| Excess (deficiency) of<br>revenues (under) expenditures | <u>(15,302,541)</u>        | <u>(13,845,728)</u> | <u>(2,716,867)</u>          | <u>11,128,861</u>                           |
| Net change in fund balance                              | (15,302,541)               | (13,845,728)        | (2,716,867)                 | 11,128,861                                  |
| Fund balance - beginning                                | <u>15,302,541</u>          | <u>13,845,728</u>   | <u>13,845,728</u>           | <u>-</u>                                    |
| Fund balance - ending                                   | <u><u>-</u></u>            | <u><u>\$ -</u></u>  | <u><u>\$ 11,128,861</u></u> | <u><u>\$ 11,128,861</u></u>                 |



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*Non-Major Funds and Combining  
Statements*

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**Adams County School District 14**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

|                                    | <u>Special Revenue</u>        |                              |  |                                  |  |                     |
|------------------------------------|-------------------------------|------------------------------|--|----------------------------------|--|---------------------|
|                                    | <u>Fee Supported<br/>Fund</u> | <u>Food Service<br/>Fund</u> | <u>Athletics &amp;<br/>Activities Fund</u> | <u>COP Debt<br/>Service Fund</u> | <u>Capital<br/>Reserve<br/>Capital<br/>Projects Fund</u> | <u>Total</u>        |
| <b>ASSETS</b>                      |                               |                              |  |                                  |  |                     |
| Cash and investments               | \$ 180                        | \$ 151,190                   | \$ 37,062                                  | \$ -                             | \$ -   | \$ 188,432          |
| Accounts receivable                | 12,137                        | 218,507                      | -  | -                                | -  | 230,644             |
| Due from other funds               | 166,615                       | 1,727                        | 214,146                                    | 649                              | 1,887,120  | 2,270,257           |
| Prepaid items                      | -                             | 4,275                        | -  | -                                | -  | 4,275               |
| Inventory                          | -                             | 187,221                      | -  | -                                | -  | 187,221             |
| Total assets                       | <u>178,932</u>                | <u>562,920</u>               | <u>251,208</u>                             | <u>649</u>                       | <u>1,887,120</u>   | <u>2,880,829</u>    |
| <b>LIABILITIES</b>                 |                               |                              |  |                                  |  |                     |
| Accounts payable                   | 105                           | -                            | 4,757                                      | -                                | 3,820  | 8,682               |
| Accrued salaries and benefits      | 25,770                        | 150,481                      | 2,981                                      | -                                | -  | 179,232             |
| Total liabilities                  | <u>25,875</u>                 | <u>150,481</u>               | <u>7,738</u>                               | <u>-</u>                         | <u>3,820</u>   | <u>187,914</u>      |
| <b>FUND BALANCE</b>                |                               |                              |  |                                  |  |                     |
| Nonspendable                       | -                             | 187,221                      | -  | -                                | -  | 187,221             |
| Prepaid items                      | -                             | 4,275                        | -  | -                                | -  | 4,275               |
| Restricted                         | -                             | 220,943                      | -  | -                                | -  | 220,943             |
| Committed                          | -                             | -                            | 243,470                                    | -                                | -  | 243,470             |
| Assigned                           | 153,057                       | -                            | -  | 649                              | 1,883,300  | 2,037,006           |
| Total fund balance                 | <u>153,057</u>                | <u>412,439</u>               | <u>243,470</u>                             | <u>649</u>                       | <u>1,883,300</u>   | <u>2,692,915</u>    |
| Total liabilities and fund balance | <u>\$ 178,932</u>             | <u>\$ 562,920</u>            | <u>\$ 251,208</u>                          | <u>\$ 649</u>                    | <u>\$ 1,887,120</u>                                      | <u>\$ 2,880,829</u> |

**Adams County School District 14**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For The Year Ended June 30, 2020**

|   | <u>Special Revenue</u>   |                                  |  |                          |  | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|---|--------------------------|----------------------------------|--|--------------------------|--|--|
|   | <u>Fee<br/>Supported</u> | <u>Food<br/>Service<br/>Fund</u> | <u>Athletics<br/>&amp; Activities<br/>Fund</u> | <u>COP Debt<br/>Fund</u> | <u>Capital Reserve<br/>Capital Projects<br/>Fund</u> |  |
| <b>REVENUES</b>   |                          |                                  |  |                          |  |  |
| Tuition and fees  | \$ 31,029                | \$ -                             | \$ -   | \$ -                     | \$ -   | \$ 31,029  |
| Daycare fees  | 103,362                  | -                                | -  | -                        | -  | 103,362  |
| Instructional fees                                      | 725                      | -                                | -  | -                        | -  | 725  |
| Outside printing printshop                              | 7,988                    | -                                | -  | -                        | -  | 7,988  |
| Local - Charges for Services                            | -                        | 67,328                           | -  | -                        | -  | 67,328   |
| State - Grants  | -                        | 74,052                           | -  | -                        | -  | 74,052   |
| Federal - Donated Commodities                           | -                        | 265,145                          | -  | -                        | -  | 265,145  |
| Federal - Grants  | -                        | 2,412,159                        | -  | -                        | -  | 2,412,159  |
| Event gate fees   | -                        | -                                | 15,565   | -                        | -  | 15,565   |
| Student athletic fees                                   | -                        | -                                | 18,096   | -                        | -  | 18,096   |
| Student activities                                      | -                        | -                                | 290,983  | -                        | -  | 290,983.00   |
| Investment Income                                       | -                        | -                                | -  | -                        | -  | -  |
| Facility use  | 29,503                   | -                                | -  | -                        | -  | 29,503   |
| <b>Total revenues</b>                                   | <u>172,607</u>           | <u>2,818,684</u>                 | <u>324,644</u>                                 | <u>-</u>                 | <u>-</u>   | <u>3,315,935</u>                                     |
| <b>EXPENDITURES</b>                                     |                          |                                  |  |                          |  |  |
| Education for adults                                    | 150,017                  | -                                | -  | -                        | -  | 150,017  |
| Business services                                       | 38,236                   | -                                | -  | -                        | 235,180  | 273,416  |
| Instructional services                                  | 23,651                   | -                                | 873,929  | -                        | -  | 897,580  |
| Food service operations                                 | -                        | 3,262,476                        | -  | -                        | -  | 3,262,476  |
| Community services                                      | 270,298                  | -                                | -  | -                        | -  | 270,298  |
| Instructional support staff                             | -                        | -                                | 120,120  | -                        | -  | 120,120  |
| Operations and maintenance                              | 17,400                   | -                                | 170  | -                        | 180,969  | 198,539  |
| Capital outlay  | 18,096                   | 2,650                            | 14,190   | -                        | 554,417  | 589,353  |
| Debt service  |                          |                                  |  |                          |  |  |
| Principal retirement                                    | -                        | -                                | -  | 231,889                  | 195,602  | 427,491  |
| Interest and fiscal charges                             | -                        | -                                | -  | 257,462                  | 28,896   | 286,358  |
| Agent Fees  | -                        | -                                | -  | 2,500                    | -  | 2,500  |
| <b>Total expenditures</b>                               | <u>517,698</u>           | <u>3,265,126</u>                 | <u>1,008,409</u>                               | <u>491,851</u>           | <u>1,195,064</u>                                     | <u>6,478,148</u>                                     |
| Excess (deficiency) of<br>revenues (under) expenditures | <u>(345,091)</u>         | <u>(446,442)</u>                 | <u>(683,765)</u>                               | <u>(491,851)</u>         | <u>(1,195,064)</u>                                   | <u>(3,162,213)</u>                                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                          |                                  |  |                          |  |  |
| Capital lease proceeds                                  | -                        | -                                | -  | -                        | 320,641  | 320,641  |
| Proceeds from sale of assets                            | -                        | -                                | -  | -                        | 9,106  | 9,106  |
| Transfers in  | 270,000                  | -                                | 674,000  | 492,500                  | 1,370,000  | 2,806,500  |
| <b>Total other financing sources</b>                    | <u>270,000</u>           | <u>-</u>                         | <u>674,000</u>                                 | <u>492,500</u>           | <u>1,699,747</u>                                     | <u>3,136,247</u>                                     |
| Net change in fund balance                              | (75,091)                 | (446,442)                        | (9,765)  | 649                      | 504,683  | (25,966)   |
| Fund balance - beginning (restated)                     | 228,148                  | 858,881                          | 253,235  | -                        | 1,378,617  | 2,718,881  |
| Fund balance - ending                                   | <u>\$ 153,057</u>        | <u>\$ 412,439</u>                | <u>\$ 243,470</u>                              | <u>\$ 649</u>            | <u>\$ 1,883,300</u>                                  | <u>\$ 2,692,915</u>                                  |

**Adams County School District 14  
Budgetary Comparison Schedule  
Fee Supported Fund  
For The Year Ended June 30, 2020**

|                                    | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Positive<br/>(Negative)</u> |
|------------------------------------|----------------------------|-------------------------|-------------------|---|
| <b>REVENUES</b>                    |                            |                         |                   |   |
| Local                              |                            |                         |                   |   |
| Tuition and fees- adult education  | \$ 38,000                  | \$ 38,000               | \$ 31,029         | \$ (6,971)                                  |
| Outside printing - printshop       | 7,500                      | 7,500                   | 7,988             | 488   |
| Facility use fees                  | 50,000                     | 50,000                  | 29,503            | (20,497)                                    |
| Instructional fees                 | 5,600                      | 5,600                   | 725               | (4,875)                                     |
| Daycare fees                       | 76,500                     | 76,500                  | 103,362           | 26,862                                      |
| Total revenues                     | <u>177,600</u>             | <u>177,600</u>          | <u>172,607</u>    | <u>(4,993)</u>                              |
| <b>EXPENDITURES</b>                |                            |                         |                   |   |
| Education for adults               | 127,883                    | 137,918                 | 150,017           | (12,099)                                    |
| Community services                 | 286,504                    | 342,762                 | 270,298           | 72,464                                      |
| Business services                  | 26,393                     | 9,223                   | 38,236            | (29,013)                                    |
| Instructional services             | 34,963                     | 14,000                  | 23,651            | (9,651)                                     |
| Operations and maintenance         | 15,000                     | 18,783                  | 17,400            | 1,383                                       |
| Capital Outlay                     | -                          | 64,395                  | 18,096            | 46,299                                      |
| Total expenditures                 | <u>490,743</u>             | <u>587,081</u>          | <u>517,698</u>    | <u>69,383</u>                               |
| <b>OTHER FINANCE SOURCES</b>       |                            |                         |                   |   |
| Transfers in adult education       | 155,000                    | 105,000                 | 105,000           | -   |
| Transfers in LAHS child care       | 135,000                    | 105,000                 | 105,000           | -   |
| Transfers in print shop            |                            | 20,000                  | 20,000            | -   |
| Transfers in before and after care | 10,000                     | 40,000                  | 40,000            | -   |
| Total other financing sources      | <u>300,000</u>             | <u>270,000</u>          | <u>270,000</u>    | <u>-</u>                                    |
| Net change in fund balance         | (13,143)                   | (139,481)               | (75,091)          | 64,390                                      |
| Net fund balance - beginning       | 152,155                    | 228,148                 | 228,148           | -   |
| Net fund balance - ending          | <u>\$ 139,012</u>          | <u>\$ 88,667</u>        | <u>\$ 153,057</u> | <u>\$ 64,390</u>                            |

**Adams County School District 14  
Budgetary Comparison Schedule  
Food Service Fund  
For The Year Ended June 30, 2020**

|                            | <u>Original and<br/>Final Budget</u> | <u>Actual</u>     | <u>Variance<br/>Positive<br/>(Negative)</u> |
|----------------------------|--------------------------------------|-------------------|---|
| <b>Revenues</b>            |                                      |                   |   |
| Local                      |                                      |                   |   |
| Charges for Services       | \$ 77,328                            | \$ 67,328         | \$ (10,000)                                 |
| State                      |                                      |                   |   |
| State Grants               | 82,529                               | 74,052            | (8,477)                                     |
| Federal                    |                                      |                   |   |
| Donated Commodities        | 245,000                              | 265,145           | 20,145                                      |
| Federal Grants             | <u>2,807,857</u>                     | <u>2,412,159</u>  | <u>(395,698)</u>                            |
| Total revenues             | <u>3,212,714</u>                     | <u>2,818,684</u>  | <u>(394,030)</u>                            |
| <b>Expenditures</b>        |                                      |                   |   |
| Food Service Operations    |                                      |                   |   |
| Salaries and benefits      | 1,855,357                            | 1,849,908         | 5,449                                       |
| Contracted services        | 69,650                               | 54,899            | 14,751                                      |
| Food costs:                |                                      |                   |   |
| Purchased food             | 1,309,907                            | 1,026,279         | 283,628                                     |
| Donated commodities        | 250,000                              | 265,145           | (15,145)                                    |
| Supplies                   | 93,711                               | 62,767            | 30,944                                      |
| Other                      | 5,000                                | 3,478             | 1,522                                       |
| Capital Outlay             | <u>49,000</u>                        | <u>2,650</u>      | <u>46,350</u>                               |
| Total expenditures         | <u>3,632,625</u>                     | <u>3,265,126</u>  | <u>367,499</u>                              |
| Net change in Fund Balance | (419,911)                            | (446,442)         | (26,531)                                    |
| Fund Balance - beginning   | <u>738,890</u>                       | <u>858,881</u>    | <u>119,991</u>                              |
| Fund Balance - ending      | <u>\$ 318,979</u>                    | <u>\$ 412,439</u> | <u>\$ 93,460</u>                            |

**Adams County School District 14  
Budgetary Comparison Schedule  
Athletic and Activities Fund  
For The Year Ended June 30, 2020**

|  | <u>Original<br/>Budget</u> | <u>Original<br/>and Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|--|-------------------|---|
| <b>REVENUES</b>                        |                            |  |                   |   |
| Local                                  |                            |  |                   |   |
| Event gate fees                        | 20,000                     | \$ 20,000                                | \$ 15,565         | \$ (4,435)                                  |
| Student athletics fees                 | 25,000                     | 25,000                                   | 18,096            | (6,904)                                     |
| Student activities                     | 488,912                    | 488,912                                  | 290,983           | (197,929)                                   |
| Total revenues                         | <u>533,912</u>             | <u>533,912</u>                           | <u>324,644</u>    | <u>(209,268)</u>                            |
| <b>EXPENDITURES</b>                    |                            |  |                   |   |
| Instructional services                 | 1,065,757                  | 1,115,113                                | 873,929           | 241,184                                     |
| Instructional support staff            | 119,373                    | 119,373                                  | 120,120           | (747)                                       |
| Operations and maintenance             | 426                        | 426                                      | 170               | 256   |
| Capital Outlay                         | 12,356                     | 12,356                                   | 14,190            | (1,834)                                     |
| Total expenditures                     | <u>1,197,912</u>           | <u>1,247,268</u>                         | <u>1,008,409</u>  | <u>238,859</u>                              |
| Operating (loss)                       | (664,000)                  | (713,356)                                | (683,765)         | 29,591                                      |
| <b>OTHER FINANCING SOURCES</b>         |                            |  |                   |   |
| Transfers in                           | 964,000                    | 927,235                                  | 674,000           | (253,235)                                   |
| Change in fund balance                 | 300,000                    | 213,879                                  | (9,765)           | (223,644)                                   |
| Net fund balance - beginning(restated) | -                          | -  | 253,235           | 253,235                                     |
| Net fund balance - ending              | <u>300,000</u>             | <u>\$ 213,879</u>                        | <u>\$ 243,470</u> | <u>\$ 29,591</u>                            |

**Adams County School District 14  
 Budgetary Comparison Schedule  
 Certificates of Participation Debt Service Fund  
 For The Year Ended June 30, 2020**

|  | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|------------------|---|
| <b>EXPENDITURES</b>  |                         |                  |   |
| Interest charges   | \$ 257,462              | \$ 257,462       | \$ -  |
| Principal retirement   | 231,889                 | 231,889          | -   |
| Agent Fees   | <u>2,500</u>            | <u>2,500</u>     | <u>-</u>                                    |
| Total expenditures   | <u>491,851</u>          | <u>491,851</u>   | <u>-</u>                                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(491,851)</u>        | <u>(491,851)</u> | <u>-</u>                                    |
| <b>OTHER FINANCING SOURCES</b>                               |                         |                  |   |
| Transfer from General Fund                                   | <u>492,500</u>          | <u>492,500</u>   | <u>-</u>                                    |
| Total Other Financing Sources                                | <u>492,500</u>          | <u>492,500</u>   | <u>-</u>                                    |
| Net change in fund balance                                   | 649                     | 649              | -   |
| Fund balance - beginning                                     | <u>-</u>                | <u>-</u>         | <u>-</u>                                    |
| Fund balance - ending  | <u>\$ 649</u>           | <u>\$ 649</u>    | <u>\$ -</u>                                 |

**Adams County School District 14  
Budgetary Comparison Schedule  
Capital Reserve Capital Projects Fund  
For The Year Ended June 30, 2020**

|   | <u>Original<br/>Budget</u> | <u>Final Budget</u> | <u>Actual</u>       | <b>Variance<br/>Positive<br/>(Negative)</b> |
|---|----------------------------|---------------------|---------------------|---|
| <b>EXPENDITURES</b>                                     |                            |                     |                     |   |
| Operations and maintenance                              | 165,000                    | 236,000             | 180,969             | 55,031                                      |
| Capital outlay  | 780,000                    | 422,013             | 554,417             | (132,404)                                   |
| Business Administration                                 | -                          | 265,000             | 235,180             | 29,820                                      |
| Instructional Services                                  | 170,000                    | 1,463,450           | -                   | 1,463,450                                   |
| Pupil Transportation                                    | 160,000                    | -                   | -                   | -   |
| Food Service  | 30,000                     | -                   | -                   | -   |
| Debt service  |                            |                     |                     |   |
| Principal retirement                                    | 225,000                    | 659,134             | 195,602             | 463,532                                     |
| Interest and fiscal charges                             | -                          | -                   | 28,896              | (28,896)                                    |
| Total expenditures                                      | <u>1,530,000</u>           | <u>3,045,597</u>    | <u>1,195,064</u>    | <u>1,850,533</u>                            |
| Excess (deficiency) of<br>revenues (under) expenditures | <u>(1,530,000)</u>         | <u>(3,045,597)</u>  | <u>(1,195,064)</u>  | <u>1,850,533</u>                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                            |                     |                     |   |
| Capital lease proceeds                                  | -                          | 423,777             | 320,641             | (103,136)                                   |
| Proceeds from sale of assets                            | 5,000                      | 5,000               | 9,106               | 4,106                                       |
| Transfers in  | 1,370,000                  | 1,370,000           | 1,370,000           | -   |
| Total other financing sources                           | <u>1,375,000</u>           | <u>1,798,777</u>    | <u>1,699,747</u>    | <u>(99,030)</u>                             |
| Net change in fund balance                              | (155,000)                  | (1,246,820)         | 504,683             | 1,751,503                                   |
| Fund balance - beginning                                | <u>1,164,288</u>           | <u>1,378,617</u>    | <u>1,378,617</u>    | <u>-</u>                                    |
| Fund balance - ending                                   | <u>\$ 1,009,288</u>        | <u>\$ 131,797</u>   | <u>\$ 1,883,300</u> | <u>\$ 1,751,503</u>                         |

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## Statistical Section

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This part of the Adams County School District 14 comprehensive annual financial report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

| <b>Contents</b>   | <b>Table</b> |
|---|--------------|
| <u>Financial Trends</u><br>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.  | 1 – 4        |
| <u>Revenue Capacity</u><br>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.  | 5 – 9        |
| <u>Debt Capacity</u><br>These schedules provide the reader with information to assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.         | 10 – 13      |
| <u>Demographic and Economic Information</u><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.                     | 14 – 16      |
| <u>Operating Information</u><br>These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 17 – 19      |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



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## *Financial Trends*

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### Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

|         |   |
|---------|---|
| Table 1 | Net Position by Component                   |
| Table 2 | Change in Net Position                      |
| Table 3 | Fund Balances of Governmental Funds         |
| Table 4 | Change in Fund Balances, Governmental Funds |

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

|  | Fiscal Year             |                         |                         |                         |                        |                        |                      |                      |                      |                      |
|--|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2020                    | 2019                    | 2018                    | 2017                    | 2016                   | 2015                   | 2014                 | 2013                 | 2012                 | 2011                 |
| <b>Governmental activities</b>                   |                         |                         |                         |                         |                        |                        |                      |                      |                      |                      |
| Net investment in capital assets                 | \$ 39,731,078           | \$ 25,995,593           | \$ 25,078,397           | \$ 22,389,890           | \$ 23,562,485          | \$ 26,109,796          | \$ 25,656,053        | \$ 24,097,581        | \$ 22,930,071        | \$ 22,362,425        |
| Restricted                                       | 9,768,802               | 10,206,168              | 10,176,246              | 8,606,139               | 8,157,574              | 9,749,252              | 8,590,710            | 8,784,118            | 8,114,785            | 8,956,973            |
| Unrestricted                                     | <u>(184,647,687)</u>    | <u>(202,769,424)</u>    | <u>(225,914,259)</u>    | <u>(172,714,435)</u>    | <u>(131,309,801)</u>   | <u>(134,789,975)</u>   | <u>6,035,003</u>     | <u>12,052,165</u>    | <u>14,332,393</u>    | <u>13,458,965</u>    |
| Total governmental activities net position       | <u>\$ (135,147,807)</u> | <u>\$ (166,567,663)</u> | <u>\$ (190,659,616)</u> | <u>\$ (141,718,406)</u> | <u>\$ (99,589,742)</u> | <u>\$ (98,930,927)</u> | <u>\$ 40,281,766</u> | <u>\$ 44,933,864</u> | <u>\$ 45,377,249</u> | <u>\$ 44,778,363</u> |
| <b>Business-type activities</b>                  |                         |                         |                         |                         |                        |                        |                      |                      |                      |                      |
| Net investment in capital assets                 | \$ -                    | \$ -                    | \$ -                    | \$ -                    | \$ -                   | \$ -                   | \$ 499,417           | \$ 522,455           | \$ 513,718           | \$ 478,541           |
| Unrestricted                                     | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>               | <u>-</u>               | <u>1,574,919</u>     | <u>1,595,342</u>     | <u>1,734,355</u>     | <u>1,207,924</u>     |
| Total business-type activities net position      | <u>\$ -</u>             | <u>\$ -</u>             | <u>\$ -</u>             | <u>\$ -</u>             | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ 2,074,336</u>  | <u>\$ 2,117,797</u>  | <u>\$ 2,248,073</u>  | <u>\$ 1,686,465</u>  |
| <b>Total primary government</b>                  |                         |                         |                         |                         |                        |                        |                      |                      |                      |                      |
| Net investment in capital assets                 | \$ 39,731,078           | \$ 25,995,593           | \$ 25,078,397           | \$ 22,389,890           | \$ 23,562,485          | \$ 26,109,796          | \$ 26,155,470        | \$ 24,620,036        | \$ 23,443,789        | \$ 22,840,966        |
| Restricted                                       | 9,768,802               | 10,206,168              | 10,176,246              | 8,606,139               | 8,157,574              | 9,749,252              | 8,590,710            | 8,784,118            | 8,114,785            | 8,956,973            |
| Unrestricted                                     | <u>(184,647,687)</u>    | <u>(202,769,424)</u>    | <u>(225,914,259)</u>    | <u>(172,714,435)</u>    | <u>(131,309,801)</u>   | <u>(134,789,975)</u>   | <u>7,609,922</u>     | <u>13,647,507</u>    | <u>16,066,748</u>    | <u>14,666,889</u>    |
| Total primary government activities net position | <u>\$ (135,147,807)</u> | <u>\$ (166,567,663)</u> | <u>\$ (190,659,616)</u> | <u>\$ (141,718,406)</u> | <u>\$ (99,589,742)</u> | <u>\$ (98,930,927)</u> | <u>\$ 42,356,102</u> | <u>\$ 47,051,661</u> | <u>\$ 47,625,322</u> | <u>\$ 46,464,828</u> |

Note: In FY 2015 the District implemented GASB 68, adding the PERA pension liability to its statements causing the large decrease in Net Position. The large decrease in FY 2017 is due to adjustments to the District's pension liability occurring in that year. The large decrease in 2018 is due to implementation of GASB 75 and the recognition of OPEB liabilities.

Table 1

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

|   | 2020                   | 2019                   | 2018                    | 2017                    | 2016                   |
|---|------------------------|------------------------|-------------------------|-------------------------|------------------------|
| <b>Expenses</b>   |                        |                        |                         |                         |                        |
| Governmental activities:                                  |                        |                        |                         |                         |                        |
| Instructional services                                    | \$ 27,813,395          | \$ 30,281,429          | \$ 60,998,562           | \$ 61,922,957           | \$ 40,456,798          |
| Operations and maintenance                                | 5,487,879              | 9,392,445              | 19,519,541              | 16,517,855              | 9,030,290              |
| Pupil services  | 3,465,084              | 4,014,467              | 8,045,099               | 7,991,280               | 6,287,319              |
| Central support services                                  | 3,632,982              | 4,874,950              | 7,149,787               | 8,106,344               | 4,845,945              |
| School administration                                     | 4,327,507              | 4,368,448              | 8,492,941               | 7,738,609               | 6,560,067              |
| Instructional staff                                       | 5,019,738              | 5,642,553              | 10,552,341              | 8,951,936               | 7,385,379              |
| Pupil transportation                                      | 1,615,587              | 1,860,294              | 3,607,206               | 3,161,484               | 1,984,778              |
| Business administration                                   | 1,022,816              | 1,045,516              | 2,206,973               | 2,103,394               | 1,360,493              |
| General administration                                    | 2,579,705              | 1,372,837              | 2,217,620               | 1,971,712               | 1,692,565              |
| Community services & education for adults                 | 466,790                | 519,053                | 1,019,469               | 1,537,309               | 1,017,152              |
| Other support services                                    | 48,881                 | 61,236                 | 112,830                 | 623,265                 | 111,016                |
| Non-instructional services                                | -                      | -                      | -                       | -                       | -                      |
| Food service operations                                   | 2,313,981              | 2,833,973              | 6,137,642               | 5,781,057               | 4,227,985              |
| Interest and fiscal charges                               | 2,891,048              | 2,911,493              | 2,987,932               | 3,113,437               | 3,224,180              |
| Education for Adults                                      | 529,319                | 594,941                | 1,278,399               | 844,666                 | 502,933                |
| Charter schools   | -                      | -                      | -                       | -                       | -                      |
| Total governmental activities expenses                    | <u>61,214,710</u>      | <u>69,773,636</u>      | <u>134,326,342</u>      | <u>130,365,304</u>      | <u>88,686,900</u>      |
| Business-type activities:                                 |                        |                        |                         |                         |                        |
| Nutrition services  | -                      | -                      | -                       | -                       | -                      |
| Adult education   | -                      | -                      | -                       | -                       | -                      |
| Total business-type activities expenses                   | <u>-</u>               | <u>-</u>               | <u>-</u>                | <u>-</u>                | <u>-</u>               |
| Total primary government expenses                         | <u>\$ 61,214,710</u>   | <u>\$ 69,773,636</u>   | <u>\$ 134,326,342</u>   | <u>\$ 130,365,304</u>   | <u>\$ 88,686,900</u>   |
| <b>Program revenues</b>                                   |                        |                        |                         |                         |                        |
| Governmental activities:                                  |                        |                        |                         |                         |                        |
| Charges for services                                      | \$ 564,579             | \$ 380,186             | \$ 409,936              | \$ 362,681              | \$ 223,850             |
| Operating grants and contributions                        | 19,019,709             | 16,582,321             | 15,371,637              | 15,099,954              | 15,517,305             |
| Total governmental activities program revenues            | <u>19,584,288</u>      | <u>16,962,507</u>      | <u>15,781,573</u>       | <u>15,462,635</u>       | <u>15,741,155</u>      |
| Business-type activities:                                 |                        |                        |                         |                         |                        |
| Food services:  |                        |                        |                         |                         |                        |
| Charges for services                                      | -                      | -                      | -                       | -                       | -                      |
| Operating grants and contributions                        | -                      | -                      | -                       | -                       | -                      |
| Charges for services                                      | -                      | -                      | -                       | -                       | -                      |
| Total business-type activities program revenues           | <u>-</u>               | <u>-</u>               | <u>-</u>                | <u>-</u>                | <u>-</u>               |
| Total primary government revenues                         | <u>\$ 19,584,288</u>   | <u>\$ 16,962,507</u>   | <u>\$ 15,781,573</u>    | <u>\$ 15,462,635</u>    | <u>\$ 15,741,155</u>   |
| Net (expense) / revenue                                   |                        |                        |                         |                         |                        |
| Governmental activities                                   | \$ (41,630,422)        | \$ (52,811,129)        | \$ (118,544,769)        | \$ (114,902,669)        | \$ (72,945,745)        |
| Business-type activities                                  | -                      | -                      | -                       | -                       | -                      |
| Total primary government net (expense) / revenue          | <u>\$ (41,630,422)</u> | <u>\$ (52,811,129)</u> | <u>\$ (118,544,769)</u> | <u>\$ (114,902,669)</u> | <u>\$ (72,945,745)</u> |
| <b>General revenues and other changes in net position</b> |                        |                        |                         |                         |                        |
| Governmental activities:                                  |                        |                        |                         |                         |                        |
| Property and specific ownership taxes                     | \$ 35,121,021          | \$ 32,041,128          | \$ 32,256,933           | \$ 29,912,191           | \$ 29,885,430          |
| State equalization  | 37,376,977             | 40,144,898             | 38,260,102              | 38,759,964              | 38,554,537             |
| Investment earnings                                       | 352,402                | 594,102                | 402,629                 | 186,622                 | 54,136                 |
| Grants not restricted to specific programs                | 3,062,048              | 3,119,441              | 2,934,979               | 3,105,282               | 2,660,849              |
| Miscellaneous   | 817,971                | 1,003,513              | 1,413,789               | 809,946                 | 1,131,978              |
| Total governmental activities                             | <u>76,730,419</u>      | <u>76,903,082</u>      | <u>75,268,432</u>       | <u>72,774,005</u>       | <u>72,286,930</u>      |
| Business-type activities:                                 |                        |                        |                         |                         |                        |
| Investment earnings                                       | -                      | -                      | -                       | -                       | -                      |
| Total business-type activities                            | <u>-</u>               | <u>-</u>               | <u>-</u>                | <u>-</u>                | <u>-</u>               |
| Total primary government                                  | <u>\$ 76,730,419</u>   | <u>\$ 76,903,082</u>   | <u>\$ 75,268,432</u>    | <u>\$ 72,774,005</u>    | <u>\$ 72,286,930</u>   |
| <b>Change in net position</b>                             |                        |                        |                         |                         |                        |
| Governmental activities:                                  | \$ 35,099,997          | \$ 24,091,953          | \$ (43,276,337)         | \$ (42,128,664)         | \$ (658,815)           |
| Business-type activities                                  | -                      | -                      | -                       | -                       | -                      |
| Total primary government                                  | <u>\$ 35,099,997</u>   | <u>\$ 24,091,953</u>   | <u>\$ (43,276,337)</u>  | <u>\$ (42,128,664)</u>  | <u>\$ (658,815)</u>    |

Table 2

|    | 2015                | 2014                | 2013                | 2012                | 2011                |
|----|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ | 40,359,843          | \$ 39,958,656       | \$ 40,827,701       | \$ 37,736,796       | \$ 34,686,243       |
|    | 8,721,472           | 10,856,904          | 10,185,647          | 9,008,428           | 8,674,271           |
|    | 7,924,550           | 7,471,544           | 7,411,260           | 6,574,264           | 5,908,477           |
|    | 5,056,863           | 4,521,097           | 4,887,399           | 4,301,242           | 3,281,133           |
|    | 5,245,988           | 4,954,754           | 3,332,084           | 4,105,888           | 4,792,929           |
|    | 5,110,063           | 4,976,165           | 4,757,335           | 4,479,727           | 4,219,442           |
|    | 2,061,549           | 2,001,980           | 1,965,158           | 1,852,093           | 1,865,482           |
|    | 1,646,335           | 1,323,702           | 1,250,496           | 1,071,252           | 1,006,205           |
|    | 1,305,793           | 1,141,060           | 897,594             | 809,942             | 740,524             |
|    | 659,839             | 686,882             | 488,088             | 982,298             | 1,437,829           |
|    | 451,005             | 689,553             | 974,016             | 657,785             | 728,150             |
|    | -                   | -                   | 7,504               | -                   | -                   |
|    | 4,443,612           | 203,210             | 284,423             | 529,798             | 234,235             |
|    | 3,344,643           | 3,281,050           | 3,818,841           | 4,174,576           | 4,268,348           |
|    | 469,677             | -                   | -                   | -                   | -                   |
|    | -                   | -                   | -                   | -                   | 3,442,596           |
|    | <u>86,801,232</u>   | <u>82,066,557</u>   | <u>81,087,546</u>   | <u>76,284,089</u>   | <u>75,285,864</u>   |
|    | -                   | 4,060,047           | 4,458,373           | 3,791,818           | 3,529,311           |
|    | -                   | 202,383             | 396,842             | 443,171             | 398,361             |
|    | -                   | 4,262,430           | 4,855,215           | 4,234,989           | 3,927,672           |
| \$ | <u>86,801,232</u>   | <u>86,328,987</u>   | <u>85,156,226</u>   | <u>80,519,078</u>   | <u>79,213,536</u>   |
| \$ | 322,751             | \$ 159,723          | \$ 149,507          | \$ 180,247.00       | \$ 171,408.00       |
|    | 14,016,699          | 10,123,352          | 12,668,165          | 12,760,903          | 11,016,989          |
|    | <u>14,339,450</u>   | <u>10,283,075</u>   | <u>12,817,672</u>   | <u>12,941,150</u>   | <u>11,188,397</u>   |
|    | -                   | 62,581              | 75,498              | 85,548              | 103,370             |
|    | -                   | 4,113,478           | 4,143,045           | 4,046,090           | 4,243,148           |
|    | -                   | 41,625              | 504,765             | 565,702             | 538,835             |
|    | -                   | 4,217,684           | 4,723,308           | 4,697,340           | 4,885,353           |
| \$ | <u>14,339,450</u>   | <u>14,500,759</u>   | <u>17,540,980</u>   | <u>17,638,490</u>   | <u>16,073,750</u>   |
| \$ | (72,461,782)        | \$ (71,783,482)     | \$ (68,269,874)     | \$ (63,342,939)     | \$ (64,097,467)     |
|    | -                   | (44,746)            | (131,907)           | 462,351             | 957,681             |
| \$ | <u>(72,461,782)</u> | <u>(71,828,228)</u> | <u>(67,615,246)</u> | <u>(62,880,588)</u> | <u>(63,139,786)</u> |
| \$ | 29,887,697          | \$ 29,921,303       | \$ 26,023,906       | \$ 27,327,313       | \$ 27,327,313       |
|    | 36,011,262          | 33,216,587          | 32,991,855          | 34,452,245          | 34,452,245          |
|    | 12,243              | 12,154              | 21,071              | 16,651              | 16,651              |
|    | 2,682,835           | 2,891,498           | 7,313,489           | 4,601,222           | 4,601,222           |
|    | 1,121,265           | 1,089,842           | 1,476,168           | 1,874,840           | 1,874,840           |
|    | <u>69,715,302</u>   | <u>67,131,384</u>   | <u>67,826,489</u>   | <u>68,272,271</u>   | <u>68,272,271</u>   |
|    | -                   | 1,285               | 1,631               | 284                 | 284                 |
|    | -                   | 1,285               | 1,631               | 284                 | 284                 |
| \$ | <u>69,715,302</u>   | <u>67,132,669</u>   | <u>67,828,120</u>   | <u>68,272,555</u>   | <u>68,272,555</u>   |
| \$ | (2,746,480)         | \$ (4,652,098)      | \$ (443,385)        | \$ 4,174,804        | \$ 4,174,804        |
|    | -                   | (43,461)            | (130,276)           | 957,965             | 957,965             |
| \$ | <u>(2,746,480)</u>  | <u>(4,695,559)</u>  | <u>(573,661)</u>    | <u>5,132,769</u>    | <u>5,132,769</u>    |

Table 2

**ADAMS COUNTY SCHOOL DISTRICT 14  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

|                                     | Fiscal Year          |                      |                      |                      |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 |
| <b>General Fund</b>                 |                      |                      |                      |                      |                      |
| Non Spendable                       |                      |                      |                      |                      |                      |
| Inventories                         | \$ 92,842            | \$ 86,964            | \$ 84,098            | \$ 82,784            | \$ 77,646            |
| Prepaid items                       | 41,525               | 56,315               | 1,512,156            | 102,445              | 92,699               |
| Deposit in insurance pool           | -                    | -                    | 64,950               | 129,900              | 41,880               |
| Restricted                          |                      |                      |                      |                      |                      |
| Tabor                               | 2,430,760            | 2,309,000            | 2,439,416            | 2,297,229            | 2,553,486            |
| Colorado preschool program          | -                    | 343,697              | 205,768              | 197,560              | 58,827               |
| Committed                           | 3,530,803            | 3,465,905            | 3,161,602            | -                    | -                    |
| Assigned                            | 4,547,956            | 7,919,096            | 5,053,739            | 3,736,785            | 4,190,333            |
| Unassigned                          | 10,449,818           | 6,782,410            | 9,719,993            | 11,499,306           | 7,384,414            |
| Total General Fund Balance          | <u>\$ 21,093,704</u> | <u>\$ 20,963,387</u> | <u>\$ 22,241,722</u> | <u>\$ 18,046,009</u> | <u>\$ 14,399,285</u> |
| <b>All other governmental Funds</b> |                      |                      |                      |                      |                      |
| Non spendable                       | \$ 191,496           | \$ 127,557           | \$ 246,213           | \$ 295,380           | \$ 186,805           |
| Restricted                          |                      |                      |                      |                      |                      |
| Food service                        | 220,943              | 731,324              | 773,133              | 631,640              | 546,444              |
| Building fund activities            | 11,128,861           | 13,845,728           | -                    | -                    | -                    |
| Debt service                        | 7,052,361            | 6,833,442            | 6,720,674            | 5,652,767            | 4,998,817            |
| Assigned                            | 2,036,357            | 1,606,765            | 5,122,449            | 3,841,479            | 6,071,452            |
| Committed                           | 243,470              | -                    | 1,109,184            | 1,387,647            | -                    |
| Unassigned                          | -                    | -                    | -                    | -                    | -                    |
| Total other governmental funds      | <u>\$ 20,873,488</u> | <u>\$ 23,144,816</u> | <u>\$ 13,971,653</u> | <u>\$ 11,808,913</u> | <u>\$ 11,803,518</u> |
| Total Governmental Funds            | <u>\$ 41,967,192</u> | <u>\$ 44,108,203</u> | <u>\$ 36,213,375</u> | <u>\$ 29,854,922</u> | <u>\$ 26,202,803</u> |

Table 3

| <b>Fiscal Year</b>   |                      |                      |                      |                      |                                |
|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------------------|
| 2015                 | 2014                 | 2013                 | 2012                 | 2011                 |                                |
|                      |                      |                      |                      |                      | <b>General Fund</b>            |
| \$ 91,848            | \$ 95,161            | \$ 94,463            | \$ 97,908            | \$ 83,605            | Inventories                    |
| 123,618              | 182,436              | 267,616              | 93,830               | 98,345               | Prepaid items                  |
| 41,880               | 740,442              | 744,320              | 567,710              | 632,680              | Deposit in insurance pool      |
| 3,435,539            | 3,088,733            | 2,154,269            | 2,098,716            | 2,053,853            |                                |
| 35,453               | 5,065                | 337,152              | 482,140              | 599,966              | Colorado preschool program     |
| -                    | -                    | -                    | 409,535              | 475,000              | Committed                      |
| 3,948,844            | 3,569,132            | 741,538              | -                    | 2,060,650            | Assigned                       |
| <u>2,875,391</u>     | <u>2,459,831</u>     | <u>10,423,323</u>    | <u>15,184,147</u>    | <u>11,846,338</u>    | Unassigned                     |
| <u>\$ 10,552,573</u> | <u>\$ 10,140,799</u> | <u>\$ 14,762,681</u> | <u>\$ 18,933,986</u> | <u>\$ 17,850,437</u> |                                |
|                      |                      |                      |                      |                      | All other governmental Funds   |
| 133,432              | \$ -                 | \$ -                 | \$ -                 | \$ -                 | Non spendable                  |
|                      |                      |                      |                      |                      | Restricted                     |
| 426,277              | -                    | -                    | -                    | -                    | Food service                   |
| -                    | -                    | -                    | -                    | -                    | Building fund activities       |
| 5,851,983            | 5,496,912            | 6,292,697            | 5,533,929            | 5,524,240            | Debt service                   |
| 1,351,288            | 980,636              | 2,193,505            | 734,885              | 796,976              | Assigned                       |
| -                    | -                    | -                    | -                    | -                    | Committed                      |
| (2,250)              | -                    | -                    | -                    | -                    | Unassigned                     |
| <u>\$ 7,760,730</u>  | <u>\$ 6,477,548</u>  | <u>\$ 8,486,202</u>  | <u>\$ 6,268,814</u>  | <u>\$ 6,321,216</u>  | Total other governmental funds |
| <u>\$ 18,313,303</u> | <u>\$ 16,618,347</u> | <u>\$ 23,248,883</u> | <u>\$ 25,202,800</u> | <u>\$ 24,171,653</u> | Total Governmental Funds       |

Table 3

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

|   | <b>Fiscal Year</b>    |                     |                     |                     |                     |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2020                  | 2019                | 2018                | 2017                | 2016                |
| <b>Revenues</b>   |                       |                     |                     |                     |                     |
| Taxes   | \$ 35,190,930         | \$ 31,784,979       | \$ 32,450,483       | \$ 29,811,875       | \$ 31,202,617       |
| Intergovernmental                                       | 60,605,563            | 59,846,660          | 56,566,718          | 56,965,200          | 56,732,691          |
| Investment income                                       | 352,402               | 594,102             | 402,629             | 186,622             | 54,136              |
| Tuition   | 564,579               | 380,186             | 409,936             | 295,059             | 113,351             |
| Miscellaneous   | 717,971               | 1,003,513           | 957,842             | 810,224             | 1,155,515           |
| Total revenues  | <u>97,431,445</u>     | <u>93,609,440</u>   | <u>90,787,608</u>   | <u>88,068,980</u>   | <u>89,258,310</u>   |
| <b>Expenditures</b>                                     |                       |                     |                     |                     |                     |
| Instructional services                                  | 40,993,967            | 39,268,589          | 36,530,752          | 37,220,596          | 35,353,002          |
| Operations and maintenance                              | 8,129,799             | 7,702,643           | 8,809,996           | 9,206,876           | 6,822,646           |
| Pupil services  | 5,135,218             | 5,229,652           | 4,835,817           | 5,175,402           | 5,906,443           |
| Central support services                                | 5,401,833             | 6,350,605           | 4,297,655           | 4,413,536           | 4,544,196           |
| School administration                                   | 5,712,236             | 5,721,653           | 5,211,359           | 4,883,844           | 5,425,302           |
| Instructional staff                                     | 7,434,647             | 7,350,562           | 6,342,891           | 5,788,844           | 6,954,048           |
| Pupil transportation                                    | 2,392,726             | 2,423,408           | 2,168,250           | 2,047,322           | 1,863,691           |
| Business administration                                 | 1,512,281             | 1,361,995           | 1,326,586           | 1,355,118           | 1,243,847           |
| General administration                                  | 3,781,433             | 1,788,397           | 1,332,986           | 1,276,034           | 1,594,010           |
| Other supporting services                               | 71,521                | 79,772              | 67,821              | 403,652             | 104,558             |
| Community services & education for adults               | 1,475,914             | 1,451,202           | 1,381,222           | 1,540,898           | 1,431,310           |
| Food service operations                                 | 3,434,549             | 3,691,821           | 3,689,266           | 3,737,752           | 3,974,289           |
| Construction in progress and capital outlay             | 7,478,359             | 3,994,258           | 2,087,126           | 1,636,701           | 1,982,666           |
| Charter school  | -                     | -                   | -                   | -                   | -                   |
| Debt service  |                       |                     |                     |                     |                     |
| Principal   | 4,192,491             | 3,724,507           | 3,619,407           | 2,618,032           | 4,397,877           |
| Interest and fiscal charges                             | 3,005,964             | 3,039,002           | 3,072,057           | 3,157,016           | 3,296,704           |
| Bond issuance cost                                      | 2,500                 | -                   | 725                 | 1,750               | 2,101               |
| Total expenditures                                      | <u>100,155,438</u>    | <u>93,178,066</u>   | <u>84,773,916</u>   | <u>84,463,373</u>   | <u>84,896,690</u>   |
| Excess of revenues over (under) expenditures            | (2,723,993)           | 431,374             | 6,013,692           | 3,605,607           | 4,361,620           |
| <b>Other financing sources (uses)</b>                   |                       |                     |                     |                     |                     |
| Transfers in  | 2,806,500             | 9,581,347           | 3,085,000           | 2,370,000           | 3,434,200           |
| Transfers out   | (2,806,500)           | (9,581,347)         | (3,085,000)         | (2,370,000)         | (3,434,200)         |
| Bonds/COP's issued                                      | -                     | 6,729,407           | -                   | -                   | -                   |
| Bond premium  | -                     | -                   | -                   | -                   | -                   |
| Proceeds from Sale                                      | 9,106                 | 42,170              | 8,039               | 46,512              | 3,527,880           |
| Insurance Proceeds                                      | -                     | -                   | 336,722             | -                   | -                   |
| Payment to refunded bond escrow agent                   | -                     | -                   | -                   | -                   | -                   |
| Capital Lease   | 320,641               | 691,877             | -                   | -                   | -                   |
| Total other financing sources (uses)                    | <u>\$ 329,747</u>     | <u>\$ 7,463,454</u> | <u>\$ 344,761</u>   | <u>\$ 46,512</u>    | <u>\$ 3,527,880</u> |
| Net change in fund balances                             | <u>\$ (2,394,246)</u> | <u>\$ 7,894,828</u> | <u>\$ 6,358,453</u> | <u>\$ 3,652,119</u> | <u>\$ 7,889,500</u> |
| Debt service as a percentage of noncapital expenditures | 7.7%                  | 7.4%                | 8.0%                | 6.9%                | 9.2%                |

| <b>Fiscal Year</b> |                       |                       |                     |                     |   |
|--------------------|-----------------------|-----------------------|---------------------|---------------------|---|
| 2015               | 2014                  | 2013                  | 2012                | 2011                |   |
|                    |                       |                       |                     |                     | <b>Revenues</b>   |
| \$ 29,239,114      | \$ 29,668,336         | \$ 26,269,189         | \$ 26,799,359       | \$ 27,031,879       | Taxes   |
| 52,599,787         | 45,825,049            | 52,131,566            | 48,350,259          | 49,801,645          | Intergovernmental                                       |
| 12,243             | 12,154                | 21,071                | 15,674              | 16,651              | Investment income                                       |
| 216,383            | 159,723               | 149,507               | 180,247             | 171,408             | Tuition   |
| 1,236,754          | 1,405,592             | 1,962,475             | 1,938,150           | 2,254,651           | Miscellaneous   |
| <u>83,304,281</u>  | <u>77,070,854</u>     | <u>80,533,808</u>     | <u>77,283,689</u>   | <u>79,276,234</u>   | Total revenues  |
|                    |                       |                       |                     |                     | <b>Expenditures</b>                                     |
| 35,771,554         | 37,439,874            | 38,263,206            | 34,981,226          | 32,077,298          | Instructional services                                  |
| 6,776,533          | 8,960,817             | 8,156,368             | 8,592,693           | 7,018,797           | Operations and maintenance                              |
| 7,565,720          | 7,392,180             | 7,376,909             | 6,367,014           | 5,661,880           | Pupil services  |
| 4,136,858          | 4,113,673             | 4,015,129             | 3,799,334           | 2,839,161           | Central support services                                |
| 5,009,684          | 4,914,962             | 3,725,211             | 3,463,853           | 3,608,618           | School administration                                   |
| 4,913,455          | 4,593,847             | 4,757,335             | 4,436,125           | 4,177,089           | Instructional staff                                     |
| 1,825,450          | 1,995,165             | 1,962,499             | 1,839,484           | 1,838,033           | Pupil transportation                                    |
| 1,359,153          | 1,321,442             | 1,235,139             | 1,068,123           | 986,452             | Business administration                                 |
| 1,258,258          | 1,130,916             | 882,895               | 804,752             | 735,669             | General administration                                  |
| 616,999            | 682,157               | 974,016               | 657,785             | 677,655             | Other supporting services                               |
| 873,326            | 685,923               | 488,088               | 948,895             | 1,437,829           | Community services & education for adults               |
| 4,305,733          | 203,210               | 283,403               | 238,533             | 234,235             | Food service operations                                 |
| 1,749,631          | 2,211,730             | 4,496,387             | 2,411,144           | 1,965,798           | Construction in progress and capital outlay             |
| -                  | -                     | -                     | 0                   | 3,442,596           | Charter school  |
|                    |                       |                       |                     |                     | Debt service  |
| 3,869,619          | 3,904,813             | 2,677,648             | 2,385,804           | 2,255,115           | Principal   |
| 3,258,719          | 4,150,681             | 3,193,492             | 4,257,777           | 4,355,882           | Interest and fiscal charges                             |
| 117,652            | -                     | 541,451               | -                   | -                   | Bond issuance cost                                      |
| <u>83,408,344</u>  | <u>83,701,390</u>     | <u>83,029,176</u>     | <u>76,252,542</u>   | <u>73,312,107</u>   | Total expenditures                                      |
| (104,063)          | (6,630,536)           | (2,495,368)           | (2,077,526)         | 5,964,127           | Excess of revenues over (under) expenditures            |
|                    |                       |                       |                     |                     | <b>Other financing sources (uses)</b>                   |
| 1,300,000          | 1,460,000             | 4,825,000             | 1,607,000           | 4,172,986           | Transfers in  |
| (1,300,000)        | (1,460,000)           | (4,825,000)           | (1,607,000)         | (4,172,986)         | Transfers out   |
| 11,590,000         | -                     | 62,797,630            | -                   | -                   | Bonds/COP's issued                                      |
| 2,033,058          | -                     | 8,721,976             | -                   | -                   | Bond premium  |
| -                  | -                     | -                     | -                   | -                   | Proceeds from Sale                                      |
| -                  | -                     | -                     | -                   | -                   | Insurance Proceeds                                      |
| (13,505,406)       | -                     | (70,978,155)          | -                   | -                   | Payment to refunded bond escrow agent                   |
| -                  | -                     | -                     | -                   | -                   | Capital Lease   |
| <u>\$ 117,652</u>  | <u>\$ -</u>           | <u>\$ 541,451</u>     | <u>\$ -</u>         | <u>\$ -</u>         | Total other financing sources (uses)                    |
| <u>\$ 13,589</u>   | <u>\$ (6,630,536)</u> | <u>\$ (1,953,917)</u> | <u>\$ 1,031,147</u> | <u>\$ 5,964,127</u> | Net change in fund balances                             |
| 8.6%               | 9.7%                  | 7.5%                  | 9.0%                | 9.3%                | Debt service as a percentage of noncapital expenditures |

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## *Revenue Capacity*

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### Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

|         |  |
|---------|--|
| Table 5 | Summary of Revenue by Source and Other Financing Sources, General Fund |
| Table 6 | Assessed Value and Estimated Actual Value of Taxable Property          |
| Table 7 | Property Tax Rates – Direct and Overlapping Governments                |
| Table 8 | Principal Taxpayers  |
| Table 9 | Property Tax Levies and Collections                                    |

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**SUMMARY OF REVENUE BY SOURCE AND OTHER FINANCING SOURCES**  
**GENERAL FUND**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

|                                     | Fiscal Year          |                |                      |                |                      |                |                      |                |                      |                |
|-------------------------------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|
|                                     | 2020                 |                | 2019                 |                | 2018                 |                | 2017                 |                | 2016                 |                |
| <b>Revenue from Local Sources</b>   |                      |                |                      |                |                      |                |                      |                |                      |                |
| Property taxes                      | \$ 26,400,611        | 38.4 %         | \$ 22,839,578        | 33.2 %         | \$ 23,116,081        | 33.4 %         | \$ 21,207,341        | 32.9 %         | \$ 22,198,060        | 35.6 %         |
| Specific ownership taxes            | 2,159,379            | 3.1 %          | 2,483,258            | 3.6 %          | 2,678,093            | 3.9 %          | 2,469,691            | 3.8 %          | 2,419,465            | 3.9 %          |
| Investment income                   | 280,466              | 0.4 %          | 495,081              | 0.7 %          | 289,603              | 0.4 %          | 130,726              | 0.2 %          | 33,948               | 0.1 %          |
| Tuition                             | -                    | 0.0 %          | -                    | 0.0 %          | -                    | 0.0 %          | 0                    | 0.0 %          | 81,615               | 0.1 %          |
| Other                               | 543,260              | 0.8 %          | 826,176              | 1.2 %          | 857,763              | 1.2 %          | 656,654              | 1.0 %          | 634,567              | 1.0 %          |
| Total local sources                 | <u>29,383,716</u>    | <u>42.7 %</u>  | <u>26,644,093</u>    | <u>38.7 %</u>  | <u>26,941,540</u>    | <u>38.9 %</u>  | <u>24,464,412</u>    | <u>38.0 %</u>  | <u>25,367,655</u>    | <u>40.7 %</u>  |
| <b>Revenue from State Sources</b>   |                      |                |                      |                |                      |                |                      |                |                      |                |
| Equalization                        | 37,376,977           | 54.3 %         | 40,144,898           | 58.4 %         | 38,260,102           | 55.2 %         | 38,759,964           | 60.1 %         | 38,554,537           | 61.8 %         |
| Vocational education                | 80,121               | 0.1 %          | 93,746               | 0.1 %          | 96,066               | 0.1 %          | 89,792               | 0.1 %          | 221,264              | 0.4 %          |
| Exceptional children's act (ECEA)   | 1,561,036            | 2.3 %          | 1,359,637            | 2.0 %          | 1,376,745            | 2.0 %          | 1,438,929            | 2.2 %          | 1,532,900            | 2.5 %          |
| Transportation reimbursement        | 410,580              | 0.6 %          | 903,833              | 1.3 %          | 459,387              | 0.7 %          | 460,421              | 0.7 %          | 495,824              | 0.8 %          |
| ELPA reimbursement                  | 520,412              | 0.8 %          | 501,228              | 0.7 %          | 443,939              | 0.6 %          | 460,537              | 0.7 %          | 419,549              | 0.7 %          |
| Other                               | 1,157,981            | 1.7 %          | 1,193,650            | 1.7 %          | -                    | 0.0 %          | -                    | 0.0 %          | -                    | 0.0 %          |
| Total state sources                 | <u>41,107,107</u>    | <u>59.8 %</u>  | <u>44,196,992</u>    | <u>64.3 %</u>  | <u>40,636,239</u>    | <u>58.7 %</u>  | <u>41,209,643</u>    | <u>63.9 %</u>  | <u>41,224,074</u>    | <u>66.1 %</u>  |
| <b>Revenue from Federal Sources</b> |                      |                |                      |                |                      |                |                      |                |                      |                |
| Impact aid                          | 3,062,048            | 4.5 %          | 3,119,441            | 4.5 %          | 2,934,979            | 4.2 %          | 3,105,282            | 4.8 %          | 2,660,849            | 4.3 %          |
| Other                               | -                    | 0.0 %          | -                    | 0.0 %          | -                    | 0.0 %          | -                    | 0.0 %          | 0                    | 0.0 %          |
| Total federal sources               | <u>3,062,048</u>     | <u>4.5 %</u>   | <u>3,119,441</u>     | <u>4.5 %</u>   | <u>2,934,979</u>     | <u>4.2 %</u>   | <u>3,105,282</u>     | <u>4.8 %</u>   | <u>2,660,849</u>     | <u>4.3 %</u>   |
| Total revenue                       | <u>\$ 73,552,871</u> | <u>100.0 %</u> | <u>\$ 73,960,526</u> | <u>100.0 %</u> | <u>\$ 70,512,758</u> | <u>100.0 %</u> | <u>\$ 68,779,337</u> | <u>100.0 %</u> | <u>\$ 69,252,578</u> | <u>100.0 %</u> |

|                      |                |                      |                |                      |                |                      |                |                      |                | <b>Fiscal Year</b>                  |  |  |
|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|-------------------------------------|--|--|
| <b>2015</b>          |                | <b>2014</b>          |                | <b>2013</b>          |                | <b>2012</b>          |                | <b>2011</b>          |                |                                     |  |  |
|                      |                |                      |                |                      |                |                      |                |                      |                | <b>Revenue from Local Sources</b>   |  |  |
| \$ 19,678,922        | 34.1 %         | \$ 20,562,755        | 28.4 %         | \$ 18,141,956        | 28.5 %         | \$ 18,719,780        | 28.5 %         | \$ 18,765,531        | 29.7 %         | Property taxes                      |  |  |
| 2,330,239            | 3.5 %          | 2,086,957            | 2.8 %          | 1,773,962            | 2.9 %          | 1,667,424            | 2.9 %          | 1,759,336            | 2.8 %          | Specific ownership taxes            |  |  |
| 6,318                | 0.0 %          | 7,346                | 0.0 %          | 13,802               | 0.2 %          | 11,642               | 0.2 %          | 9,553                | 0.0 %          | Investment income                   |  |  |
| 176,994              | 0.3 %          | 159,723.00           | 0.2 %          | 149,507.00           | 0.0 %          | 180,247.00           | 0.0 %          | 171,408.00           | 0.3 %          | Tuition                             |  |  |
| 1,019,028            | 1.6 %          | 999,204              | 1.9 %          | 1,218,770            | 1.7 %          | 1,061,163            | 1.7 %          | 1,755,892            | 2.8 %          | Other                               |  |  |
| <u>23,211,501</u>    | <u>39.4 %</u>  | <u>23,815,985</u>    | <u>33.3 %</u>  | <u>21,297,997</u>    | <u>33.3 %</u>  | <u>21,640,256</u>    | <u>33.3 %</u>  | <u>22,461,720</u>    | <u>35.5 %</u>  | Total local sources                 |  |  |
|                      |                |                      |                |                      |                |                      |                |                      |                | <b>Revenue from State Sources</b>   |  |  |
| 36,011,262           | 55.0 %         | 33,216,587           | 51.8 %         | 32,991,855           | 52.2 %         | 32,205,865           | 52.2 %         | 34,452,245           | 54.5 %         | Equalization                        |  |  |
| 145,976              | 0.2 %          | 105,520              | 0.2 %          | 117,436              | 0.2 %          | 137,977              | 0.2 %          | (11,274)             | (0.0) %        | Vocational education                |  |  |
| 1,549,382            | 2.8 %          | 1,661,595            | 2.2 %          | 1,428,409            | 2.3 %          | 1,399,736            | 2.3 %          | 1,599,090            | 2.5 %          | Exceptional children's act (ECEA)   |  |  |
| 479,526              | 0.8 %          | 469,214              | 0.7 %          | 472,049              | 0.7 %          | 428,513              | 0.7 %          | 352,331              | 0.6 %          | Transportation reimbursement        |  |  |
| 381,488              | 0.6 %          | 367,442              | 0.5 %          | 286,791              | 0.5 %          | 315,245              | 0.5 %          | 266,455              | 0.4 %          | ELPA reimbursement                  |  |  |
| -                    | (0.3) %        | (191,593)            | 0.0 %          | -                    | 0.0 %          | -                    | 0.0 %          | 0                    | 0.0 %          | Other                               |  |  |
| <u>38,567,634</u>    | <u>59.0 %</u>  | <u>35,628,765</u>    | <u>55.4 %</u>  | <u>35,296,540</u>    | <u>55.8 %</u>  | <u>34,487,336</u>    | <u>55.8 %</u>  | <u>36,658,847</u>    | <u>58.0 %</u>  | Total state sources                 |  |  |
|                      |                |                      |                |                      |                |                      |                |                      |                | <b>Revenue from Federal Sources</b> |  |  |
| 2,679,175            | 4.6 %          | 2,801,979            | 11.4 %         | 7,238,982            | 11.4 %         | 3,904,909            | 11.4 %         | 2,636,733            | 4.2 %          | Impact aid                          |  |  |
| 3,660                | 0.1 %          | 89,519               | 0.1 %          | 74,507               | 0.1 %          | 355,569              | 0.1 %          | 1,954,307            | 3.1 %          | Other                               |  |  |
| <u>2,682,835</u>     | <u>4.8 %</u>   | <u>2,891,498</u>     | <u>11.5 %</u>  | <u>7,313,489</u>     | <u>11.6 %</u>  | <u>4,260,478</u>     | <u>11.6 %</u>  | <u>4,591,040</u>     | <u>7.3 %</u>   | Total federal sources               |  |  |
| <u>\$ 64,461,970</u> | <u>100.0 %</u> | <u>\$ 62,336,248</u> | <u>100.0 %</u> | <u>\$ 63,908,026</u> | <u>100.0 %</u> | <u>\$ 60,388,070</u> | <u>100.0 %</u> | <u>\$ 63,711,607</u> | <u>100.0 %</u> | Total revenue                       |  |  |

**ADAMS COUNTY SCHOOL DISTRICT 14  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

| Assessment Year | Residential Property | Commercial Property | Personal Property | Industrial, Agricultural, and Natural Resources | State Assessed, Vacant Land, And Other | Total Assessed Value | Total Direct Tax Rate Per \$1,000 of Valuation | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value | Assessment Rate |            |
|-----------------|----------------------|---------------------|-------------------|---|--|----------------------|--|--------------------------------|--|-----------------|------------|
|                 |                      |                     |                   |   |  |                      |  |                                |  | Residential     | All Others |
| 2010            | 86,314,120           | 200,703,510         | 233,626,070       | 24,293,490                                      | 17,745,300                             | 562,682,490          | 44.908   | 2,726,997,791                  | 20.63%   | 7.96%           | 29.00%     |
| 2011            | 82,505,250           | 201,805,490         | 230,348,730       | 24,245,400                                      | 17,953,670                             | 556,858,540          | 44.977   | 2,672,199,115                  | 20.84%   | 7.96%           | 29.00%     |
| 2012            | 82,597,020           | 209,345,790         | 229,850,500       | 24,068,320                                      | 19,493,360                             | 565,354,990          | 44.917   | 2,713,476,371                  | 20.84%   | 7.96%           | 29.00%     |
| 2013            | 83,631,300           | 226,156,950         | 259,219,100       | 25,700,090                                      | 19,842,720                             | 614,550,160          | 45.080   | 2,894,428,250                  | 21.23%   | 7.96%           | 29.00%     |
| 2014            | 83,726,930           | 225,178,420         | 258,247,350       | 25,318,080                                      | 19,749,270                             | 612,220,050          | 45.080   | 2,896,617,498                  | 21.14%   | 7.96%           | 29.00%     |
| 2015            | 106,045,440          | 241,802,090         | 244,511,400       | 26,535,930                                      | 21,819,700                             | 640,714,560          | 45.080   | 3,233,091,493                  | 19.82%   | 7.96%           | 29.00%     |
| 2016            | 107,122,670          | 241,334,810         | 240,437,200       | 26,784,270                                      | 21,925,730                             | 637,604,680          | 43.154   | 3,196,328,364                  | 19.95%   | 7.96%           | 29.00%     |
| 2017            | 142,942,960          | 280,053,770         | 240,812,400       | 31,449,930                                      | 30,440,730                             | 725,699,790          | 40.759   | 4,012,759,896                  | 18.08%   | 7.96%           | 29.00%     |
| 2018            | 144,464,410          | 282,721,040         | 244,868,220       | 31,999,980                                      | 29,573,900                             | 733,627,550          | 40.184   | 4,055,062,687                  | 18.09%   | 7.96%           | 29.00%     |
| 2019            | 185,800,460          | 333,238,020         | 265,407,900       | 48,053,860                                      | 32,670,990                             | 865,171,230          | 38.009   | 4,962,517,546                  | 17.43%   | 7.15%           | 29.00%     |

Source: Adams County Assessor's Office.

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$1,000 OF ASSESSED VALUE)**  
**LAST TEN CALENDAR YEARS**  
(Unaudited)

| <u>Taxing Authority</u>                       | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b><u>Adams County School District 14</u></b> |               |               |               |               |               |               |               |               |               |               |
| General Fund                                  | 33.433        | 33.502        | 33.442        | 33.605        | 32.975        | 34.799        | 33.492        | 31.702        | 31.377        | 30.403        |
| Bond Redemption Fund                          | <u>11.475</u> | <u>11.475</u> | <u>11.475</u> | <u>11.475</u> | <u>12.105</u> | <u>10.281</u> | <u>9.681</u>  | <u>9.057</u>  | <u>8.807</u>  | <u>7.606</u>  |
| Adams County School District 14 Total         | <u>44.908</u> | <u>44.977</u> | <u>44.917</u> | <u>45.080</u> | <u>45.080</u> | <u>45.080</u> | <u>43.173</u> | <u>40.759</u> | <u>40.184</u> | <u>38.009</u> |
| Adams County                                  | 26.883        | 26.806        | 26.903        | 26.815        | 27.042        | 26.817        | 27.055        | 27.055        | 27.055        | 26.917        |
| Cities & Towns                                |               |               |               |               |               |               |               |               |               |               |
| Commerce City                                 | 3.206         | 3.280         | 3.269         | 3.280         | 3.280         | 3.280         | 3.128         | 3.160         | 3.280         | 3.104         |
| City of Thornton                              | 10.210        | 10.210        | 10.210        | 10.210        | 10.210        | 10.210        | 10.210        | 10.210        | 10.210        | 10.210        |
| Fire Districts                                |               |               |               |               |               |               |               |               |               |               |
| North Metro Fire Rescue District #1           | 11.225        | 11.176        | 11.375        | 11.246        | 14.903        | 14.713        | 14.810        | 14.710        | 14.730        | 14.674        |
| Adams County Fire Protection District         | 17.403        | 17.318        | 17.344        | 17.274        | 17.286        | 16.892        | 16.841        | 16.733        | 16.650        | 16.594        |
| South Adams Fire District #4                  | 4.300         | 4.300         | 4.300         | 9.900         | 9.900         | 9.900         | 9.900         | 9.900         | 14.750        | 14.750        |
| North Metro Fire Dist #1 Bond                 | -             | -             | -             | 1.400         | 1.400         | 1.400         | 1.400         | 1.400         | 1.400         | 1.400         |
| North Metro Fire Dist #1 Fire Pension         | 0.500         | 0.500         | 0.500         | 0.500         | -             | -             | -             | -             | -             | -             |
| Sanitation & Water Districts                  |               |               |               |               |               |               |               |               |               |               |
| South Adams Water & Sanitation District       | 3.102         | 3.102         | 3.102         | 3.102         | 3.102         | 3.102         | 3.102         | 2.701         | 2.714         | 2.449         |
| Hazeltine Heights Water & Sanitation District | 4.500         | 4.500         | 4.500         | 4.500         | 4.500         | 4.500         | 4.500         | 4.500         | 4.500         | 4.500         |
| Metropolitan Districts                        |               |               |               |               |               |               |               |               |               |               |
| Eagle Creek Metropolitan District             | 80.000        | 95.000        | 85.000        | 88.000        | 88.000        | 83.000        | 80.000        | 75.000        | 70.000        | 65.000        |
| Special Districts                             |               |               |               |               |               |               |               |               |               |               |
| Central Colo. Water Conservancy District      | 0.425         | 0.392         | 1.856         | 1.887         | 1.737         | 1.533         | 2.004         | 1.800         | 1.540         | 1.286         |
| Central Colo. Well Augmentation Subdistrict   |               |               |               |               |               |               |               | 9.010         | 9.001         | 9.034         |
| Central Colo. Ground Water Subdistrict        | 1.339         | 1.319         | 1.291         | 1.301         | 1.309         | 1.272         | 1.583         | 1.353         | 2.739         | 2.279         |
| City of Commerce City North GID               | -             | -             | -             | 27.000        | 27.000        | 27.000        | 27.000        | 27.000        | 27.000        | 20.000        |
| Urban Drainage & Flood Control District       | 0.523         | 0.566         | 0.599         | 0.632         | 0.608         | 0.553         | 0.559         | 0.500         | 0.726         | 0.900         |
| Urban Drainage South Platte                   | 0.053         | 0.057         | 0.058         | 0.068         | 0.064         | 0.058         | 0.061         | 0.057         | 0.094         | 0.097         |
| Rangeview Library<br>f/k/a Anythink Libraries | 3.659         | 3.659         | 3.659         | 3.659         | 3.659         | 3.659         | 3.659         | 3.669         | 3.666         | 3.677         |

Notes:

Industrial Park Water & Sanitation District, Cherry lane Metro District and Regional Transportation District also overlap the School District, but have not assessed a mill levy.

Source: Adams County Assessor's Office.

**ADAMS COUNTY SCHOOL DISTRICT 14  
PRINCIPAL TAXPAYERS  
FOR THE ASSESSMENT YEARS ENDING**

| Taxpayer                               | Type of Business                | December 31, 2019      |      |  | December 31, 2010      |      |  |
|--|---------------------------------|------------------------|------|--|------------------------|------|--|
|  |                                 | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Suncor Energy USA Inc.                 | Oil refinery                    | \$ 114,150,520         | 1    | 13.20%                                     | \$ 406,660,640         | 1    | 72.30%                                     |
| Public Service CO of Colorado          | Public utility                  | 20,146,600             | 2    | 2.30%                                      | 28,729,497             | 4    | 5.10%                                      |
| Lineage Master RE 4 LLC                | Logistics                       | 10,424,080             | 3    | 1.20%                                      |                        |      |  |
| BT-OH LLC                              | Real estate                     | 9,028,730              | 4    | 1.00%                                      |                        |      |  |
| Kew Realty Corportation                | Real estate leasing             | 8,169,350              | 5    | 0.90%                                      |                        |      |  |
| United Parcel Service - Rocky Mountain | Air delivery & freight services | 7,721,530              | 6    | 0.90%                                      |                        |      |  |
| Magellan Pipeline                      | Oil & Gas                       | 7,540,490              | 7    | 0.90%                                      |                        |      |  |
| ARC3 FECMCCO01 LLC (Fed Ex)            | Air delivery & freight services | 6,708,270              | 8    | 0.80%                                      |                        |      |  |
| Pathfinder C/O Duff & Phelps           | Supply chain management         | 5,657,830              | 9    | 0.70%                                      |                        |      |  |
| CalEast Nat, LLC                       | Distribution warehouse          | 5,624,540              | 10   | 0.70%                                      | 14,496,701             | 9    | 2.60%                                      |
| Qwest Corp (formerly U.S. West, Inc.)  | Telecommunications              |                        |      |  | 32,754,819             | 3    | 5.80%                                      |
| Rentech Energy Technology Center       | Renewable energy technologies   |                        |      |  | 56,203,896             | 2    | 10.00%                                     |
| FEDEX Ground Package System            | Air delivery & freight services |                        |      |  | 23,993,928             | 5    | 4.30%                                      |
| Setzer Properties Commerce City LLC    | Property Management             |                        |      |  | 19,726,761             | 6    | 3.50%                                      |
| Continental World Leasing Real Estate  | Real estate leasing             |                        |      |  | 16,580,091             | 8    | 2.90%                                      |
| 1480 Welton, Inc                       | Subsidiary of Public Service CO |                        |      |  | 14,078,236             | 10   | 2.50%                                      |
| Con Agra Floor Milling Company         | Process and packed food         |                        |      |  | 19,113,259             | 7    | 3.40%                                      |
| Totals                                 |                                 | <u>\$ 195,171,940</u>  |      | <u>22.60%</u>                              | <u>\$ 186,545,120</u>  |      | <u>112.40%</u>                             |
| Total Assessed Valuation               |                                 | <u>\$ 865,171,230</u>  |      |  | <u>\$ 562,682,490</u>  |      |  |

**ADAMS COUNTY SCHOOL DISTRICT 14  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

| <u>Assessment Year</u> | <u>Collection Year</u> | <u>Current Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Current Taxes Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Ratio of Total Tax Collections to Total Tax Levy<sup>(1)</sup></u> | <u>Estimated Outstanding Delinquent Taxes</u> | <u>Ratio of Estimated Delinquent Taxes to Total Tax Levy</u> |
|------------------------|------------------------|-------------------------|--------------------------------|---|-----------------------------------|------------------------------|---|---|--|
| 2010                   | 2011                   | 25,268,945              | 25,303,253                     | 100.14%                                   | (108,636)                         | 25,194,617                   | 99.71%  | (34,300)                                      | -0.14%   |
| 2011                   | 2012                   | 25,045,827              | 25,119,784                     | 100.30%                                   | 12,152                            | 25,131,936                   | 100.34%   | (74,000)                                      | -0.30%   |
| 2012                   | 2013                   | 25,394,050              | 24,379,780                     | 96.01%                                    | (510,266)                         | 23,869,514                   | 94.00%  | 1,014,300                                     | 3.99%  |
| 2013                   | 2014                   | 27,703,921              | 27,490,741                     | 99.23%                                    | (29,546)                          | 27,461,195                   | 99.12%  | 213,200                                       | 0.77%  |
| 2014                   | 2015                   | 27,598,880              | 26,806,988                     | 97.13%                                    | (496,179)                         | 26,310,809                   | 95.33%  | 791,900                                       | 2.87%  |
| 2015                   | 2016                   | 28,883,412              | 29,261,158                     | 101.31%                                   | (553,096)                         | 28,708,062                   | 99.39%  | (377,700)                                     | -1.31%   |
| 2016                   | 2017                   | 27,515,001              | 27,206,714                     | 98.88%                                    | 35,140                            | 27,241,854                   | 99.01%  | 308,300                                       | 1.12%  |
| 2017                   | 2018                   | 29,578,794              | 29,550,442                     | 99.90%                                    | (110,763)                         | 29,439,679                   | 99.53%  | 28,400  | 0.10%  |
| 2018                   | 2019                   | 29,502,392              | 28,691,690                     | 97.25%                                    | 78,895                            | 28,770,585                   | 97.52%  | 810,700                                       | 2.75%  |
| 2019                   | 2020                   | 32,884,466              | 32,009,853                     | 97.34%                                    | 101,480                           | 32,111,333                   | 97.65%  | 874,600                                       | 2.66%  |

Note:

(1) Tracking of paid delinquent taxes by levy year is currently not available, instead delinquent taxes are recorded in the year collected.

The district is working to ensure future reports include this information. Ratios above 100% represent collections of prior year delinquent taxes.

Source: Adams County Abstract of Assessments.



*Inspire. Educate. Empower.*  
*Inspira. Educa. Fortalece.*

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## *Debt Capacity*

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### Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

|          |   |
|----------|---|
| Table 10 | Ratio of Outstanding Debt by Type   |
| Table 11 | Ratio of General Obligation Debt to Assessed Value and Bonded Debt per Capita           |
| Table 12 | Ratio of Direct and Overlapping Debt  |
| Table 13 | Legal Debt Margin Information   |
| Table 14 | Ratio of Debt Service Expenditures for General Bonded Debt to General Fund Expenditures |

**ADAMS COUNTY SCHOOL DISTRICT 14  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

| Fiscal Year | Governmental Activities  |                              |                |                           | Total Primary Government | Less; Debt          | Net Debt | Net Debt as a Percentage of |  |
|-------------|--------------------------|------------------------------|----------------|---------------------------|--------------------------|---------------------|----------|-----------------------------|--|
|             | General Obligation Bonds | Certificate of Participation | Capital Leases | Fund Redemption Available |                          | Personal Income (1) |          | Per Capita (1)              |  |
| 2011        | 91,452,829               | -                            | 2,023,011      | 93,475,840                | 5,524,240                | 87,951,600          | 622.40%  | 2,063                       |  |
| 2012        | 89,062,935               | -                            | 1,877,207      | 90,940,142                | 5,533,929                | 85,406,213          | 589.28%  | 1,849                       |  |
| 2013        | 86,109,025               | -                            | 1,724,559      | 87,833,584                | 6,292,697                | 81,540,887          | 540.75%  | 1,729                       |  |
| 2014        | 89,158,912               | -                            | 1,564,746      | 90,723,658                | 5,496,912                | 85,226,746          | 534.48%  | 1,757                       |  |
| 2015        | 85,984,970               | -                            | 1,385,292      | 87,370,262                | 5,851,983                | 81,518,279          | 479.24%  | 1,681                       |  |
| 2016        | 81,068,335               | -                            | 1,197,415      | 82,265,750                | 4,998,817                | 77,266,933          | 454.24%  | 1,593                       |  |
| 2017        | 77,988,084               | -                            | 979,383        | 78,967,467                | 5,652,767                | 73,314,700          | 403.69%  | 1,336                       |  |
| 2018        | 74,747,053               | -                            | -              | 74,747,053                | 6,720,674                | 68,026,379          | 355.80%  | 1,216                       |  |
| 2019        | 70,554,264               | 6,729,407                    | 547,370        | 77,831,041                | 6,833,442                | 70,997,599          | 342.35%  | 1,215                       |  |
| 2020        | 66,176,474               | 6,497,518                    | 672,409        | 73,346,401                | 7,051,712                | 66,294,689          | 299.01%  | 1,099                       |  |

(1) See the Schedule of Demographic Statistics for personal income and population data.

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

**ADAMS COUNTY SCHOOL DISTRICT 14  
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE  
AND BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(Unaudited)**

| Assessment Year | Collection Year | Assessed Value | General Bonded Debt | Less Debt Service Fund Available | Net Debt   | Ratio of General Bonded Debt to Assessed Value | Population | Net Bonded Debt Per Capita |
|-----------------|-----------------|----------------|---------------------|----------------------------------|------------|--|------------|----------------------------|
| 2010            | 2011            | 562,682,490    | 91,452,829          | 5,281,696                        | 86,171,133 | 16.25%   | 42,630 (3) | 2,016                      |
| 2011            | 2012            | 556,858,540    | 89,062,935          | 5,524,240                        | 83,538,695 | 15.99%   | 43,193 (3) | 1,865                      |
| 2012            | 2013            | 565,354,990    | 86,109,025          | 5,533,929                        | 80,575,096 | 15.23%   | 43,193 (3) | 1,848                      |
| 2013            | 2014            | 614,550,160    | 89,158,912          | 6,292,697                        | 82,866,215 | 14.51%   | 45,913 (3) | 1,822                      |
| 2014            | 2015            | 612,220,050    | 85,984,970          | 5,851,983                        | 80,132,987 | 14.04%   | 45,913 (3) | 1,745                      |
| 2015            | 2016            | 640,714,560    | 81,068,335          | 4,998,817                        | 76,069,518 | 12.65%   | 45,913 (3) | 1,657                      |
| 2016            | 2017            | 637,604,680    | 77,988,084          | 5,652,767                        | 72,335,317 | 12.23%   | 54,869 (3) | 1,318                      |
| 2017            | 2018            | 725,699,790    | 74,747,053          | 6,720,674                        | 68,026,379 | 10.30%   | 55,923 (3) | 1,216                      |
| 2018            | 2019            | 733,627,550    | 70,554,264          | 6,833,442                        | 63,720,822 | 9.62%  | 58,449 (3) | 1,090                      |
| 2019            | 2020            | 865,171,230    | 66,176,474          | 7,051,712                        | 66,176,474 | 7.65%  | 60,336 (3) | 1,097                      |

Note: Net Debt shown as Restricted Net Position on the Statement of Net Position is less accrued interest payable.

Source: (1) Colorado Department of Local Affairs, Demography Section, last modified November 2008  
(2) City of Commerce City - estimate  
(3) US Census Bureau

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**RATIO OF DIRECT AND OVERLAPPING DEBT (1)**  
**JUNE 30, 2019**  
**(Unaudited)**

|   | <b>2018<br/>Assessed<br/>Valuation (3)</b> | <b>Outstanding<br/>General<br/>Obligation<br/>Debt (4)</b> | <b>Percent<br/>Applicable<br/>To The<br/>District</b> | <b>Overlapping<br/>Debt (2)</b> |
|---|--|--|---|---------------------------------|
| <b>Direct Debt:</b>                     |  |  |   |                                 |
| Adams County School District 14         | \$ 865,171,230                             | \$ 73,346,402  | 100.000%  | \$ 73,346,402                   |
| <b>Overlapping Debt: (1)</b>            |  |  |   |                                 |
| Commerce City North GID                 | 351,023,330                                | 74,980,000   | 0.78%   | 588,293                         |
| Rangeview Library                       | 5,869,886,310                              | 25,920,000   | 12.48%  | 3,235,023                       |
| North Metro Fire Rescue District        | 587,805,840                                | 13,720,000   | 0.14%   | 19,208                          |
| Central CO. Water Conservancy           | 822,688,840                                | 46,728,463   | 12.93%  | 6,040,448                       |
| Central CO. Well Augmentation Subdistri | 19,097,680                                 | 14,675,471   | 48.78%  | 7,157,990                       |
| Central CO. Ground Water Subdistrict    | 174,384,210                                | 22,559,093   | 25.61%  | 5,777,993                       |
| Aberdeen Metropolitan District No 1     | 5,141,470                                  | 7,870,000  | 11.35%  | 892,883                         |
| Eagle Creek Metropolitan District       | 9,019,240                                  | 3,090,000  | 84.76%  | 2,619,143                       |
| Total Overlapping Debt                  | <u>8,546,333,140</u>                       | <u>209,543,027</u>   |   | <u>26,330,982</u>               |
| <b>TOTAL</b>                            | <u><u>\$ 9,411,504,370</u></u>             | <u><u>\$ 282,889,429</u></u>                               |   | <u><u>\$ 99,677,384</u></u>     |

Notes:

- (1) Adams County, City of Commerce City, City of Thornton, Cherrylane Metro GID, Hazeltine Heights Water and Sanitation District, Industrial Park Water and Sanitation District, South Adams County Fire District #4, Regional Transportation District, Urban Drainage Flood Control, and Urban Drainage South Platte also overlap the School District, but have no general obligation debt outstanding.
- (2) Overlapping debts are general obligations of local and county governments that apply to property owners within Adams County School District 14. Not all overlapping rates apply to all District property owners because the rates for special districts apply only to those property owners who are within the geographic boundaries of both districts.
- (3) Sources: Adams County Assessor's Office
- (4) Sources: Overlapping debt confirmed with overlapping entities

**ADAMS COUNTY SCHOOL DISTRICT 14  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

| Fiscal Year | Assessment Year | Assessed Value | DEBT LIMIT COMPUTATIONS            |  |                       | Percentage of Total net debt applicable to the limit to Debt limit |
|-------------|-----------------|----------------|------------------------------------|--|-----------------------|--|
|             |                 |                | Debt limit (20% of Assessed Value) | Total net debt applicable to the limit | Legal debt margin     |  |
| 2011        | 2010            | \$ 562,682,490 | \$ 112,536,498                     | - \$ 85,928,589 =                      | <u>\$ 26,607,909</u>  | 76.36%   |
| 2012        | 2011            | \$ 556,858,540 | \$ 111,371,708                     | - \$ 83,529,006 =                      | <u>\$ 27,842,702</u>  | 75.00%   |
| 2013        | 2012            | \$ 565,354,990 | \$ 113,070,998                     | - \$ 79,816,328 =                      | <u>\$ 33,254,670</u>  | 70.59%   |
| 2014        | 2013            | \$ 614,550,160 | \$ 122,910,032                     | - \$ 83,662,000 =                      | <u>\$ 39,248,032</u>  | 68.07%   |
| 2015        | 2014            | \$ 612,220,050 | \$ 122,444,010                     | - \$ 80,132,987 =                      | <u>\$ 42,311,023</u>  | 65.44%   |
| 2016        | 2015            | \$ 640,714,560 | \$ 128,142,912                     | - \$ 76,069,518 =                      | <u>\$ 52,073,394</u>  | 59.36%   |
| 2017        | 2016            | \$ 637,604,680 | \$ 127,520,936                     | - \$ 72,335,317 =                      | <u>\$ 55,185,619</u>  | 56.72%   |
| 2018        | 2017            | \$ 725,699,790 | \$ 145,139,958                     | - \$ 68,026,379 =                      | <u>\$ 77,113,579</u>  | 46.87%   |
| 2019        | 2018            | \$ 733,627,550 | \$ 146,725,510                     | - \$ 63,720,822 =                      | <u>\$ 83,004,688</u>  | 43.43%   |
| 2020        | 2019            | \$ 865,171,230 | \$ 173,034,246                     | - \$ 66,176,474 =                      | <u>\$ 106,857,772</u> | 38.24%   |

Source: Adams County Assessor's Office.

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## *Demographic and Economic Information*

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### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

- Table 15     Demographic Statistics
- Table 16     Property Values and Construction
- Table 17     City of Commerce City Principal Employers

**ADAMS COUNTY SCHOOL DISTRICT 14  
DEMOGRAPHIC STATISTICS  
LAST TEN CALENDAR YEARS  
(Unaudited)**

| <u>Year<br/>Ending<br/>December 31,</u> | <u>Population (1)</u> | <u>Personal<br/>Income (2)</u> | <u>Median Age<br/>(in years) (4)</u> | <u>School<br/>Enrollment</u> | <u>Unemployment<br/>Rate (5)</u> |
|---|-----------------------|--------------------------------|--------------------------------------|------------------------------|----------------------------------|
| 2009                                    | 42,473                | \$13,991,470 (3)               | 32.80                                | 7,058                        | 8.6%                             |
| 2010                                    | 42,630                | \$14,131,000 (3)               | 32.40                                | 7,048                        | 10.0%                            |
| 2011                                    | 46,193                | \$14,493,196 (3)               | 32.50                                | 7,321                        | 9.5%                             |
| 2012                                    | 47,150                | \$15,079,147 (3)               | 32.50                                | 7,500                        | 9.2%                             |
| 2013                                    | 48,500                | \$15,945,588 (3)               | 32.50                                | 7,598                        | 5.7%                             |
| 2014                                    | 48,500                | \$16,578,475 (3)               | 32.50                                | 7,663                        | 5.6%                             |
| 2015                                    | 48,500                | \$17,010,005 (3)               | 32.40                                | 7,577                        | 3.8%                             |
| 2016                                    | 54,869                | \$18,160,959 (3)               | 33.00                                | 7,467                        | 3.6%                             |
| 2017                                    | 55,923                | \$19,119,527 (3)               | 33.00                                | 7,400                        | 3.6%                             |
| 2018                                    | 58,449                | \$20,738,261 (3)               | 33.00                                | 7,060                        | 3.5%                             |
| 2019                                    | 60,336                | \$22,171,317 (3)               | 33.00                                | 6,697                        | 8.3%                             |

Sources:

- (1) 2013, 2014 & 2015 data is from the City of Commerce City's website at c3gov.com. 2012 and earlier data from Colorado Bureau of Labor Statistics for Commerce City, Colorado. The District boundaries include parts of two different cities and unincorporated Adams County, however, the majority of the District is located within the City of Commerce City. The 2009 population is an estimate provided by the City of Commerce City.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis for Adams County, Colorado.
- (3) Estimate based upon information from U.S. Department of Commerce, Bureau of Economic Analysis for Adams County, Colorado.
- (4) US Census for Adams County, Colorado.
- (5) Colorado Department Labor & Employment and for Adams County, Colorado.

**PROPERTY VALUES AND CONSTRUCTION  
LAST TEN CALENDAR YEARS  
(Unaudited)**

| <b>Year<br/>Ending<br/>December 31,</b> | <b>City of Commerce City<br/>Commercial and Residential<br/>Construction (1)</b> |              | <b>Adams County School District 14<br/>Property Values (2)</b> |                                 |
|---|--|--------------|--|---------------------------------|
|   | <b>No. of<br/>Permits</b>  | <b>Value</b> | <b>Assessed</b>  | <b>Estimated<br/>Actual (3)</b> |
| 2010                                    | 4,770  | 116,568,290  | 562,682,490  | 2,726,997,791                   |
| 2011                                    | 1,940  | 124,178,841  | 556,858,540  | 2,672,199,115                   |
| 2012                                    | 1,773  | 82,416,720   | 565,354,990  | 2,713,476,371                   |
| 2013                                    | 1,934  | 94,990,823   | 614,550,160  | 2,894,428,250                   |
| 2014                                    | 2,332  | 110,582,651  | 612,220,050  | 2,896,617,498                   |
| 2015                                    | 2,591  | 141,544,696  | 640,714,560  | 3,233,091,493                   |
| 2016                                    | 8,755  | 128,334,457  | 637,604,680  | 3,196,328,364                   |
| 2017                                    | 3,719  | 297,492,538  | 725,699,790  | 4,012,759,896                   |
| 2018                                    | 4,256  | 348,945,887  | 733,627,550  | 4,055,062,687                   |
| 2019                                    | 3,739  | 348,945,887  | 865,171,230  | 4,962,517,546                   |

Notes:

- (1) Source: Commerce City Building Department.
- (2) Source: Adams County Assessor's Office.
- (3) Actual value in the above table is defined as base year for assessment purposes. The base year is from 6 to 9 years prior to the collection year. Current market values are considerably higher than the actual values shown in the above table.

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**CITY of COMMERCE CITY, COLORADO PRINCIPAL EMPLOYERS**  
**For the Calendar Years Ended December 31, 2019 and 2010**  
**(Unaudited)**

| Name of Employer (1)                | Industry (1)   | December 31, 2019       |      |                                     | December 31, 2010       |      |                                     |
|-------------------------------------|--|-------------------------|------|-------------------------------------|-------------------------|------|-------------------------------------|
|                                     |  | Number of Employees (1) | Rank | Percentage to Total City Employment | Number of Employees (1) | Rank | Percentage to Total City Employment |
| United Parcel Service               | Parcel Delivery Service                                    | 3,163                   | 1    | 10.8%                               | 2,487                   | 1    | 10.9%                               |
| Adams County School District 14     | Public School District                                     | 1,288                   | 2    | 4.5%                                | 1,063                   | 2    | 4.7%                                |
| FedEX Ground Package System INC     | Parcel Delivery Service                                    | 783                     | 3    | 2.4%                                | 767                     | 3    | 3.4%                                |
| Shamrock Foods(United Food Service) | Food Service Distribution                                  | 780                     | 4    | 2.6%                                | 569                     | 4    | 2.5%                                |
| FedEx Freight                       | Trucking<br>Hydraulic Fracking and<br>Engineering Services | 772                     | 5    | 2.3%                                | 341                     | 7    | 1.5%                                |
| Liberty Oilfield Services           | Trucking   | 691                     | 6    | 1.3%                                |                         |      |                                     |
| City of Commerce City               | City Government  | 449                     | 7    | 1.6%                                | 414                     | 5    | 1.8%                                |
| Suncor Energy USA Inc.              | Energy Production  | 441                     | 8    | 1.5%                                | 410                     | 6    | 1.8%                                |
| Old Dominion Freight Lines          | Trucking   | 369                     | 9    | 1.5%                                |                         |      |                                     |
| Earl Douglas Roofing Company        | Manufacturer   | 359                     | 10   | 1.0%                                | 288                     | 8    | 1.3%                                |
| Waste Management of Colorado Inc    | Waste Removal  |                         |      |                                     | 272                     | 9    | 1.2%                                |
| Wal-Mart                            | Retail   |                         |      |                                     | 252                     | 10   | 1.1%                                |
|                                     | Total  | <u>9,095</u>            |      | 31.6%                               | <u>6,863</u>            |      | 30.2%                               |
| Total Employers' Employees          |  | <u>28,753</u>           | (1)  |                                     | <u>22,716</u>           | (1)  |                                     |

Sources:

(1) City of Commerce City Website

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## *Operating Information*

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### Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and activities it performs.

|          |  |
|----------|--|
| Table 18 | Full-time Equivalent Employees by Fund       |
| Table 19 | Miscellaneous Statistical Data               |
| Table 20 | Capital Asset Statistics by Function/Program |

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUND**  
(Unaudited)

| Fund Type                         | Full Time Equivalents |               |               |               |               |               |               |               |               |               |
|-----------------------------------|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                   | 2019-20               | 2018-19       | 2017-18       | 2016-17       | 2015-16       | 2014-15       | 2013-14       | 2012-13       | 2011-12       | 2010-11       |
| Total general fund                | 747.29                | 756.83        | 743.71        | 756.06        | 793.76        | 786.10        | 840.06        | 809.69        | 780.05        | 749.36        |
| Total grants fund                 | 63.19                 | 64.05         | 70.74         | 71.13         | 59.02         | 58.95         | 72.39         | 67.89         | 41.42         | 38.90         |
| Total other special revenue funds | 51.22                 | 50.76         | 52.69         | 52.91         | 55.93         | 46.62         | 43.53         | 42.53         | 47.65         | 39.88         |
| Total all funds                   | <u>861.70</u>         | <u>871.64</u> | <u>867.14</u> | <u>880.10</u> | <u>908.71</u> | <u>891.67</u> | <u>955.98</u> | <u>920.11</u> | <u>869.12</u> | <u>828.13</u> |

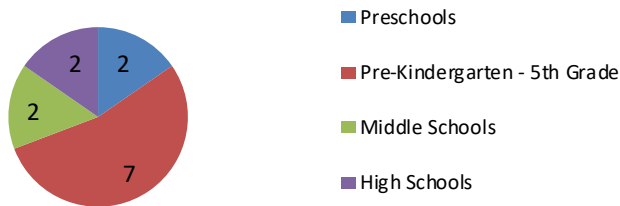
(1) Source: Adams County School District 14; Position Control

**ADAMS COUNTY SCHOOL DISTRICT 14  
MISCELLANEOUS STATISTICAL DATA  
(Unaudited)**

**District Statistics:**

- \* Year of organization: 1902
- \* Year of consolidation: 1947
- \* Geographical area: 52 Square miles all within Adams County
- \* Accreditation: North Central Association of Colleges and Schools
- \* Twenty-sixth (29<sup>th</sup>) largest school district (by student population) in the state fiscal year 2019-20
- \* Fifth (5<sup>th</sup>) largest school district (by student population) in Adams County fiscal year 2019-20

**Number of Schools in FY2018-19**



**Enrollment and Funded Pupil Count (1)**

| School Year | Student Enrollment | Funded Pupil Count |
|-------------|--------------------|--------------------|
| 2010-2011   | 7,048              | 7,020              |
| 2011-2012   | 7,321              | 6,757              |
| 2012-2013   | 7,500              | 6,925              |
| 2013-2014   | 7,598              | 6,978              |
| 2014-2015   | 7,663              | 7,205              |
| 2015-2016   | 7,467              | 7,185              |
| 2016-2017   | 7,467              | 7,151              |
| 2017-2018   | 7,400              | 7,117              |
| 2018-2019   | 7,060              | 6,703              |
| 2019-2020   | 6,697              | 6,352              |

**Summary of Teachers by Education Level**

| Teacher FTE  | Education Level                | % of Total     |
|--------------|--------------------------------|----------------|
| 94           | Bachelor of Arts (BA)          | 21.62%         |
| 13           | BA + 10 Hrs                    | 2.99%          |
| 13           | BA+ 20 Hrs                     | 2.99%          |
| 10           | BA + 30 Hrs                    | 2.30%          |
| 9            | BA + 40 Hrs                    | 2.07%          |
| 173.8        | BA + 50 Hrs or Master's Degree | 39.97%         |
| 24           | Master's Degree + 10 Hrs       | 5.52%          |
| 17.5         | Master's Degree + 20 Hrs       | 4.02%          |
| 25           | Master's Degree + 30 Hrs       | 5.75%          |
| 42.5         | Master's Degree + 40 Hrs       | 9.77%          |
| 13           | Doctorate (EDD or PhD)         | 2.99%          |
| <u>434.8</u> |                                | <u>100.00%</u> |

**Summary of Teachers by Years of Service**

| Teacher FTE  | Years of Service                    | % of Total     |
|--------------|-------------------------------------|----------------|
| 88.7         | Less than 1 year                    | 20.41%         |
| 71.5         | At least 1 year, but less than 2    | 16.45%         |
| 65.5         | At least 2 years, but less than 3   | 15.05%         |
| 40.0         | At least 3 years, but less than 4   | 9.20%          |
| 31.5         | At least 4 years, but less than 5   | 7.25%          |
| 26.7         | At least 5 years, but less than 6   | 6.13%          |
| 50.9         | At least 6 years, but less than 10  | 11.71%         |
| 26.7         | At least 10 years, but less than 15 | 6.13%          |
| 18.8         | At least 15 years, but less than 20 | 4.32%          |
| 8.5          | At least 20 years, but less than 25 | 1.95%          |
| 6.1          | 25 or more years                    | 1.39%          |
| <u>434.8</u> |                                     | <u>100.00%</u> |

(1) Source: Colorado Department of Education - exclusive of Charter Schools

(2) Number of persons employed as teachers during the fiscal year ending June 30, 2020

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| <b>Schools</b>                            | <b>Year of Original Construction</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> |
|---|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sanville Preschool                        | 1954                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 5,440       | 5,440       | 5,440       | 5,440       | 5,440       | 5,440       | 5,440       | 5,440       | 5,440       | 5,440       |
| Capacity (students)                       |                                      | 50          | 50          | 50          | 50          | 50          | 50          | 50          | 50          | 50          | 50          |
| Enrollment (head count)                   |                                      | 83          | 86          | 87          | 92          | 91          | 89          | 92          | 90          | 89          | 83          |
| Stars Early Learning Center Preschool     | 1981                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 7,005       | 7,005       | 7,005       | 7,005       | 7,005       | 7,005       | 7,005       | 7,005       | 7,005       | 7,005       |
| Capacity (students)                       |                                      | 94          | 94          | 94          | 94          | 94          | 94          | 94          | 94          | 94          | 94          |
| Enrollment (head count)                   |                                      | 90          | 85          | 111         | 120         | 105         | 104         | 115         | 76          | 80          | 78          |
| Alsup Elementary                          | 1959                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 50,114      | 50,114      | 50,114      | 50,114      | 50,114      | 50,114      | 50,114      | 50,114      | 50,114      | 50,114      |
| Capacity (students)                       |                                      | 477         | 477         | 477         | 477         | 477         | 477         | 477         | 477         | 477         | 477         |
| Enrollment (head count)                   |                                      | 415         | 470         | 519         | 532         | 545         | 521         | 504         | 484         | 598         | 640         |
| Central Elementary                        | 1954                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet (3)                           |                                      | 54,790      | 54,790      | 54,790      | 54,790      | 54,790      | 54,790      | 54,790      | 54,790      | 54,790      | 54,790      |
| Capacity (students)                       |                                      | 548         | 548         | 548         | 548         | 548         | 548         | 548         | 548         | 548         | 548         |
| Enrollment (head count)                   |                                      | 442         | 502         | 570         | 577         | 580         | 544         | 577         | 609         | 624         | 634         |
| Dupont Elementary                         | 1956                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 51,599      | 51,599      | 51,599      | 51,599      | 51,599      | 51,599      | 51,599      | 51,599      | 51,599      | 51,599      |
| Capacity (students)                       |                                      | 516         | 516         | 516         | 516         | 516         | 516         | 516         | 516         | 516         | 516         |
| Enrollment (head count)                   |                                      | 477         | 511         | 576         | 589         | 642         | 698         | 699         | 622         | 562         | 586         |
| Kemp Elementary                           | 1951                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet (3)                           |                                      | 46,403      | 46,403      | 46,403      | 46,403      | 44,963      | 44,963      | 44,963      | 44,963      | 44,963      | 44,963      |
| Capacity (students)                       |                                      | 475         | 475         | 475         | 475         | 450         | 450         | 450         | 450         | 450         | 450         |
| Enrollment (head count)                   |                                      | 501         | 554         | 554         | 569         | 566         | 625         | 587         | 555         | 482         | 483         |
| Monaco Elementary                         | 1956                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 37,496      | 37,496      | 37,496      | 37,496      | 37,496      | 37,496      | 37,496      | 37,496      | 37,496      | 37,496      |
| Capacity (students)                       |                                      | 375         | 375         | 375         | 375         | 375         | 375         | 375         | 375         | 375         | 375         |
| Enrollment (head count)                   |                                      | 287         | 340         | 439         | 449         | 472         | 490         | 501         | 525         | 583         | 480         |
| Rose Hill Elementary                      | 1952                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet (3)                           |                                      | 56,542      | 56,542      | 56,542      | 56,542      | 56,542      | 56,542      | 56,542      | 56,542      | 56,542      | 56,542      |
| Capacity (students)                       |                                      | 565         | 565         | 565         | 565         | 565         | 565         | 565         | 565         | 565         | 565         |
| Enrollment (head count)                   |                                      | 397         | 405         | 455         | 472         | 536         | 521         | 539         | 543         | 535         | 453         |
| Hanson PK-8                               | 1968                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet (3)                           |                                      | 50,355      | 50,355      | 50,355      | 50,355      | 50,355      | 50,355      | 50,355      | 50,355      | 50,355      | 50,355      |
| Capacity (students)                       |                                      | 419         | 419         | 419         | 419         | 419         | 419         | 419         | 419         | 419         | 419         |
| Enrollment (head count)                   |                                      | 395         | 423         | 448         | 416         | 426         | 446         | 461         | 488         | 388         | 501         |
| Adams City Middle School                  | 2009                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 96,900      | 96,900      | 96,900      | 96,900      | 96,900      | 96,900      | 96,900      | 96,900      | 96,900      | 96,900      |
| Capacity (students)                       |                                      | 808         | 808         | 808         | 808         | 808         | 808         | 808         | 808         | 808         | 808         |
| Enrollment (head count)                   |                                      | 773         | 809         | 831         | 818         | 798         | 761         | 774         | 762         | 740         | 717         |
| Kearney Middle School                     | 1953                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 120,601     | 120,601     | 120,601     | 120,601     | 120,601     | 120,601     | 120,601     | 120,601     | 120,601     | 120,601     |
| Capacity (students)                       |                                      | 1,005       | 1,005       | 1,005       | 1,005       | 1,005       | 1,005       | 1,005       | 1,005       | 1,005       | 1,005       |
| Enrollment (head count)                   |                                      | 794         | 839         | 785         | 792         | 821         | 820         | 783         | 742         | 697         | 538         |
| Lester Arnold Alternative High School     | 1949                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 19,972      | 19,972      | 19,972      | 19,972      | 19,972      | 19,972      | 19,972      | 19,972      | 19,972      | 19,972      |
| Capacity (students)                       |                                      | 133         | 133         | 133         | 133         | 133         | 133         | 133         | 133         | 133         | 133         |
| Enrollment (head count)                   |                                      | 253         | 272         | 227         | 239         | 213         | 182         | 220         | 147         | 149         | 160         |
| Adams City High School                    | 2009                                 |             |             |             |             |             |             |             |             |             |             |
| Square feet                               |                                      | 293,000     | 293,000     | 293,000     | 293,000     | 293,000     | 293,000     | 293,000     | 293,000     | 293,000     | 293,000     |
| Capacity (students)                       |                                      | 1,720       | 1,720       | 1,720       | 1,720       | 1,720       | 1,720       | 1,720       | 1,720       | 1,720       | 1,720       |
| Enrollment (head count)                   |                                      | 1,721       | 1,764       | 1,798       | 1,799       | 1,782       | 1,783       | 1,749       | 1,748       | 1,689       | 1,695       |
| <b>Other capital assets (Square feet)</b> |                                      |             |             |             |             |             |             |             |             |             |             |
| ESS Building                              | 1971                                 | 43,020      | 43,020      | 43,020      | 43,020      | 43,020      | 43,020      | 43,020      |             |             |             |
| Administration building                   | 1956                                 | 14,020      | 14,020      | 14,020      | 14,020      | 14,020      | 14,020      | 14,020      |             |             |             |
| Bus Terminal                              | 1956                                 | 15,113      | 15,113      | 15,113      | 15,113      | 15,113      | 15,113      | 15,113      |             |             |             |
| Warehouse                                 | 1971                                 | 12,096      | 12,096      | 12,096      | 12,096      | 12,096      | 12,096      | 12,096      |             |             |             |
| Operations and Maintenance                | 1971                                 | 5,568       | 5,568       | 5,568       | 5,568       | 5,568       | 5,568       | 5,568       |             |             |             |

(1) Source: District Facilities Office (Original Construction, Square Feet & Capacity)  
(2) Source: Colorado Department of Education ( Enrollment)  
(3) Increases in square footage are the result of renovations and additions.



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

Board of Education  
Adams County School District 14  
Littleton, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County School District 14, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Adams County School District 14's basic financial statements, and have issued our report thereon dated November 18, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Adams County School District 14'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 Adams County School District 14's internal control. Accordingly, we do not express an opinion on the effectiveness of Adams County School District 14's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Adams County School District 14's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
November 18, 2020



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

Board of Education  
Adams County School District 14  
Commerce City, Colorado

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

We have audited Adams County School District 14's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Adams County School District 14's major federal programs for the year ended June 30, 2020. Adams County School District 14'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 Adams County School District 14'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 each major federal program occurred. An audit includes examining, on a test basis, evidence about Adams County School District 14'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 Adams County School District 14's compliance.

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

In our opinion, Adams County School District 14 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2020.

**Report on Internal Control Over Compliance**

Management of Adams County School District 14 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Adams County School District 14'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 Adams County School District 14'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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County School District 14 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Adams County School District 14's basic financial statements. We issued our report thereon dated November 18, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
February 11, 2021

**Adams County School District 14**  
 Schedule of Expenditures of Federal Awards  
 For The Year Ended June 30, 2020

| Federal Grantor/Pass-Through Grantor / Program Title                         | Federal CFDA<br>Number | State Grant<br>Number | Passed to<br>Subrecipient | Grant<br>Expenditures<br>2019-20 |
|--|------------------------|-----------------------|---------------------------|----------------------------------|
| <b><u>U.S. Department of Education</u></b>                                   |                        |                       |                           |                                  |
| Passed Through the Colorado Department of Education:                         |                        |                       |                           |                                  |
| <b><u>Special Education Cluster</u></b>                                      |                        |                       |                           |                                  |
| Special Education  | 84.027                 | 4027                  | \$ -                      | \$ 1,474,350                     |
| Special Education - Preschool  | 84.173                 | 4173                  | -                         | 62,686                           |
| Total Special Education Cluster  |                        |                       | \$ -                      | \$ 1,537,036                     |
| Title I  |                        |                       |                           |                                  |
| Grants to Local Education Agencies (Tile I, Part A of ESEA)                  | 84.010                 | 4010                  | \$ -                      | \$ 2,040,175                     |
| Improving Basic Programs Operated by Schools                                 | 84.010                 | 5010                  | -                         | 491,049                          |
| Total Title I  |                        |                       | \$ -                      | \$ 2,531,224                     |
| Improving Teacher Quality  | 84.367                 | 4367                  | -                         | 216,562                          |
| English Language Acquisition   | 84.365                 | 4365                  | -                         | 329,107                          |
| Student Support and Academic Enrichment                                      | 84.424                 | 4424                  | -                         | 87,429                           |
| McKinney Vento Homeless Children and Youth                                   | 84.196                 | 5196                  | -                         | 1,049                            |
| Adult Education  | 84.002                 | 5002                  | -                         | 624,254                          |
| IDEA Part C - Infants and Families with Disabilities                         | 84.181                 | 5181                  | -                         | 2,149                            |
| Passed through Colorado Community College System:                            |                        |                       |                           |                                  |
| Career and Technical Education   | 84.048                 | 4048                  | -                         | 63,781                           |
| Direct Program:  |                        |                       |                           |                                  |
| Impact Aid   | 84.041                 | 4041                  | -                         | 3,062,048                        |
| Total U.S. Department of Education   |                        |                       | \$ -                      | \$ 8,454,639                     |
| <b><u>U. S. Department of the Treasury</u></b>                               |                        |                       |                           |                                  |
| Passed Through the Colorado Department of Education:                         |                        |                       |                           |                                  |
| COVID-19 Coronavirus Relief Fund (CRF)                                       | 21.019                 | 4012                  | \$ -                      | \$ 1,421,027                     |
| Passed Through Adams County:   |                        |                       |                           |                                  |
| COVID-19 Coronavirus Relief Fund (CRF)                                       | 21.019                 | 4012                  | -                         | 123,053                          |
| Total U.S. Department of the Treasury  |                        |                       | \$ -                      | \$ 1,544,080                     |
| <b><u>U. S. Department of Agriculture</u></b>                                |                        |                       |                           |                                  |
| <b><u>Child Nutrition Cluster</u></b>  |                        |                       |                           |                                  |
| Passed Through the Colorado Department of Education:                         |                        |                       |                           |                                  |
| School Breakfast Program   | 10.553                 | 4553                  | \$ -                      | \$ 549,425                       |
| National School Lunch Program  | 10.555                 | 4555                  | -                         | 1,356,795                        |
| Summer Food Service Program for Children                                     | 10.559                 | 4559                  | -                         | 8,193                            |
| National School Lunch Program - Related to COVID Relief                      | 10.555                 | 4555                  | -                         | 382,989                          |
| Passed Through the Colorado Department of Human Services:                    |                        |                       |                           |                                  |
| Food Donation  | 10.555                 | 4555                  | -                         | 265,145                          |
| Total Child Nutrition Cluster  |                        |                       | \$ -                      | \$ 2,562,546                     |
| Passed Through the Colorado Department of Public Health and the Environment: |                        |                       |                           |                                  |
| Child and Adult Care Food Program  | 10.558                 | 4558                  | \$ -                      | \$ 121,238                       |
| Passed Through the Colorado Department of Education:                         |                        |                       |                           |                                  |
| Fresh Fruit & Vegetable Program  | 10.582                 | 4582                  | -                         | 102,949                          |
| Total U.S. Department of Agriculture   |                        |                       | \$ -                      | \$ 2,786,733                     |
| <b><u>U.S. Department of Defense</u></b>                                     |                        |                       |                           |                                  |
| Direct Program   |                        |                       |                           |                                  |
| ROTC   | 12.000                 | 9001                  | \$ -                      | \$ 93,639                        |
| Total U.S. Department of Defense   |                        |                       | \$ -                      | \$ 93,639                        |
| Total  |                        |                       | \$ -                      | \$ <b>12,879,091</b>             |

1) Modified Accrual Basis of Accounting was used to prepare this report.

2) Valuation of food donation is based on the assessed value provided by the Federal agency at the time of receipt. §200.502(g)

**ADAMS COUNTY SCHOOL DISTRICT 14**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards, which includes the federal grant activity of the Adams County School District 14 (District), is presented on the modified accrual basis of accounting, except for the U.S. Department of Education grants, which are presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the District's financial statements for the year ended June 30, 2020.

**NOTE B – NON-CASH**

The District receives food commodities from the U.S. Department of Agriculture for use in its food service program. The commodities are recognized as revenue when received. The commodities are recognized as expenses when used by the schools. The majority of the commodities are stored at the individual schools, instead of a central warehouse. As such, the District has determined that the title to the commodities passes to the District upon receipt of the commodities. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue.

**NOTE C – INDIRECT COSTS**

The District has not elected to use the 10% de minimis indirect cost rate allowed in the Uniform Guidance, section 414.

**Adams County School District 14  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

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

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**Financial Statements**

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

**Federal Awards**

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

**Identification of Major Federal Programs**

| <b>CFDA Number(s)</b> | <b>Name of Federal Program or Cluster</b> |
|-----------------------|---|
| 84.027 & 84.173       | IDEA – Special Education                  |
| 84.010                | Title I                                   |
| 21.019                | COVID-19 Coronavirus Relief Fund          |

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

\$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_   x   yes      \_\_\_\_\_ no

**Adams County School District 14  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

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

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

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

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

**Adams County School District 14**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED June 30, 2020**

Adams County School District 14 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2020.

Audit period: June 30, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the prior year.

**FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

**2019 – 001 Impact Aid - CFDA No. 84.041**

**Condition:** The District does not have internal controls in place to track and verify whether cash receipts under the Impact Aid program, specifically, Section 7002 funds, are spent for construction or minor remodeling.

**Status:** Corrective action was taken.

If there are questions regarding this schedule, please call Eddie Storz, Director of Finance at 303-359-6923.



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0030 - Adams County 14  
 Fiscal Year 2019-20  
 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   | 19,599,873                               | 66,725,501                                 | 65,593,341                                | 20,732,032  |
| 18 Risk Mgmt Sub-Fund of General Fund                   | 1,019,817                                | 1,517,113                                  | 2,186,861                                 | 350,069   |
| 19 Colorado Preschool Program Fund                      | 343,697                                  | 2,503,758                                  | 2,835,851                                 | 11,604  |
| <b>Sub- Total</b>                                       | <b>20,963,386</b>                        | <b>70,746,372</b>                          | <b>70,616,053</b>                         | <b>21,093,705</b>                                     |
| 11 Charter School Fund                                  | 0  | 0  | 0   | 0   |
| 20,26-29 Special Revenue Fund                           | 228,149                                  | 442,607                                    | 517,698                                   | 153,058   |
| 06 Supplemental Cap Const, Tech, Main. Fund             | 0  | 0  | 0   | 0   |
| 07 Total Program Reserve Fund                           | 0  | 0  | 0   | 0   |
| 21 Food Service Spec Revenue Fund                       | 858,881                                  | 2,818,684                                  | 3,265,126                                 | 412,439   |
| 22 Govt Designated-Purpose Grants Fund                  | 1  | 10,107,899                                 | 10,107,900                                | 0   |
| 23 Pupil Activity Special Revenue Fund                  | 253,236                                  | 998,644                                    | 1,008,409                                 | 243,470   |
| 24 Full Day Kindergarten Mill Levy Override             | 0  | 0  | 0   | 0   |
| 25 Transportation Fund                                  | 0  | 0  | 0   | 0   |
| 31 Bond Redemption Fund                                 | 6,833,440                                | 6,702,877                                  | 6,484,606                                 | 7,051,711   |
| 39 Certificate of Participation (COP) Debt Service Fund | 0  | 492,500                                    | 491,851                                   | 649   |
| 41 Building Fund  | 13,845,728                               | 3,751,864                                  | 6,468,731                                 | 11,128,861  |
| 42 Special Building Fund                                | 0  | 0  | 0   | 0   |
| 43 Capital Reserve Capital Projects Fund                | 1,378,616                                | 1,699,747                                  | 1,195,063                                 | 1,883,300   |
| 46 Supplemental Cap Const, Tech, Main Fund              | 0  | 0  | 0   | 0   |
| <b>Totals</b>   | <b>44,361,437</b>                        | <b>97,761,194</b>                          | <b>100,155,437</b>                        | <b>41,967,195</b>                                     |
| <b>Proprietary</b>                                      |  |  |   |   |
| 50 Other Enterprise Funds                               | 0  | 0  | 0   | 0   |
| 64 (63) Risk-Related Activity Fund                      | 0  | 0  | 0   | 0   |
| 60,65-69 Other Internal Service Funds                   | 0  | 0  | 0   | 0   |
| <b>Totals</b>   | <b>0</b>                                 | <b>0</b>                                   | <b>0</b>                                  | <b>0</b>  |
| <b>Fiduciary</b>  |  |  |   |   |
| 70 Other Trust and Agency Funds                         | 0  | 0  | 0   | 0   |
| 72 Private Purpose Trust Fund                           | 0  | 0  | 0   | 0   |
| 73 Agency Fund  | 0  | 0  | 0   | 0   |
| 74 Pupil Activity Agency Fund                           | 0  | 0  | 0   | 0   |
| 79 GASB 34:Permanent Fund                               | 0  | 0  | 0   | 0   |
| 85 Foundations  | 0  | 0  | 0   | 0   |
| <b>Totals</b>   | <b>0</b>                                 | <b>0</b>                                   | <b>0</b>                                  | <b>0</b>  |

FINAL