



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

Adams 12 Five Star Schools

1500 East 128th Avenue
Thornton, Colorado 80241

www.adams12.org

Comprehensive Annual Financial Report

For the Year Ended June 30, 2020

Prepared by:

Department of Financial Services

Suzanne DeYoung	Chief Financial Officer
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Alison Westerhold	Accounting Manager
Steven Coblur	Accountant
John Fawkes	Accountant
Meghan Deutsch	Grant Fiscal Analyst
Phillip Jenkins	Accountant
Jennifer Tafoya	Bond Accountant

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Artist: Emily Wanerus
School: Mountain View
Elementary School



Into the Woods
Artist: Scout Auston
School: Rocky Top Middle School



Peaceful Rose
Artist: Connor Davidson
School: Hulstrom K-8

INTRODUCTORY SECTION

BOARD OF EDUCATION FISCAL YEAR 2019-2020



From left to right: Mr. Brian M. Batz, Director, District 4; Ms. Jamey L. Lockley, Secretary, District 2; Ms. Lori B. Goldstein, Director, District 1.; Ms. Kathy D. Plomer, President, District 3; Ms. Laura P. Mitchell, Vice President, District 5

CABINET FOR FISCAL YEAR 2019-2020

Christopher Gdowski

Tracy Dorland

Priscilla Straughn

Joe Ferdani

Pat Hamilton

Myla Shepard

Ashish Mahajan

Suzanne DeYoung

Philip Spare

Superintendent of Schools

Deputy Superintendent

Chief Academic Officer

Chief Communications Officer

Chief Operating Officer

Chief Human Resource Officer

Chief Information Technology Officer

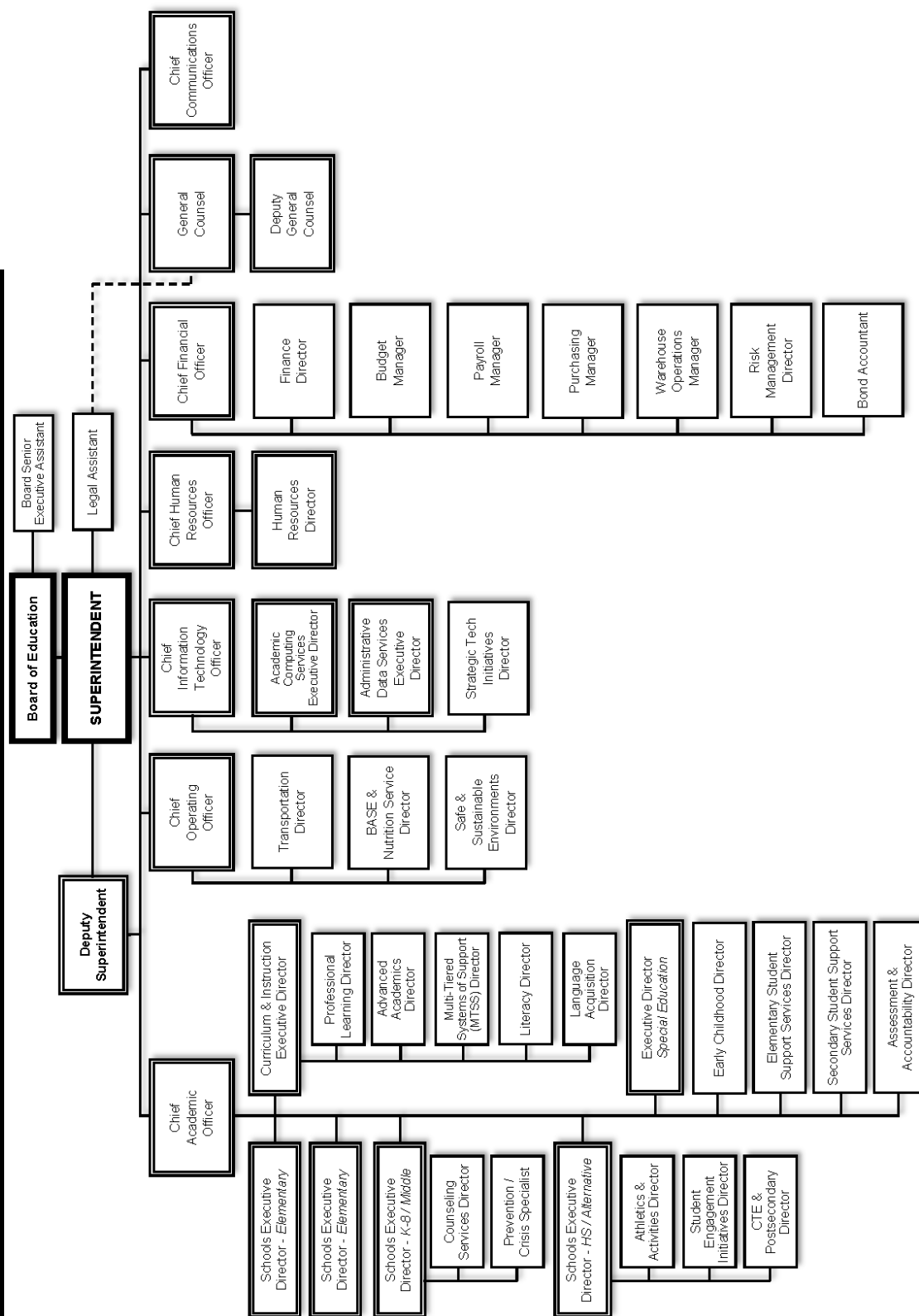
Chief Financial Officer

General Counsel

ORGANIZATIONAL CHART



District Organizational Chart



LETTER OF TRANSMITTAL

January 20, 2021

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

The Comprehensive Annual Financial Report (CAFR) of Adams 12 Five Star Schools, ("district"), for the Fiscal Year June 30, 2020, is hereby submitted. The CAFR has been prepared in conformity with Statement No. 34 of the Governmental Accounting Standards Board. Statement No. 34 is titled Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities into a single total column for government-wide activities.

The district's Financial Services department prepared this report which contains management's representations concerning the finances of the district. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects, reported in a manner to present fairly the financial position and results of operations of the district's funds. Disclosures necessary to enable the reader to gain an understanding of such financial operations have been included. Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The district's MD&A can be found immediately following the report of the independent auditor in the Financial Section on pages 19-34.

The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements and publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This CAFR is published to fulfill that requirement of the fiscal year ended June 30, 2020.

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

CliftonLarsonAllen LLP, Certified Public Accountants have issued an unmodified opinion on the district's financial statements for the year ended June 30, 2020. The independent auditors' report is located at the front of the financial section of this report and the independent auditor's report on Internal Control over Financial Reporting is located at the front of the single audit section of this report.

Profile of the Adams 12 Five Star Schools

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

The district provides a full range of educational programs and services authorized by Colorado state statutes to approximately 38,707 students via 56 different schools. Included are basic kindergarten through twelfth-grade (K-12) education, as well as special education for students with disabilities, career/technical education, English-as-a-second-language education, preschool, and numerous other programs. There were four charter schools authorized by the district's Board of Education during the 2019-2020 school year that were legally separate entities. While charter schools are funded under the School Finance Act of Colorado and are under the general supervision of the Board of Education, the charter schools meet the requirement to be presented as discrete component units.

Economic Condition and Outlook

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

The following data in this "Economic Condition and Outlook" section obtained from the September 2020 revenue forecast for the State of Colorado, prepared by the Colorado Legislative Council Staff. The U.S. and Colorado economies have recovered at a stronger pace than expected, as fiscal stimulus and the resiliency of businesses and consumer activity have buoyed growth. Uncertainty and risk in the forecast remain as labor markets have only partially recovered since the April collapse, and the unemployment rate remains high. While economic expectations have been revised up, the national and state economies are each still expected to absorb major blows in 2020.

As the steadying effects of monetary and fiscal stimulus dissipate, some economic challenges will become more pronounced in the second half of this year and into 2021. The outlook for personal income is highly dependent on the presence and scope of additional funding. Government transfer payments are expected to nurture moderate growth in personal income during 2020, when U.S. and Colorado personal incomes are expected to increase 4.5 percent and 4.9 percent, respectively. As transfer payments dissipate, personal income is expected to see more modest growth in 2021 at 1.2 percent and 2.6 percent for the U.S. and Colorado, respectively. In Colorado, employment is expected to decline by 4.5 percent in 2020 before beginning a recovery in 2021 to 3.0 percent growth. The Colorado unemployment rate is expected to increase sharply from 2.8 percent in 2019 to 6.9 percent in 2020, declining slightly in 2021 to 5.6 percent.

The seven-county Metro Denver region consisting of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties is Colorado's largest regional economy. The COVID-19 pandemic has resulted in significant challenges for this region as it holds the largest share of the state's population and workforce. While some businesses are seeing a slight recovery, it is expected to take until 2022 to recover to economic levels prior to the pandemic. The impacts of the COVID-19 pandemic and related recession have taken a toll on the region's labor market, with only a fraction of the jobs lost in March and April regained in subsequent months. Current indicators provide that employment in Metro Denver has declined 4.0 percent between July 2019 and 2020, falling by 124,600 jobs. The unemployment rate in Metro Denver rose 4.4 percentage points over the year to 7.0 percent.

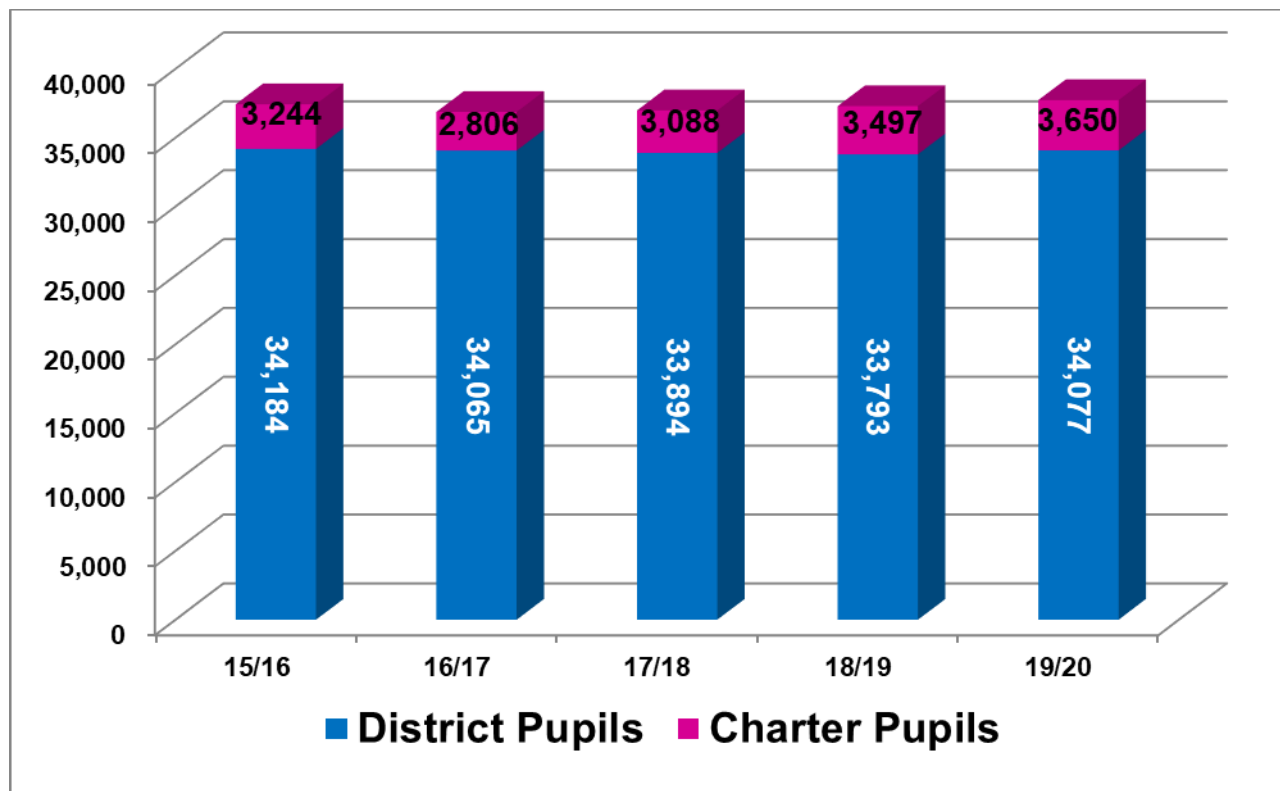
Enrollment

Adams 12 Five Star Schools' enrollment (headcount) decreased by 575 students compared to the prior school year to put the district at 38,707 students for the 2019-2020 school year. The breakdown of those students includes 15,044 in kindergarten - 5th grade; 8,036 in grades 6 - 8; 10,754 in grades 9 - 12; 3,673 in the district's charter schools; and 1,200 preschool students.

While district schools have experienced a decrease in enrollment, funded pupil count for fiscal year 2019-2020 represents an increase over the prior year of 284 full-time equivalent (FTE) students. This increase is a result of House Bill (HB) 19-1262 *State Funding for Full-day Kindergarten*. The passage of HB 19-1262 provides 1.0 funding for all full-time equivalent students enrolled in a full-day kindergarten program, which increases funding by .42 FTE over prior years. The district's fiscal year 2020-2021 enrollment is projected to decrease by 814 and can be attributed to the decline in birth rates and higher housing costs.

Charter schools experienced a growth of 153 funded pupils in the fiscal year 2019-2020 over the prior school year, as a result of working towards obtaining enrollment goals to meet school facility capacity.

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



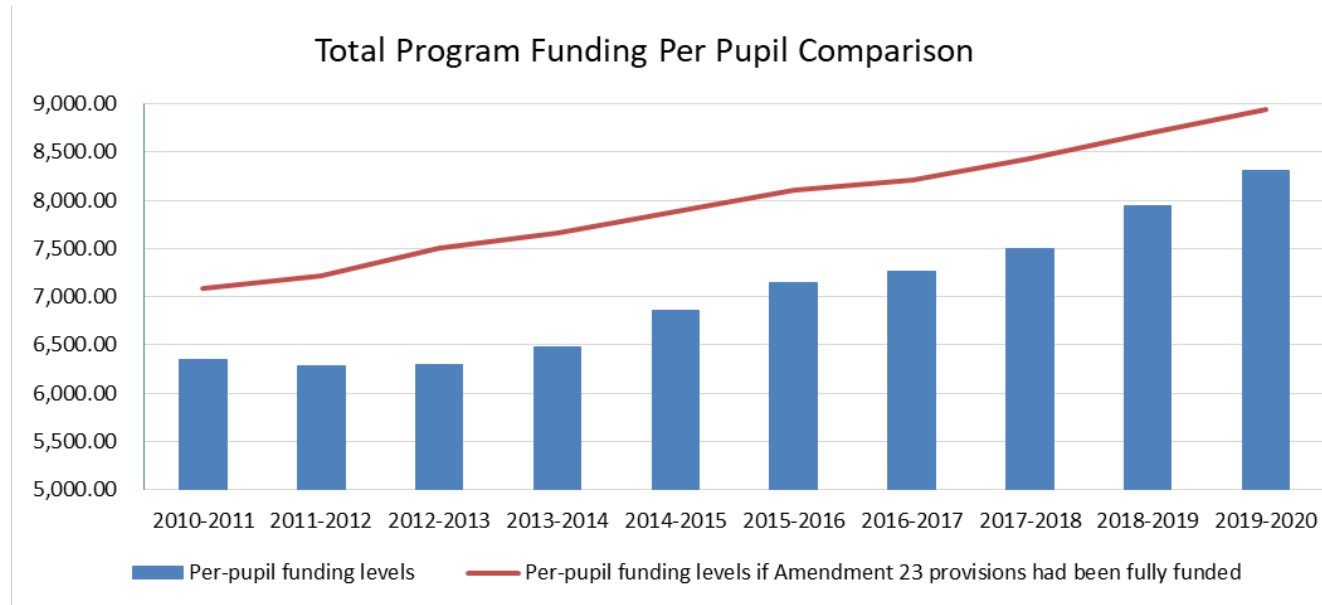
School Finance Issues

The primary revenue sources for the district are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes including voter-approved mill levy budget overrides of \$63.1 million, specific ownership taxes from vehicle registration, and state equalization aid is approximately 93.9 percent of the district's General Fund revenues for the Fiscal Year 2019-2020.

Voters approved Amendment 23 to the Colorado Constitution in November 2000, which provided for funding increases per student of at least the Denver-Boulder-Greeley Consumer Price Index rate plus 1 percent through the 2010-2011 Fiscal Year. Amendment 23 was not fully implemented due to the economic downturn and Colorado's budget crisis. Beginning with the 2010-2011 school year, the legislature applied the "budget stabilization factor", as part of the School Finance Act which reduced K-12 statewide funding and eliminated the growth anticipated from Amendment 23. The net result of the budget stabilization factor was an approximate \$572.4 million reduction of K-12 funding for the 2019-2020 school year across all 178 school districts in Colorado.

The per-pupil funding for the 2019-2020 school year was increased by the Consumer Price Index of 2.7 percent. However, due to the lack of available resources at the State level and the budget stabilization factor, the State continues to fund the district at a level significantly lower than what was anticipated under the Amendment 23 formula.

The following graph depicts the amount of per-pupil funding that the district has received over the past decade. Per-pupil funding has increased 10.0 percent in aggregate since fiscal 2010-2011 prior to the budget stabilization factor being implemented, while costs continue to increase at a greater rate for instructional programming, utilities, healthcare, and the State's retirement plan.



The continued impact of the State's budget stabilization factor resulted in reduced funding to the district of approximately \$27.9 million in the Fiscal Year 2019-2020. As a result of the reduction in funding at the State level, the district planned for the use of General Fund reserves to mitigate this funding shortfall. The reserve was available as the result of positive budget variances and cost containment in prior fiscal years.

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

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

In an effort to equalize per-pupil funding across the state, the 1988 School Finance Act shifted the responsibility of setting a district's property tax mill levy rate (per \$1,000 assessed valuation) from the local school boards to the State's General Assembly. The system required each district to first rely on its

“local share” funding produced by a district’s local tax rate, with the State share back-filling, or “equalizing” funding for districts that did not raise enough money locally.

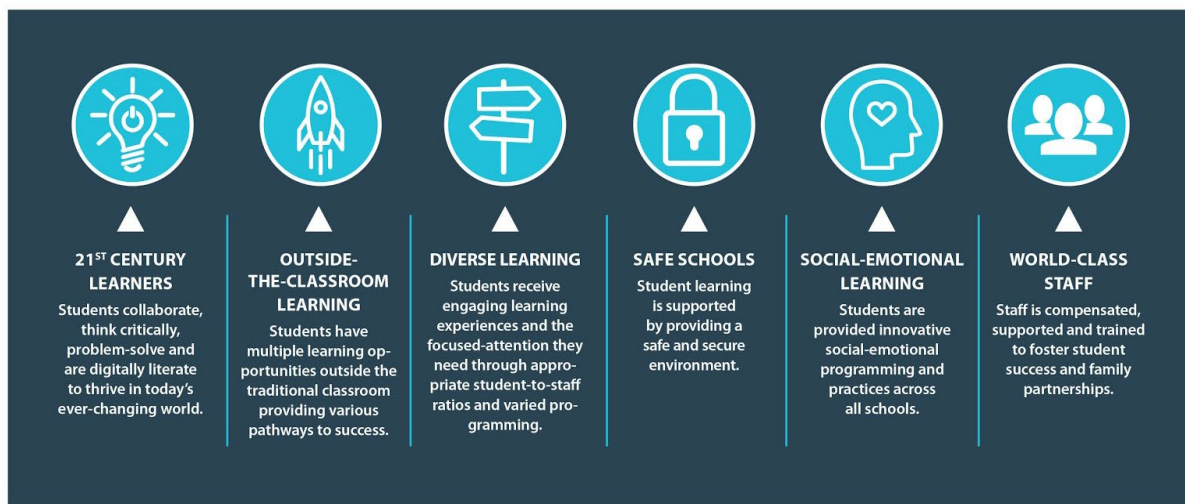
In 1992, TABOR limited school districts from retaining any revenues that exceed inflation plus student enrollment growth. In response to TABOR, the School Finance Act of 1994 established a new formula requiring districts to impose a mill levy at the same level as the preceding year, unless that particular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

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

Areas of Focus

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

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



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

- **Student Achievement**
 - Raise achievement levels for all students and close existing achievement gaps for groups of students
 - Increase graduation rate while increasing rigor
 - Outperform peer districts
- **Climate and Culture**

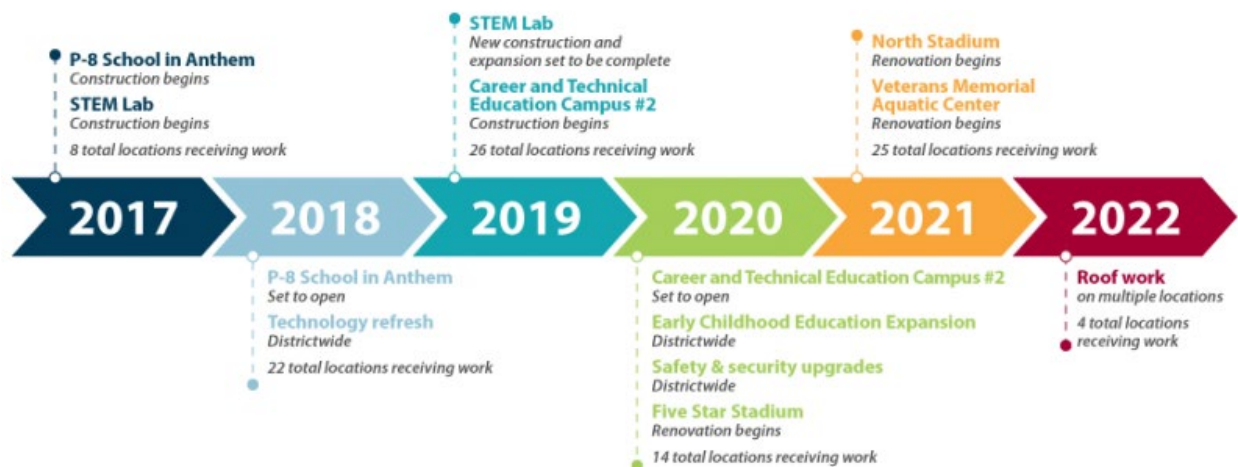
- Students, parents, and staff take pride in and feel connected to the district's positive culture
- **Social-Emotional Well-being**
 - Know students by name, strength, and need

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

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

2016 Bond Program

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



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

- Completion of two-year renovation and reconstruction of STEM Lab
- Completion of FutureForward at Washington Square career and technical education campus
- More than ~\$90 million in renovations and improvements completed at more than 30 schools and facilities in Summer 2020
- More than 1,000 new technology classrooms featuring the latest in interactive projectors and whiteboards have been installed in schools across the district.
- About 11,000 new student and teacher Chromebook devices allocated from bond funds dedicated to technology upgrades.
- About 50 miles of underground conduit installed for the district's new fiber network scheduled to be completed in 2020-2021.

Financial Information

Adams 12 Five Star Schools management is responsible for establishing and maintaining an internal

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

Single Audit

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

Budgetary Controls

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

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

Accounting Policies

Detailed descriptions of the district's accounting policies are contained in the Notes to Basic Financial Statements on pages 49-88 and are an integral part of this report. These policies describe the basis of accounting, funds, and accounts used, valuation policies for inventories and adjustments and other significant accounting information.

Effective July 1, 2019, the district implemented and adopted GASB Statement No. 84, *Fiduciary Activities*. *The district does not hold any funds that meet the criteria set forth as being classified a fiduciary fund.* There were certain assets and liabilities as of June 30, 2019 that carried into fiscal year 2019-2020 as a fiduciary fund that were paid out subsequent to the implementation.

No additional accounting policies were adopted and the application of existing policies was not changed during 2020.

Other Information

Under the provisions of the Colorado statutes, an annual audit of the district's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of CliftonLarsonAllen LLP was selected to perform the audit for the fiscal year ended June 30, 2020. In addition to meeting the requirements of Colorado statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Independent Auditors' Report on the basic financial statements and schedules and supplementary information included in the financial section is on pages 14-17 of the Financial Section. The Independent Auditors' Report related specifically to the

single audit is included in the Single Audit Reports Section.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its CAFR for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, the district published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement program requirements and will submit it to GFOA to determine eligibility for another certificate.

The Association of School Business Officials (ASBO) awarded its Meritorious Budget Award to the district for the fiscal year 2019-2020 budget document. We believe the fiscal year 2020-2021 budget document continues to meet Meritorious Budget Award standards and has been submitted to ASBO.

Acknowledgment

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Gdowski".

Christopher E. Gdowski
Superintendent of Schools

A handwritten signature in black ink, appearing to read "Suzanne DeYoung".

Suzanne DeYoung
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Adams 12 Five Star Schools
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell

Executive Director/CEO



Artist: Sofia Vela-Ueha
School: Arapahoe Ridge
Elementary School



Artist: Jonah Harold
School: Woodglen Elementary School



Artist: Aron Rocha Raya
School: STEM Launch

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 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 did not audit the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton were not audited in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Governmental Designated-Purpose Grants - Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20-34 and pension and other postemployment benefits information on pages 89-95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules, the combining component unit statements, the Auditors' Integrity Report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Broomfield, Colorado
January 21, 2021



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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As of and For the Fiscal Year Ended June 30, 2020

As management of the Adams County School District No. 12, Adams County, Colorado ("district"), we offer readers of the district's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 4-12.

FINANCIAL HIGHLIGHTS

- Coronavirus Aid, Relief, and Economic Security (CARES) Act that was enacted on March 27, 2020 to support states with expenses pertaining to public health emergencies due to the Coronavirus Disease (COVID-19). The state directed a portion of Colorado's CARES Act Coronavirus Relief Fund (CRF) to the Department of Education, which in-turn awarded \$20.9 million to the District. Additionally, Adams County transferred \$4.1 million from the counties CRF allocation to the District. These funds are recognized in the Governmental Designated Purpose Grants Fund and account for \$15.2 million spent as of June 30, 2020.
- As of June 30, 2020, the liabilities and deferred inflows of resources of the district exceed its assets and deferred outflows of resources by \$572.3 million (net position). The net position deficit is due primarily to a June 30, 2020 net pension and Other Postemployment Benefits (OPEB) liability of \$616.6 million and \$30.3 million respectively, related deferred inflows of resources of \$432.5 million, offset by related deferred outflows of resources of \$91.5 million, as required by GASB No. 68 and 75, which established reporting requirements for governments that provide their employees with pension and OPEB benefits. The district reports its proportionate share of participation in PERA, the state's cost-sharing multi-employer defined benefit pension plan and healthcare trust fund.
- Total net position increased by \$181.4 million during fiscal year 2020, due primarily to reductions to pension and OPEB related expenses, as required by GASB No. 68 and 75. The reduction in pension expense can be partially attributed to the passage of Senate Bill 18-200 which requires the State of Colorado to make an annual direct distribution payment to the School Division Trust Fund on behalf of all school districts in Colorado.
- At the end of the current fiscal year, the district's governmental funds reported a combined fund balance of \$324.8 million, a decrease of \$55.6 million over the prior year. This decrease is primarily attributed to spend down of the 2016 Bond Program.
- During the current year, the district's General Fund reported an increase in fund balance of \$18.0 million resulting in an ending fund balance of \$85.9 million. The increase can be attributed to a change in the certified staffing contract and restricting school-wide spending from March through June due to COVID-19 closures.

- The district's capital assets increased \$85.8 million during fiscal year 2020 to \$682.6 million. This increase is due to a net \$108.8 million of additions and deletions as a result of progress made on projects outlined in the 2016 Bond Program, offset by \$23.0 million of depreciation expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the district's basic financial statements. This document also provides a comparison to the prior year's activity. The basic financial statements, presented on pages 36-88, are comprised of three components: 1.) government-wide financial statements, 2.) fund financial statements and 3.) notes to the basic financial statements. This comprehensive annual financial report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

Also presented on the government-wide financial statements are component units, representing the district's four charter schools. While the charter schools have independent governing boards, they are financially dependent on the district for most of their funding. Accounting principles prescribe a discrete presentation of the component units, meaning separate presentation from their primary government. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices; please see page 34.

The government-wide financial statements can be found on pages 36-47.

FUND FINANCIAL STATEMENTS

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for special objectives. Fund financial statements for the district include one

fund type: governmental.

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

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

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

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

The basic governmental fund financial statements can be found on pages 36-48 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 49-88 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the district's obligation to provide pension and OPEB benefits to its employees which can be found on page 89-96.

The combining statements referred to earlier in connection with non-major governmental and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 98-114 of this report.

The combining statements of component units are presented immediately following the district's supplementary information of combining and individual fund statements and schedules. Component unit combining statements can be found on pages 117-118 of this report.

The State Required Report immediately follows the component unit combining statements. The Auditors Integrity report can be found on page 120 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Capital assets are used in the operation of the district. These assets include land, buildings, equipment, and vehicles. Capital assets are discussed in detail in the section titled, Capital Assets and Debt Administration, on pages 32-33 of this report.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenue and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2020-2021. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2020-2021.

A useful indicator of the district's financial position is the net position; and as previously noted, liabilities and deferred inflows of resources exceed assets and deferred outflows of resources resulting in a total net position of (\$572,307,112). Of the net position, \$10.0 million has been restricted to comply with the TABOR Amendment.

Current and other assets decreased \$61.6 million due to a reduction in cash and investments of \$66.6 million generally associated with an increase in payments tied to 2016 Bond Project work and a net \$.9 million previously held in pool deposits and other receivables. This reduction is offset by an increase in property tax receivables of \$5.9 million restricted for future debt service payments in the Bond Redemption-Debt Service fund.

Capital assets net of depreciation increased \$85.8 million due to \$108.9 million construction in progress, building, and equipment additions as a result of the purchase of twenty-six new buses and progress made on projects outlined in the 2016 Bond Program. This increase is offset by \$23.0 million of depreciation expense.

Liabilities of \$31.5 million represent amounts due to staff for estimated accumulated leave payments and amounts due to retired staff for other post-termination benefits in accordance with negotiated agreements. *Under governmental fund accounting, long term compensated absences, which also include post-termination benefits for staff that meet contractual agreements and accept the terms upon retirement, are not recorded in governmental funds as a liability because they are not payable with current funds.*

Other liabilities decreased \$9.9 million primarily due to a decline of \$4.2 million in accounts payable related to construction work and a reduction of \$13.1 million to recognize a contract change for certified teaching staff (discussed below). The decrease is offset by an increase of \$6.3 million of unearned revenue associated to the receipt of CRF funding which is designated for additional COVID-19 related expenditures in fiscal year 2020-21. An additional \$1.1 million increase in liabilities is generally associated to payroll withholding, retainage payable and amounts due to district component units

Effective July 1, 2020 an amended certified teaching contract was implemented to run August 1 through July 31 annually. Prior to this, the district certified teaching contract ran from September 1 through August

30 which required a two-month accrual for wages earned, not paid. This amended contract was negotiated between the District and the Certified Union to align more closely to resemble the expected start date of teachers given this time of uncertainty due to COVID-19 requirements. The amended contract requires only a one-month accrual going forward which supports the decrease to accrued salaries and benefits as of June 30, 2020. In order to accommodate this contract change, certified teaching staff were paid out their fiscal year 2020 contract as of June 30, 2020 with the assistance of the CARES Act.

Noncurrent liabilities decreased \$29.1 million primarily as a result paying down debt service and capital lease principal payments by \$33.0 million offset by an increase to in accrued leave payments of \$3.9 million.

Net pension liability decreased \$103.9 million, deferred inflows related to pensions decreased \$148.6 million and deferred outflows of resources related to pensions decreased \$133.3 million due to the application of GASB No. 68, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer defined benefit pension plan.

Net OPEB liability decreased \$5.7 million, deferred inflows related to OPEB increased \$5.3 million and outflows of resources related to OPEB increased \$0.6 million due to the implementation and application of GASB No. 75, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer healthcare trust fund.

**Comparative Summary of Net Position
June 30, 2020 and 2019**

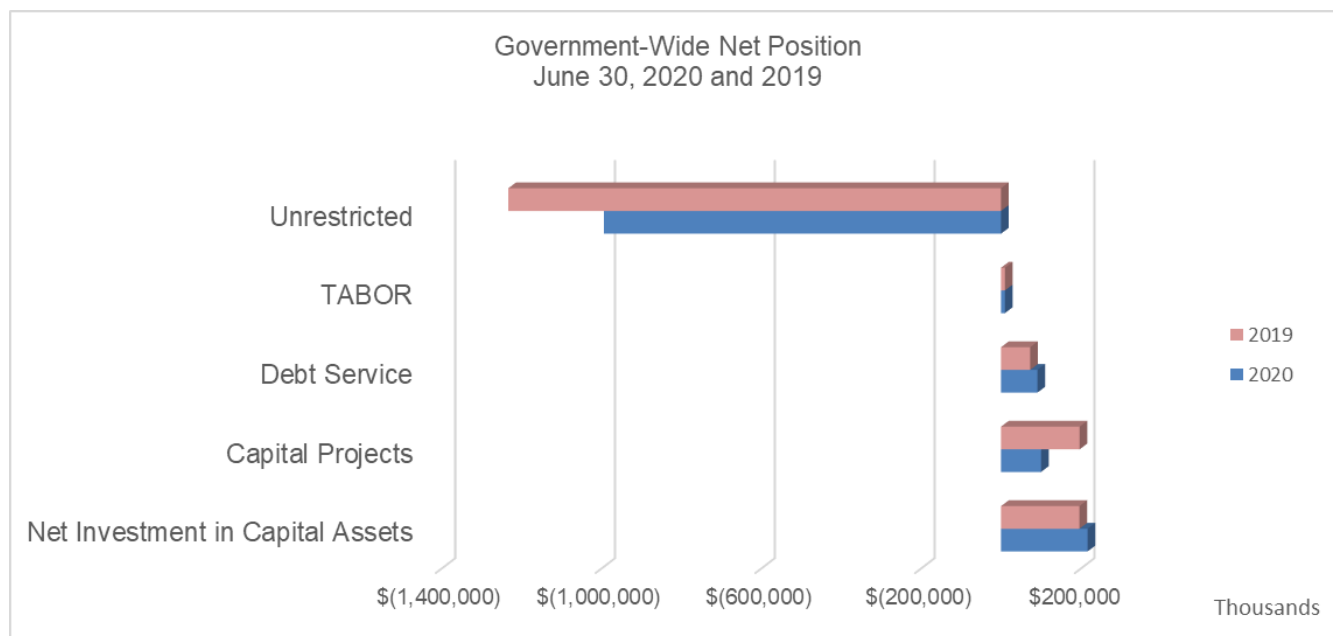
	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Assets:		
Current and Other Assets	\$ 408,401,461	\$ 470,038,149
Capital Assets Net of Depreciation	682,605,358	596,759,578
Total Assets	<u>1,091,006,819</u>	<u>1,066,797,727</u>
Deferred Outflows of Resources:		
Deferred Charges on Refunding	10,353,357	12,477,990
Deferred Outflows Related to Pensions	89,076,876	222,369,034
Deferred Outflows Related to OPEB	2,417,518	1,800,293
Total Deferred Outflows of Resources	<u>101,847,751</u>	<u>236,647,317</u>
Liabilities:		
Other Liabilities	77,573,274	87,502,460
Noncurrent Liabilities	608,213,273	637,316,301
Net Pension Liability	616,603,671	720,506,652
Net OPEB liability	30,315,215	35,984,761
Total Liabilities	<u>1,332,705,433</u>	<u>1,481,310,174</u>
Deferred Inflows of Resources:		
Deferred Revenues Related to Pensions	425,966,958	574,579,980
Deferred Revenues Related to OPEB	6,489,291	1,216,368
Total Deferred Inflows of Resources	<u>432,456,249</u>	<u>575,796,348</u>
Net Position:		
Net Investment in Capital Assets	216,718,472	196,339,493
Restricted		
Capital Projects	100,435,455	196,778,514
Debt Service	91,318,115	73,110,625
TABOR	9,973,038	9,965,704
Food Service	3,055,203	3,472,996
Unrestricted	(993,807,395)	(1,233,328,810)
Total Net Position	<u>\$ (572,307,112)</u>	<u>\$ (753,661,478)</u>

As of June 30, 2020, the net position of the district's governmental activities reports (\$572.3) million which includes \$216.7 million net investment in capital assets (land, buildings, equipment, and vehicles), less outstanding debt used to acquire these assets. This balance increased \$20.4 million primarily due to the progress and completion of projects as part of the voter-approved 2016 Bond and the pay-down of debt service requirements.

Restricted net position of \$204.8 million, which restricts spending for specific purposes related to outstanding bond projects, debt service payments, TABOR and food service operations decreased by \$78.5 million. This decrease is primarily due to the completion of bond projects now capital assets offset

by an increase in property tax collections, which are restricted for future debt service payments.

Unrestricted net position of \$(993.8) million increased over the prior year by \$239.5 million primarily due to the application of GASB 68 and 75 reporting for PERA's pension and healthcare trust fund.



The overall deficit in net pension is related to the proportionate share of participating in the Public Employee's Retirement Association (PERA), the State's cost-sharing multi-employer defined benefit pension plan. On June 4, 2018, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200 which implemented a statutory requirement that the State of Colorado make annual direct distributions into PERA on-behalf of State, School, Judicial and DPS Division Trust Funds based on the covered payroll of each Division. The School Division Trust Fund received \$127,367,213 for the calendar year 2019. All School District in the Division received a proportionate allocation of the distribution; please refer to Note J, starting on page 77 for additional information.

Therefore, the decrease in pension liabilities can be attributed to the district's proportionate allocation from SB 18-200 and to a provision of the Governmental Accounting Standards Board (GASB) for pensions, which allowed for an increase in the allowable investment rate of return to be used. In 2017, due to provision of governmental accounting, which require future benefit, obligations to be measured at a lower discount rate when certain conditions exist the application of the required GASB test resulted in a blended discount rate of 4.78 percent (7.25 investment rate of return blended with the 3.43 percent municipal bond rate). The use of the blended rate increased the collective net pension liability across all State and School Division Trust Funds. For 2019, the application of the GASB test did not trigger the need to blend the two rates. As a result, in accordance with governmental accounting standards, the assumed investment rate of return of 7.25 percent was applied to the collective total pension liability.

On June 29, 2020 HB 20-1379 was approved effective July 1, 2020 which will suspend Direct Distribution to PERA Public Employees Retirement Association for the 2020-2021 fiscal year. This was enacted due to the COVID-19 pandemic and the unknown economic outlook for the coming year.

GOVERNMENT-WIDE ACTIVITIES

Governmental activities total net position of the district increased by \$181.4 million from the prior year related to the following:

REVENUE:

Charges for services decreased \$6.9 million primarily as a result of school closures in March, 2020 due to COVID-19 which resulted in a shortfall of \$4.6 million in user charges in Nutrition Services, Before, After, and Summer Enrichment Programs, and Athletics. The remaining \$2.3 million decrease can be attributed to full-day kindergarten now being fully funded through the school finance act. With the passage of HB 19-1262, districts can no longer charge user fees to students to attend the full-day program. The state now fully funds each student who is enrolled in a full day program as a 1.0 FTE, whereas, in prior years, the district would only receive funding for .58 of the full-time equivalent student.

Operating grants and contributions increased \$21.6 million mainly in part to the receipt of CRF Funding of \$15.2 million, the district's proportionate share of the state share contribution under SB18-200 of \$3.1 million, and \$3.3 million in combined federal and state grants which include Kindergarten Capital Construction, USDA Nutrition, and Early Childhood Education.

Local property taxes increased \$27.8 million primarily due to a combined increase in net total taxable assessed valuation in Adams and Broomfield Counties of 20.86 percent.

Specific ownership taxes related to automobile registrations decreased \$1.0 million.

State Equalization funding increased by \$4.7 million. The per-pupil amount the district received per funded full-time equivalent student increased 4.7 percent over the prior year, however, the budget stabilization factor continues to reduce overall funding by 7.1 percent in fiscal year 2019-2020.

Earnings on investment decreased \$2.6 million this can be associated with the spend down of 2016 Bond Project Funds and decline in the federal reserve interest rate market due to the onset of COVID-19.

EXPENSES:

Direct and Indirect Instruction expenses increased \$14.3 million primarily due to a 10.0 percent increase in certified staff as a result of the ELEVATE Plan which includes added instructional programming, and salary and benefit increases on average of 2.7 percent, a new certified schedule, plus a step increase, a 5 percent increase to health insurance and a 0.25 percent increase to the school district PERA contribution rate overall resulting in an increase of \$28.2 million. Additionally the increase consists of a \$2.0 million increase associated to temporary leave balances and \$.9 in depreciable assets. This was offset by a decrease to the net change in pension and OPEB expenses related to GASB No. 68 and 75 of \$16.9 million over the prior year.

Other support programs decreased \$7.8 million primarily due to the net change in pension and OPEB expenses related to GASB No. 68 and 75 of \$12.8 million over the prior year and net changes in capital outlay and depreciation of \$8.1 million. These reductions were offset by an increase in salary and benefits associated with market adjustments for positions greater than 5 percent below market, increases to extra duty base pay, a 5 percent and a 2.75 percent pay increase for classified and administrative staff respectively, a 5 percent increase in health insurance and a 0.25 percent increase to the school district PERA contribution rate for an overall increase of \$13.2 million. Finally, an increase of \$1.1 million associated to the increase in temporary leave balances.

Charter school funding increased \$5.5 million from the prior year due an increase in funded pupils by 153 students and an increase in per-pupil funding of \$369 for \$2.6 million. Under House Bill 17-1375 and

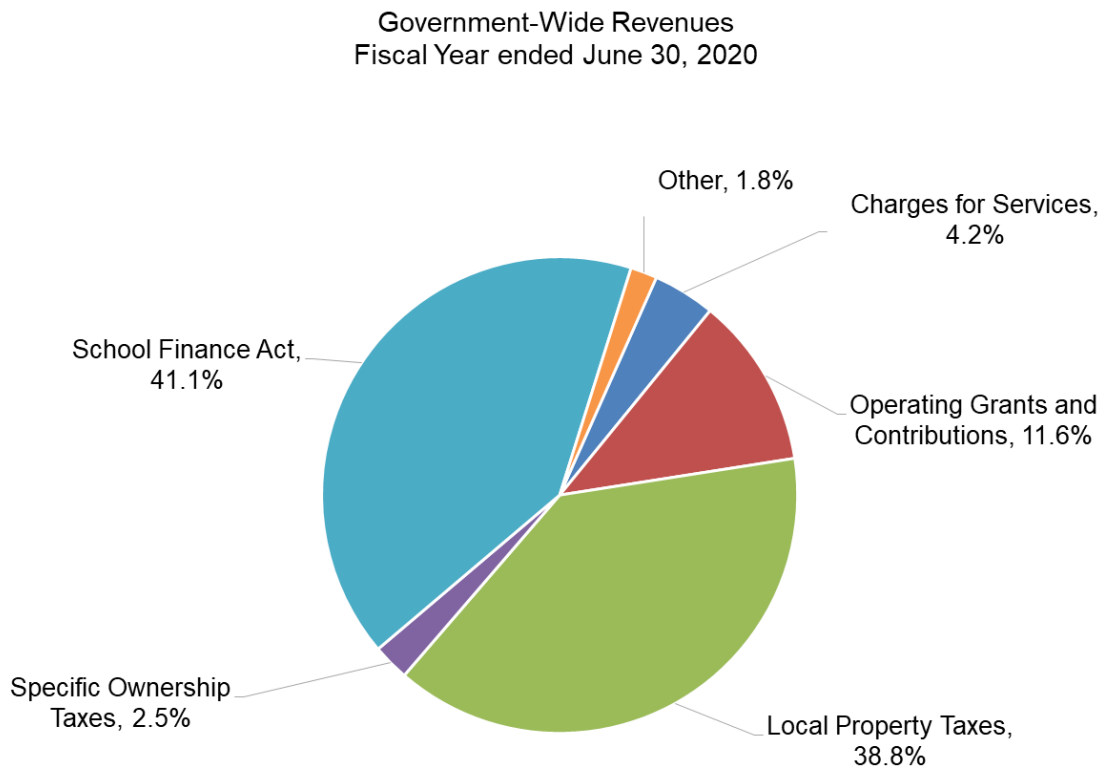
Colorado Revised Statue 22-32-108.5 school districts must establish a plan to distribute equitably to each charter school mill levy override revenue. For fiscal year 2019-20, this amount totaled \$2.9 million in additional mill levy revenue to district charter schools.

Comparative Schedule of Change in Net Position
June 30, 2020 and 2019

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 23,393,754	\$ 30,332,662
Operating Grants and Contributions	64,150,899	42,539,723
General Revenues:		
Taxes:		
Local Property Taxes	214,043,518	186,202,843
Specific Ownership Taxes	13,704,723	14,658,993
State Equalization	226,389,820	221,675,173
Earnings on Investments	8,636,001	11,201,683
All Other Revenues	789,794	2,071,028
Total Revenues	<u>551,108,509</u>	<u>508,682,105</u>
Expenses		
Governmental Activities:		
Direct Instruction	180,856,812	173,813,445
Indirect Instruction	76,762,268	69,539,489
Other Support Programs	57,209,135	65,012,278
Charter School Funding	35,487,122	29,981,478
Interest Expense, Unallocated	19,438,806	19,685,817
Total Expenses	<u>369,754,143</u>	<u>358,032,507</u>
Change in Net Position	181,354,366	150,649,598
Net Position, July 1	<u>(753,661,478)</u>	<u>(904,311,076)</u>
Net Position, June 30	<u>\$ (572,307,112)</u>	<u>\$ (753,661,478)</u>

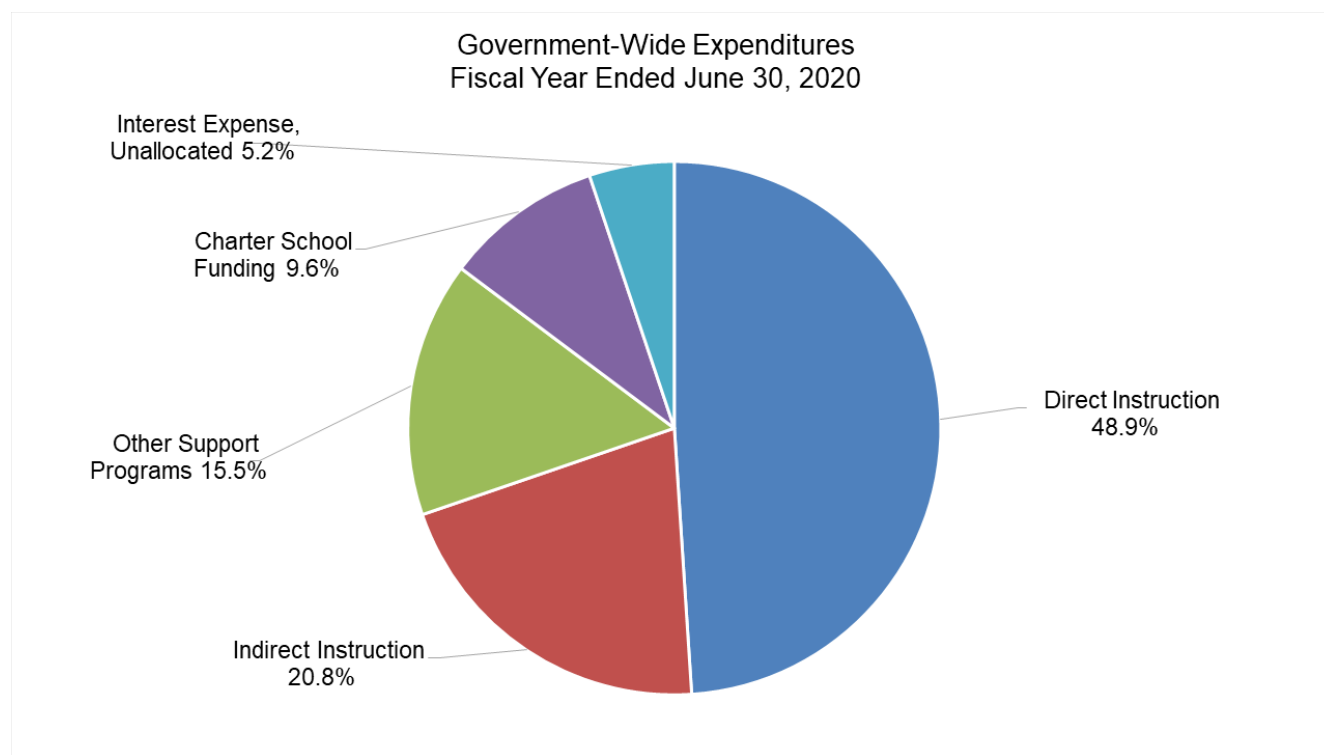
The Colorado Public School Finance Act (SFA) provides for the majority of the funding of local school districts based on a funded pupil count formula and a maximum property tax mill levy determined for each school district. Funding for the SFA comes from property taxes, specific ownership tax, and state equalization. For the district, state equalization provided 41.1% of the governmental revenue, which was a decrease of 2.5% from the prior year. Local property taxes provided 38.8% and specific ownership tax provided for 2.5% of the governmental revenue, an increase of 1.8% over the prior year. The district certified mill levies for fiscal year 2019-2020 were 69.847 and were comprised of 27.000 mills for school finance, 0.672 for abatement, 20.509 for override mills for an annual collection of \$62.4 million and 21.665 for debt service, which is restricted for future debt service payments. The remaining governmental revenue comes from charges for services of 4.2%, which includes revenue from sources related to before,

after, and summer enrichment programs, food service programs, athletic activities, school activities, and building usage rentals. Operating grants and contributions, which is funding through federal, state and local grants provided 11.6% of government revenue while other revenue, which is local revenue that cannot be categorized as above, provided 1.8%.



Direct governmental instructional expenses make up 48.9% of the total government expenditures. This category relates to direct instruction of students and costs associated with paying teaching staff and the purchase of supplies and materials. Indirect governmental instruction expenditures are 20.8% of the total government expenditures and these costs are associated with supporting staff and students, which includes school administration staff, instructional training and curriculum development. Other support governmental programs, which is 15.5% of expenses, include costs associated with district-wide staff that include staff in food services, before, after, and summer enrichment programs, transportation services, information technology, custodial, operations, and general administration. This category also includes the expenditures associated with building, maintaining and repairing school buildings, district buildings, equipment, and vehicles. Debt service expenses account for 5.2% of total governmental expenses.

The district authorizes four Charter schools and is required to transfer funding based on funded pupil count for their operational needs. For fiscal year 2019-2020, the Charter count totaled 3,650 pupils and accounts for 9.6% of the government expenditures.



FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the district's governmental funds reported a combined ending fund balance of \$324.8 million, a decrease of \$55.6 million in comparison with the prior year. Fund balance categorized as non-spendable which represents those assets held in inventory or for resources paid in advance for services accounts for 0.85% of total fund balance. Approximately 30.9% of the fund balance is restricted for Building-Capital Projects as approved by the 2016 Bond and an additional 35.1% is restricted for TABOR, multi-year commitments, future debt service payments, and food service. Committed fund balance accounts for 16.15% of the fund balance and assigned accounts for 13.9% of the fund balance. The remaining 3.1% (\$9.9 million) of the fund balance is considered unassigned fund balance, which is available for the district's discretionary spending.

The General Fund is the primary operating fund of the district with the majority of funding received from the School Finance Act in the form of per pupil revenue and property taxes. The ending fund balance of the General Fund increased by \$18.0 million in fiscal year 2019-2020. The increase can be attributed receiving CARES Act Funding that provided the necessary support to amend the certified teacher's contract.

The Bond Redemption-Debt Service Fund has adequate resources accumulated to make the December 2020 principal and interest payments. The mill levy to accumulate resources for the June 2021 interest

payment will be certified in December 2020. In compliance with Senate Bill 237, the district has contracted with a third party custodian to administer bond principal and interest payments. The ending fund balance of the Bond Redemption-Debt Service Fund increased by \$16.7 million in fiscal year 2019-2020.

The Building-Capital Projects Fund accounts for the major capital outlay for facilities and improvements funded by the proceeds of the general obligation bonds issued in December 2016 and in December 2018. The June 30, 2020 ending fund balance of \$100.4 million is restricted for capital projects. The fund balance decreased \$96.3 million from the prior year.

The Capital Reserve-Capital Projects Fund is funded by an annual allocation from the General Fund as well as building rental revenue. The funding is used to purchase equipment, maintain and renovate buildings and for debt service payments on certificates of participation. The fund balance increased \$3.2 million due to reserve planning in accordance with district policy.

The Governmental Designated-Purpose Grant Special Revenue Fund operates mainly on a reimbursement basis. Expenditures not reimbursed as of June 30, 2020 are recorded as receivable amounts. Revenue paid in advance, but not earned, is recorded as unearned revenue. Fund balance at year end is \$0, as expected.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The board of education adopted the 2019-2020 budget in June 2019, approved the amended budget in January 2020 and approved a supplemental budget in June 2020. The total General Fund budget appropriations were decreased by \$1.5 million to account for the reduction in total funded pupils of 677.3. While the district experienced an increase in property tax assessed valuations resulting in a budget increase of an additional \$13.2 million and an increase to specific ownership tax of \$.5 million, the overall reduction due to a decline in enrollment resulted in a reduction to State Categorical funding of \$.5 million and \$14.7 million for State Equalization. The excess revenue collected over budget can be attributed to the requirement that each school district reports their proportionate share of the on-behalf payment issued by the state to PERA under SB 18-200. The district reported \$5.9 million in revenue, offset by \$5.9 million in benefit expenditures.

The General Fund expenditure budget was increased \$1.7 million which included a reduction of \$2.2 for salary and benefits based on vacancy savings, offset by the increase of \$2.4 for twelve additional buses and Information Technology support and \$1.5 million for potential workers compensation claims (refer to note M for more information).

Revenue, as defined in the School Finance Act, includes property taxes, specific ownership taxes, and state equalization. For fiscal year 2019-2020, total program and mill levy override funding increased by \$18.9 million, from \$366.4 million in fiscal year 2018-2019 to \$385.3 million in fiscal year 2019-2020. Expenditures in the General Fund increased \$21.9 million, from \$352.2 million in fiscal year 2018-2019 to \$374.1 million in fiscal year 2019-2020, which can primarily be attributed to increased instructional program staffing and planned salary and benefit increases to provide staff step equivalent and salary schedule adjustments.

As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. For fiscal year 2019-2020, expenditures came in under budget appropriations by \$18.4 million. The final budget totaled \$392.5 million and actual expenditures totaled \$374.1 million. Due to school closures beginning in March, underspend occurred in many areas including purchased services, supplies and materials, utilities and risk management claims totaling \$5.5 million in savings. The remaining underspend of \$12.9 million can be attributed to salary and benefit savings due to budget planned for substitute teacher costs, enrollment reserve planning and unfilled positions of approximately 37 full-time positions during the school year. In addition, the district modified the certified contract start date and put a hold on program planning for implementation of a teacher leadership program.

Total fund balance represents 23.0 percent of General Fund expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The district's investment in capital assets for governmental activities as of June 30, 2020 is \$682.6 million (net of accumulated depreciation). Capital assets include land, buildings, vehicles, equipment, and construction projects in process.

Major capital events during the year include the following:

- Continued construction at FutureForward at Washington Square, substantial completion is anticipated by August 2020.
- Continued installation of the fiber network through the School Connectivity Project, with substantial completion anticipated in the Winter 2020
- Completion of the installation of 6 new mobile buildings at Legacy High School to address crowding challenges.
- Exterior improvements at federal heights, updating the building's facade, relocating the staff and visitor parking lot, and relocating the playground.
- Renovation work commenced at 15 schools across the district, and will include renovations to art, music, gymnasiums, and theaters; as well as extensive crawlspace and plumbing repairs, and installation of secured entries.

Additional information on the district's capital assets can be found in Note F on page 69 of this report.

**Capital Assets (net of accumulated depreciation)
As of and For the Fiscal Year ended June 30, 2020 and 2019**

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land	\$ 34,721,536	\$ 34,721,536
Buildings and land improvements	453,146,593	450,702,302
Construction in progress	160,695,917	87,962,777
Equipment and vehicles	<u>34,041,312</u>	<u>23,372,963</u>
Total capital assets	<u>\$ 682,605,358</u>	<u>\$ 596,759,578</u>

As of June 30, 2020, the district had total bonded debt outstanding of \$503.1 million backed by the full faith and credit of the district. Additionally, the district has long-term debt obligations for capital leases and certificates of participation in the amount of \$16.6 million still outstanding at the end of the current fiscal year. These amounts do not include unamortized bond and COP premiums, discounts and other deferred charges.

During the current fiscal year, the district repaid \$24.2 million of principal on general obligation bonds, \$1.8 million of principal on certificates of participation and \$.5 million of principal on capital leases.

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

**General Obligation Bonds, Capital Leases and Certificates of Participation
As of and For the Fiscal Year ended June 30, 2020 and 2019**

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 503,130,000	\$ 527,295,000
Capital leases	-	520,229
Certificates of participation	<u>16,605,000</u>	<u>18,385,000</u>
Total	<u>\$ 519,735,000</u>	<u>\$ 546,200,229</u>

Additional information on the district's long-term obligations can be found in the notes on pages 70-77.

ECONOMIC FACTORS AND FISCAL YEAR 2020-2021 BUDGETS

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

The district follows a multi-step budget development process that involves receiving input on values and priorities from staff, parents and community members. District leadership prepares a budget plan that balances priorities of the community with federal, state and local mandates, desired academic outcomes, student safety and fiscal responsibility. The budget plan for fiscal year 2020-2021 supports the educational commitments of student learning, professional practice, and collective responsibility.

Due to the economic downturn and Colorado's associated budget crisis, the School Finance Act implemented a budget stabilization factor (formerly called the negative factor) for program funding in fiscal year 2010-2011. The impact of the budget stabilization factor for Adams 12 Five Star Schools has been substantial and has resulted in more than \$454.2 million decreased funding over the past ten years.

After a number of years of reduced funding resulting in budget reductions for school districts across the state, the State of Colorado restored some funding for public education that had previously been cut. However, with the onset of COVID-19 and the uncertainty of the economic impact to state revenue, the budget stabilization factor for fiscal year 2020-2021 increased from 7.02% to 14.0%, estimated to be \$54.1 million less in funding for the Adams 12 Five Star Schools.

For fiscal year 2020-2021, the statewide base per pupil funding was increased for inflation by 1.9%. The statewide average per pupil base funding for fiscal year 2020-2021 is 7,084; the Adams 12 Five Star Schools per pupil revenue is \$7,893.82, which equates to a decrease of \$413 per pupil over fiscal year 2019-2020.

Due to the reduction of state funding in the School Finance Act, additional one-time funds were made available from federal, state, and county governments to help reduce the impact of the reduction in funding. The Elementary and Secondary School Emergency Relief Fund (ESSER), Coronavirus Relief Fund (CRF), and Adams County allocation of Coronavirus Aid, Relief, and Economic Security (CARES) Act provided one-time special funding of \$28.6 million that was incorporated into the 2019-20 and 2020-21 budgets.

Planned budgetary expenditure increases for fiscal year 2020-2021 consist of compensation increases including a certified step and a step equivalent for administrators and classified staff and a 0.5 percent increase to the PERA contribution rate. Other expenditure increases include additional salaries and benefits for increased custodial staff to support the new FutureForward Career Technical School, nursing staff and the cost of equipment for expanding time and labor reporting.

At June 30, 2020, total fund balance in the General Fund is \$85.9 million (including the reserve for Risk Management). The district budget for the 2020-2021 fiscal year anticipates the transfer of \$17.4 million of General Fund balance to other funds. The district continues its policy to maintain discretionary reserves at no less than 3% of General Fund revenues.

REQUESTS FOR INFORMATION

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

Adams 12 Five Star Schools
Office of Financial Services
1500 East 128th Avenue
Thornton, CO 80241



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BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2020

	Primary Government Governmental Activities	Component Units Charter Schools
Assets		
Cash and Investments - Unrestricted	\$ 149,550,019	\$ 12,382,019
Cash and Investments - Restricted	240,004,250	11,460,311
Accounts Receivable	1,103,037	346,381
Prepaid Expenses	1,181,464	162,503
Property Taxes Receivable	9,609,044	-
Accrued Interest Receivable	448,016	-
Due from Primary Government	-	344,168
Due from Component Units	4,883	-
Due from Other Governments	4,956,980	-
Inventories	1,543,768	-
Capital Assets, not being Depreciated:		
Land and Construction in Progress	195,417,453	12,378,929
Capital Assets, net of Accumulated Depreciation:		
Buildings	453,146,593	80,798,960
Equipment/Vehicles	34,041,312	441,728
Total Assets	1,091,006,819	118,314,999
Deferred Outflows of Resources		
Deferred Charges on Refunding	10,353,357	255,146
Deferred Outflows Related to Pensions	89,076,876	11,225,766
Deferred Outflows Related to OPEB	2,417,518	470,574
Total Deferred Outflows of Resources	101,847,751	11,951,486
Liabilities		
Accounts Payable	35,465,829	297,588
Retainages Payable	2,780,944	44,048
Payroll withholdings Payable	3,554,904	-
Accrued Expenses	-	239,419
Accrued Salaries and Benefits	21,508,939	2,195,218
Accrued Interest Payable	1,073,565	495,300
Due to Primary Government	-	4,883
Due to Component Units	344,168	-
Unearned Revenue	12,844,925	96,280
Noncurrent Liabilities		
Due within One Year:		
Compensated Absences	10,530,396	119,867
Loans	-	28,919
General Obligation Bonds	26,421,141	-
Revenue Bonds	-	1,045,130
Certificates of Participation	2,115,738	-
Due in more than One Year:		
Compensated Absences	21,007,179	6,266
Loans	-	6,869
General Obligation Bonds	531,529,541	-
Revenue Bonds	-	95,292,333
Certificates of Participation	16,609,278	-
Net Pension Liability	616,603,671	43,300,148
Net OPEB Liability	30,315,215	2,128,168
Total Liabilities	1,332,705,433	145,300,436
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	425,966,958	23,537,322
Deferred Inflows Related to OPEB	6,489,291	374,125
Total Deferred Inflows of Resources	432,456,249	23,911,447
Net Position		
Net Investment in Capital Assets	216,718,472	(2,470,709)
Restricted for:		
Capital Projects	100,435,455	60,933
Debt Service	91,318,115	6,108,066
TABOR	9,973,038	1,120,999
Food Service	3,055,203	-
Special Education	-	600,005
Unrestricted	(993,807,395)	(44,364,692)
Total Net Position	(572,307,112)	\$ (38,945,398)

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
					Governmental Activities	Charter Schools
Primary Government:						
Governmental Activities:						
Direct Instruction	\$ 180,856,812	\$ 8,464,291	\$ 32,487,124	\$ -	\$ (139,905,397)	\$ -
Indirect Instruction	76,762,268	-	10,953,215	-	(65,809,053)	-
Other Support Programs	57,209,135	13,809,141	20,710,559	-	(22,689,435)	-
Charter School Funding	35,487,122	1,120,322	-	-	(34,366,800)	-
Interest Expense	19,438,806	-	-	-	(19,438,806)	-
Total Governmental Activities	<u>\$ 369,754,143</u>	<u>\$ 23,393,754</u>	<u>\$ 64,150,899</u>	<u>\$ -</u>	<u>\$ (282,209,490)</u>	<u>\$ -</u>
Component Units-Charter Schools	<u>\$ 37,491,397</u>	<u>\$ 1,480,602</u>	<u>\$ 1,358,276</u>	<u>\$ 543,996</u>	<u>-</u>	<u>(34,108,523)</u>
General Revenues:						
Taxes:						
Local Property Taxes					214,043,518	-
Specific Ownership Taxes					13,704,723	5,172,873
State Equalization					226,389,820	30,312,244
Other Revenues					789,794	1,967,619
Earnings on Investments					8,636,001	131,255
Subtotal general revenues					<u>463,563,856</u>	<u>37,583,991</u>
Special items					-	14,185
Total General Revenues and Transfers					<u>463,563,856</u>	<u>37,598,176</u>
Change in Net Position					181,354,366	3,489,653
Net Position July 1, 2019					<u>(753,661,478)</u>	<u>(42,435,051)</u>
Net Position June 30, 2020					<u>\$ (572,307,112)</u>	<u>\$ (38,945,398)</u>

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

BALANCE SHEET
Governmental Funds
June 30, 2020

	General	Bond Redemption - Debt Service
ASSETS		
Cash and Investments	\$ 117,347,558	\$ 89,483,761
Accounts Receivable	325,352	-
Property Taxes Receivable	6,697,625	2,911,419
Accrued Interest Receivable	186,898	-
Due from Other Governments	59,600	-
Due from Component Units	4,883	-
Inventories	1,344,230	-
Prepaid Items	1,135,601	-
Total Assets	<u>\$ 127,101,747</u>	<u>\$ 92,395,180</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>		
LIABILITIES		
Accounts Payable	\$ 13,252,515	\$ 3,500
Retainage Payable	1,088	-
Payroll withholdings Payable	3,554,904	-
Accrued Salaries and Benefits	19,409,921	-
Due to Component Units	7,607	-
Unearned Revenue-Other	280,313	-
Total Liabilities	<u>36,506,348</u>	<u>3,500</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	4,668,770	2,089,134
Unavailable Revenue-Long Term Receivable	-	-
Total Deferred Inflows of Resources	<u>4,668,770</u>	<u>2,089,134</u>
FUND BALANCES		
Nonspendable:		
Inventory	1,344,230	-
Prepaid Items	1,135,601	-
Restricted for:		
Tabor 3% Emergency Reserve	8,800,277	-
Multi Year Obligations	10,975,952	-
Debt Service	-	90,302,546
Capital Projects	-	-
Food Service	-	-
Committed to:		
Contingency Reserve - 3% Per Board Policy	8,800,277	-
Capital Projects	-	-
Activity Special Revenue	-	-
Risk Management	3,698,072	-
Assigned to:		
Assigned Fund Balance	41,222,766	-
Unassigned:	<u>9,949,454</u>	<u>-</u>
Total Fund Balances	<u>85,926,629</u>	<u>90,302,546</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 127,101,747</u>	<u>\$ 92,395,180</u>

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

BALANCE SHEET (CONT.)

Governmental Funds

June 30, 2020

Building - Capital Projects	Capital Reserve - Capital Projects	Governmental		Total
		Designated Purpose Grants Special Revenue	Other Governmental Funds	
\$ 123,361,919	\$ 27,158,570	\$ 9,688,216	\$ 22,514,245	\$ 389,554,269
268,020	350,063	-	159,602	1,103,037
-	-	-	-	9,609,044
261,118	-	-	-	448,016
-	-	4,329,211	568,169	4,956,980
-	-	-	-	4,883
-	-	-	199,538	1,543,768
-	22,037	-	23,826	1,181,464
<u>\$ 123,891,057</u>	<u>\$ 27,530,670</u>	<u>\$ 14,017,427</u>	<u>\$ 23,465,380</u>	<u>\$ 408,401,461</u>
\$ 20,699,065	\$ 798,600	\$ 250,428	\$ 461,721	\$ 35,465,829
2,732,995	35,464	8,028	3,369	2,780,944
-	-	-	-	3,554,904
23,542	3,108	1,330,488	741,880	21,508,939
-	-	336,561	-	344,168
-	90,000	12,091,922	382,690	12,844,925
<u>23,455,602</u>	<u>927,172</u>	<u>14,017,427</u>	<u>1,589,660</u>	<u>76,499,709</u>
-	-	-	-	6,757,904
-	350,063	-	-	350,063
-	350,063	-	-	7,107,967
-	-	-	199,538	1,543,768
-	22,037	-	23,826	1,181,464
-	323,888	-	848,873	9,973,038
-	-	-	-	10,975,952
-	-	-	-	90,302,546
100,435,455	-	-	-	100,435,455
-	-	-	2,858,071	2,858,071
-	-	-	-	8,800,277
-	25,907,510	-	-	25,907,510
-	-	-	14,063,931	14,063,931
-	-	-	-	3,698,072
-	-	-	3,881,481	45,104,247
-	-	-	-	9,949,454
<u>100,435,455</u>	<u>26,253,435</u>	<u>-</u>	<u>21,875,720</u>	<u>324,793,785</u>
<u>\$ 123,891,057</u>	<u>\$ 27,530,670</u>	<u>\$ 14,017,427</u>	<u>\$ 23,465,380</u>	<u>\$ 408,401,461</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2020

Governmental funds total fund balances		\$ 324,793,785
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.		1,061,076,706
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.		(378,471,348)
Deferred property taxes will be collected this year but are not available soon enough to pay for the current period's expenditures and, therefore, revenue is not recognized in the funds.		6,757,904
Long-term receivables are not collected in the period of availability and, therefore, are not reported in the funds.		350,063
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds payable	(557,950,682)	
Certificates of participation	(18,725,016)	
Deferred Loss on refunding	10,353,357	
Compensated absences payable	<u>(31,537,575)</u>	
		(597,859,916)
Accrued interest payable is recognized in the statement of net position but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(1,073,565)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the funds. Net pension liability		(616,603,671)
Net OPEB liability		(30,315,215)
Deferred outflows and inflows of resources related to pensions are applicable in future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources	89,076,876	
Deferred inflows of resources	(425,966,958)	
Deferred outflows and inflows of resources related to OPEB are applicable in future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources	2,417,518	
Deferred inflows of resources	<u>(6,489,291)</u>	
		<u>(340,961,855)</u>
Governmental activities net position		<u>\$ (572,307,112)</u>

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



STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Governmental Funds

For the Fiscal Year Ended June 30, 2020

	General	Bond Redemption - Debt Service	Building - Capital Projects
REVENUES			
Taxes:			
Property	\$ 144,953,789	\$ 64,923,331	\$ -
Ownership	13,704,723	-	-
Delinquent Taxes and Interest	247,327	112,769	-
Mineral Leases	18,714	-	-
State	244,986,206	-	-
Federal	-	-	-
Local	2,356,443	-	-
Investment Earnings	3,347,434	1,141,660	3,504,241
Miscellaneous	525,257	-	5,929,428
Total Revenues	<u>410,139,893</u>	<u>66,177,760</u>	<u>9,433,669</u>
EXPENDITURES			
Current:			
Direct Instruction	199,087,304	-	-
Indirect Instruction	69,622,747	-	-
Other Support Programs	69,363,369	-	-
Charter School Funding	35,487,122	-	-
Capital Outlay:			
Sites, Buildings, and Ground Improvements	-	-	50,229,721
School Additions, Improvements, and Repairs	-	-	35,594,691
Equipment/Vehicles/Operation Systems	-	-	19,957,229
Debt Service:			
Principal Retirement	520,229	24,165,000	-
Interest and Fiscal Charges	7,751	25,306,975	-
Bond Issuance and Other Costs	-	14,500	-
Total Expenditures	<u>374,088,522</u>	<u>49,486,475</u>	<u>105,781,641</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,051,371	16,691,285	(96,347,972)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(18,007,995)	-	-
Total Other Financing Sources (Uses)	<u>(18,007,995)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	18,043,376	16,691,285	(96,347,972)
Fund Balances, July 1, 2019	67,883,253	73,611,261	196,783,427
Fund Balances, June 30, 2020	<u>\$ 85,926,629</u>	<u>\$ 90,302,546</u>	<u>\$ 100,435,455</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONT.)

Governmental Funds
For the Fiscal Year Ended June 30, 2020

Capital Reserve - Capital Projects	Governmental Designated Purpose Grants Special Revenue	Other Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 209,877,120
-	-	-	13,704,723
-	-	-	360,096
-	-	-	18,714
-	5,738,624	1,236,587	251,961,417
-	33,803,603	8,018,145	41,821,748
2,554,164	-	17,066,786	21,977,393
572,844	11,696	58,126	8,636,001
758,190	-	129,489	7,342,364
<u>3,885,198</u>	<u>39,553,923</u>	<u>26,509,133</u>	<u>555,699,576</u>
-	27,911,328	13,352,905	240,351,537
-	9,643,707	513,366	79,779,820
-	1,998,888	20,896,523	92,258,780
-	-	-	35,487,122
2,124,277	-	-	52,353,998
693,236	-	-	36,287,927
2,292,357	-	-	22,249,586
1,780,000	-	-	26,465,229
697,750	-	-	26,012,476
-	-	-	14,500
<u>7,587,620</u>	<u>39,553,923</u>	<u>34,762,794</u>	<u>611,260,975</u>
(3,702,422)	-	(8,253,661)	(55,561,399)
6,911,056	-	11,096,939	18,007,995
-	-	-	(18,007,995)
<u>6,911,056</u>	<u>-</u>	<u>11,096,939</u>	<u>-</u>
3,208,634	-	2,843,278	(55,561,399)
<u>23,044,801</u>	<u>-</u>	<u>19,032,442</u>	<u>380,355,184</u>
<u>\$ 26,253,435</u>	<u>\$ -</u>	<u>\$ 21,875,720</u>	<u>\$ 324,793,785</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2020

Governmental funds change in fund balances	\$	(55,561,399)
Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period.		
Capital outlay	108,894,017	
Depreciation expense, net	<u>(23,042,410)</u>	85,851,607
Disposals of capital assets resulted in a loss that is reported in the statement of activities. The governmental funds only report the proceeds from the sale. The difference between the loss and the proceeds is the net book value of the assets disposed.		
		(5,827)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. This amount represents the change in unavailable property tax revenue.		
		3,806,302
Repayment of long term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		26,465,229
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of bond premiums/discounts		6,540,575
Deferred gains/losses on refunding		(2,124,633)
Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds. The change in the liability is recognized.		
		47,595
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds - changes in long-term compensated absences payable.		
		(3,902,776)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds- Net pension expense		
Net OPEB expense		119,223,845
		<u>1,013,848</u>
Governmental activities change in net position	\$	<u>181,354,366</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget and Actual (Budget Basis)

General Fund

For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Variance with	
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Taxes:				
Property	\$ 132,798,755	\$ 145,999,957	\$ 144,953,789	\$ (1,046,168)
Ownership	13,862,710	14,314,978	13,704,723	(610,255)
Delinquent Taxes and Interest	200,000	200,000	247,327	47,327
Mineral Leases	23,108	23,108	18,714	(4,394)
State:				
Equalization Entitlement	241,322,592	226,664,497	226,389,820	(274,677)
Education of the Handicapped	8,804,875	8,614,623	8,837,611	222,988
Vocational Education	1,296,718	986,160	986,662	502
Gifted & Talented Education	374,681	374,494	374,494	-
State Transportation	2,135,378	2,076,267	2,156,762	80,495
Other State	252,647	281,458	6,240,856	5,959,398
Local	2,411,719	2,427,818	2,356,443	(71,375)
Investment Earnings	750,000	750,000	3,135,545	2,385,545
Miscellaneous	388,350	388,350	525,257	136,907
Total Revenues	<u>404,621,533</u>	<u>403,101,710</u>	<u>409,928,003</u>	<u>6,826,293</u>
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	64,590,472	60,209,543	54,548,338	5,661,205
K-8 Education	12,710,933	13,500,518	12,638,410	862,108
Middle School Education	31,153,298	29,502,709	28,096,274	1,406,435
High School Education	45,201,728	43,715,888	44,455,091	(739,203)
Other Regular Education	22,834,709	21,955,384	23,659,284	(1,703,900)
Special Programs	34,942,148	36,798,779	35,689,907	1,108,872
Total Direct Instruction	<u>211,433,288</u>	<u>205,682,821</u>	<u>199,087,304</u>	<u>6,595,517</u>
Indirect Instruction:				
Pupil Support Services	23,149,493	20,445,539	18,959,062	1,486,477
Instructional Staff Services	18,888,799	25,840,375	22,560,515	3,279,860
School Administration	26,659,526	28,592,778	28,103,170	489,608
Total Indirect Instruction	<u>68,697,818</u>	<u>74,878,692</u>	<u>69,622,747</u>	<u>5,255,945</u>
Other Support Programs:				
General Administration	2,554,657	2,733,773	1,687,879	1,045,894
Business/Fiscal Services	2,756,640	3,054,439	2,315,292	739,147
Procurement and Warehouse	1,590,857	1,712,173	1,740,542	(28,369)
Printing, Publishing, and Duplicating	272,471	316,111	198,178	117,933
Operations and Maintenance	17,383,086	18,248,914	17,541,588	707,326
Pupil Transportation Services	10,165,088	12,458,015	12,853,492	(395,477)
Energy/Utilities	8,080,461	8,094,649	7,515,947	578,702
Safety Services	3,935,638	4,438,194	3,961,402	476,792
Communications Division	528,461	698,907	1,504,704	(805,797)
Staff Services	4,967,428	4,758,473	3,130,768	1,627,705
Information Technology	10,167,600	10,945,715	9,998,698	947,017
Other Support Services	8,452,027	3,003,857	2,535,398	468,459
Community Programs	268,132	300,539	234,404	66,135
Facilities: Planning & Development	252,824	434,010	405,016	28,994
Risk Management Services	3,261,906	4,761,906	3,740,061	1,021,845
Total Other Support Programs	<u>74,637,276</u>	<u>75,959,675</u>	<u>69,363,369</u>	<u>6,596,306</u>
Charter School Funding	<u>35,984,647</u>	<u>35,487,087</u>	<u>35,487,122</u>	<u>(35)</u>
Principal Retirement	512,591	512,591	520,229	(7,638)
Interest and Fiscal Charges	15,389	15,389	7,751	7,638
Total Expenditures	<u>391,281,009</u>	<u>392,536,255</u>	<u>374,088,522</u>	<u>18,447,733</u>
Excess of revenues over expenditures	13,340,524	10,565,455	35,839,481	25,274,026
OTHER FINANCING SOURCES (USES)				
Transfers Out	(17,367,995)	(17,457,995)	(18,007,995)	(550,000)
Total Other Financing Sources (Uses)	<u>(17,367,995)</u>	<u>(17,457,995)</u>	<u>(18,007,995)</u>	<u>(550,000)</u>
Net Change in Fund Balances	(4,027,471)	(6,892,540)	17,831,486	24,724,026
Fund Balances, July 1, 2019	67,827,350	67,883,252	68,374,279	491,027
Fund Balances, June 30, 2020	<u>\$ 63,799,879</u>	<u>\$ 60,990,712</u>	<u>86,205,765</u>	<u>\$ 25,215,053</u>
Less unearned revenues related to Forward Delivery Agreement at June 30, 2020			(279,136)	
Fund balance (GAAP Basis), June 30, 2020			<u>\$ 85,926,629</u>	

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Budget and Actual
Governmental Designated Purpose Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amounts		Variance with
	Original	Final			Final Budget
REVENUES					
State	\$ 9,188,691	\$ 9,998,522	\$ 5,738,624	\$	(4,259,898)
Federal	23,535,657	51,356,008	33,803,603		(17,552,405)
Investment Earnings	-	-	11,696		11,696
Total Revenues	<u>32,724,348</u>	<u>61,354,530</u>	<u>39,553,923</u>		<u>(21,800,607)</u>
EXPENDITURES					
Current:					
Direct Instruction:					
Elementary Education	4,144,922	3,135,374	2,256,975		878,399
Middle School Education	938,258	938,258	914,020		24,238
High School Education	1,581,148	274,849	213,053		61,796
Other Regular Education	3,083,088	4,538,000	3,052,572		1,485,428
Special Programs	7,597,464	7,709,071	6,908,399		800,672
CARES Act	-	28,630,182	14,566,309		14,063,873
Total Direct Instruction	<u>17,344,880</u>	<u>45,225,734</u>	<u>27,911,328</u>		<u>17,314,406</u>
Indirect Instruction:					
Pupil Support Services	7,156,254	7,738,553	5,916,574		1,821,979
Instructional Staff Services	5,105,798	5,346,646	3,722,260		1,624,386
School Administration	-	-	4,873		(4,873)
Total Indirect Instruction	<u>12,262,052</u>	<u>13,085,199</u>	<u>9,643,707</u>		<u>3,441,492</u>
Other Support Programs:					
Business/Fiscal Services	404,756	392,099	357,885		34,214
Pupil Transportation Services	79,250	169,459	50,621		118,838
Safety Services	802,740	745,575	282,020		463,555
Communications Division	-	-	20,796		(20,796)
Staff Services	48,017	52,365	52,279		86
Information Technology	-	-	74,292		(74,292)
Community Programs	782,743	797,732	728,396		69,336
Facilities: Planning & Development	999,910	886,367	426,076		460,291
Food Service Operations	-	-	6,523		(6,523)
Total Other Support Programs	<u>3,117,416</u>	<u>3,043,597</u>	<u>1,998,888</u>		<u>1,044,709</u>
Total Expenditures	<u>32,724,348</u>	<u>61,354,530</u>	<u>39,553,923</u>		<u>21,800,607</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-		-
Net Change in Fund Balances	-	-	-		-
Fund Balances, July 1, 2019	-	-	-		-
Fund Balances, June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>-</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

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

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

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

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

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

Discretely Presented Component Units – Charter Schools

The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101" in 1993. This Act permits the district to contract with individuals and organizations for the operation of schools within the district. The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the district's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the district's Board of Education must approve all charter school applications and budgets. During fiscal year 2019-2020, the district had four charter schools in operation. The charter schools are discretely presented component units because the district is financially accountable for them.

Each charter school issues separate financial statements for the fiscal year ended June 30, 2020. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

Stargate Charter School	Westgate Community Charter School
14530 Washington Street	12500 Washington Street
Thornton, CO 80023	Thornton, CO 80233
New America Charter School	Prospect Ridge Academy
Thornton Campus	2555 Preble Creek Parkway
8978 Washington Street	Broomfield, CO 80023
Thornton, CO 80229	

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the district and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

FUND ACCOUNTING

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

a. Major Governmental Funds

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

BASIS OF ACCOUNTING, MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION

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

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

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

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

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

Grants and entitlement revenues are recognized when compliance with matching requirements are met.

A receivable is established when the related expenditures exceed revenue receipts.

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

FUND BALANCE

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

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

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

CAPITAL ASSETS

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

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

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

Estimated useful lives are:

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and fund level balance sheet will sometimes report a separate section for deferred outflows of resources. This section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. Deferred charge on refunding and deferred outflows of resources related to pensions and Other Post-Employment Benefits (OPEB) are reported in the government-wide statement of net position as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows related to pension and OPEB are discussed on pages 81 and 88 in the notes to basic financial statements.

In addition to liabilities, the statement of net position and fund level balance sheet will sometimes report a separate section for deferred inflows of resources. This section represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows related to pensions and OPEB are reported in the government-wide statement of net position as a deferred inflow of resources. The deferred inflows related to pensions and OPEB are discussed in Note J, and Note L, in the notes to basic financial statements. In addition to government-wide inflows, the district has two carrying items that qualify for reporting in this category at the fund level. On the fund level balance sheet, the General Fund and Bond Redemption-Debt Service Fund report unavailable revenues from property taxes that will be collected, but not soon enough to pay for current period expenditures. The Capital Reserve-Capital Projects Fund reports unavailable revenue from a development project that has yet to begin, but contains a clause for expiration in 2029. These amounts are deferred and recognized as an inflow of resources in the period they become available.

LIABILITIES

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

ENCUMBRANCES

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

Major Governmental Funds

General Fund	\$ 1,498,046
Capital Projects Funds:	
Building	51,305,530
Capital Reserve	1,903,155
Subtotal Capital Project Funds	<u>53,208,685</u>
Governmental Designated Purpose Grants	701,163

Non-Major Governmental Fund

Special Revenue Funds:	
Pupil Activity Special Revenues	12,080
Other Special Revenues	867,858
Instructional Special Revenues	2,426,729
Bond Redemption	3,500
Food Service	243,802
Subtotal Special Revenue Funds	<u>3,553,969</u>
Total	<u>\$ 58,961,863</u>

BUDGETS AND BUDGETARY ACCOUNTING

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

- Budgets for all funds are required by the state. During June, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing July
 - The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Superintendent of Schools. Revisions that alter the total appropriations of any fund must be approved by the Board of

Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board of Education. Variances between budget and actual result from the non-expenditure of reserves, non-occurrence of events such as surplus land sales, scheduling of capital projects, and normal operating variances.

5. Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for the General Fund which has a different basis for recognition of the forward delivery agreement.
6. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent of Schools and/or the Board of Education throughout the year.
7. All appropriations lapse at the end of each fiscal year.

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

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

INVENTORIES

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

Food Service Fund purchased inventories are stated at cost, determined by the weighted average cost method. Commodity inventories are stated at USDA's assigned values that approximate fair value at the date of receipt, determined by the weighted average method. Expenses for food items are recorded when used. The federal government donates surplus commodities to supplement the national school lunch programs.

PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

INVESTMENTS

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

Colorado statutes specify investments meeting defined rating and risk criteria in which local government

entities may invest:

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

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

COMPENSATED ABSENCES

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

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

UNEARNED REVENUE

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

NET PENSION LIABILITY

The district's governmental activities report a net pension liability as of June 30, 2020. The district is required to report its proportionate share of PERA's unfunded pension liability. Refer to Note J for additional information.

ON-BEHALF PAYMENT

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

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

NOTE B: CASH DEPOSITS AND INVESTMENTS**DEPOSITS**

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. The district and the discretely presented component units do not have a deposit policy for custodial credit risk. At June 30, 2020, the district's carrying amount of the deposits is \$1,595,797. The component units carrying amount of the deposits is \$10,299,227. All of the district's and its component units' bank deposits are collateralized with securities held by the financial institutions agent through PDPA.

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

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

Cash, deposits, and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

	Primary Government	Component Units	Total
Governmental Activities:			
Cash and Investments -			
Unrestricted	\$ 149,550,019	\$ 12,382,019	\$ 161,932,038
Cash and Investments -			
Restricted	240,004,250	11,460,311	251,464,561
Total	<u>\$ 389,554,269</u>	<u>\$ 23,842,330</u>	<u>\$ 413,396,599</u>

Restricted cash and investments consists of the cash balances in the bond redemption debt service fund and capital reserve capital projects fund.

As of June 30, 2020 cash and investment balances in the financial statements consisted of the following:

	Primary Government	Component Units	Total
Cash and Investments:			
Cash and Deposit Balance	\$ 1,595,797	\$ 10,410,240	\$ 12,006,037
Investments	387,958,472	13,432,090	401,390,562
Total Cash and Investments	<u>\$ 389,554,269</u>	<u>\$ 23,842,330</u>	<u>\$ 413,396,599</u>

INVESTMENTS

As of June 30, 2020, the district had the following investments. Investments held in repurchase agreements are not a part of pooled cash until drawn. All other deposits and investments are internally pooled to maximize investment safety, liquidity, and interest yield.

Primary Government:				Maturity		
Type of Security	Fair Value	Concentration	S&P Rating	12 Months or Less	13 - 24 Months	25 - 60 Months
ColoTrust Plus+ (external investment pool)	\$ 135,165,527	34.84%	AAAm	\$ 135,165,527	\$ -	\$ -
Money Market Fund - US Bank	86,094,412	22.19%	NR	\$ 86,094,412	\$ -	\$ -
Negotiable Certificates of Deposit	310,567	0.08%	AA3	\$ 310,567	\$ -	\$ -
Negotiable Certificates of Deposit	340,884	0.09%	AA2	\$ 340,884	\$ -	\$ -
Municipal Bond/Note	1,428,313	0.37%	AA1	\$ 555,537	\$ 351,482	\$ 521,294
Federal Agency Bond/Note	60,753,228	15.66%	AA+	\$ 12,015,037	\$ 21,004,473	\$ 27,733,718
Corporate Notes	767,495	0.20%	AAA	\$ 251,540	\$ 515,955	\$ -
Corporate Notes	611,674	0.16%	AA3	\$ 95,489	\$ 516,185	\$ -
Corporate Notes	4,549,062	1.17%	AA2	\$ 4,025,097	\$ -	\$ 523,965
Corporate Notes	1,735,120	0.45%	AA1	\$ -	\$ 516,910	\$ 1,218,210
Corporate Notes	341,486	0.09%	A1	\$ 341,486	\$ -	\$ -
United States Treasury Bond/Note	75,926,042	19.57%	AA+	\$ 30,007,666	\$ 17,875,725	\$ 28,042,651
United States Treasury Bills	8,942,005	2.30%	P-1	\$ 8,942,005	\$ -	\$ -
Supra-National Agency Bond	10,992,657	2.83%	AAA	\$ 3,356,763	\$ 6,142,993	\$ 1,492,901
Total	<u>\$ 387,958,472</u>	<u>100.00%</u>		<u>\$ 281,502,010</u>	<u>\$ 46,923,723</u>	<u>\$ 59,532,739</u>

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

formally approved by the governing board.

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

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

The district has the following recurring fair value measurements as of June 30, 2020:

Investments Measured at Fair Value June 30, 2020				
Investments by fair value level:	6/30/2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Certificates of Deposits	\$ 651,451	\$ -	\$ 651,451	\$ -
Municipal Bond/Note	1,428,313	-	1,428,313	-
Federal Agency Bond/Note	60,753,228	-	60,753,228	-
Corporate Notes	8,004,837	-	8,004,837	-
United States Treasury Bond	75,926,042	75,926,042	-	-
United States Treasury Bills	8,942,005	8,942,005	-	-
Supra-National Agency Bond	10,992,657	-	10,992,657	-
Total investments by fair value level	166,698,533	84,868,047	81,830,486	-
ColoTrust (external investment pool)	135,165,527			
Money Market Fund-PFM Govt Select (measured at net asset value)	86,094,412			
Total investments	<u>\$ 387,958,472</u>			

Investments held with ColoTrust are held at net asset value.

At June 30, 2020, the discretely presented component unit charter schools had investments of approximately \$13.4 million in various money markets with maturities of less than one year.

Component Units:

	Fair Value	Concentration	S&P Rating	Maturity 12 Months or Less
Fidelity Government Portfolio Money Market Fund	\$ 3,027,304	22.5%	AAAm	\$ 3,027,304
ColoTrust Plus (external investment pool)	10,404,786	77.5%	AAAm	10,404,786
	<u>\$ 13,432,090</u>	<u>100.0%</u>		<u>\$ 13,432,090</u>

In accordance with Section 22-45-103, C.R.S., the district's bond redemption fund custodian for fiscal year 2019-2020 is UMB Corporate Trust Services, a third party. The amounts held by the custodian were \$89,483,761 at June 30, 2020.

Investment earnings for fiscal year 2019-2020 were \$8,636,001. Earnings by fund are as follows:

	FY20
General Fund	\$ 3,347,434
Bond Redemption-Debt Service Fund	1,141,660
Building-Capital Projects Fund	3,504,241
Capital Reserve-Capital Projects Fund	572,844
Governmental Designated Purpose Grants	11,696
Pupil Activity Special Revenue Fund	17,407
Other Special Revenue Fund	20,385
Food Service Special Revenue Fund	13,278
Interscholastic Athletic Special Revenue Fund	7,056
	<u>\$ 8,636,001</u>

Component units had investment earnings of \$131,225.

NOTE C: RECEIVABLES

Property taxes levied in 2019 but not yet collected in 2020 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2020, and are presented in the amount of \$9,609,044 and \$6,757,904 respectively. Intergovernmental receivables of \$4,329,211 in the Governmental Designated-Purpose Grants Special Revenue Fund, and \$568,169 in the Food Service Fund includes amounts due from grantors for specific program grants. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

NOTE D: PROPERTY TAXES

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes attach an enforceable lien on property as of January 1 of the year following the levy. Property taxes are recognized as revenue when available and measurable. "Available" is the amount collected at the end of the period and the amount expected to be collected within 30 days, whether or not budgeted. The 2020 fiscal year property tax calendar for Adams and Broomfield Counties was as follows:

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 15, 2020

Property tax revenue recognized in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds during fiscal year 2019-2020 was \$209,877,120. The General Fund recognized \$144,953,789 and the Bond Redemption-Debt Service Fund recognized \$64,923,331.

As of June 30, 2020 the Balance Sheet reported for the General Fund \$6,697,625 and for the Bond Redemption-Debt Service Fund \$2,911,419 as property tax revenue due.

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

Balance of interfund receivables, payables, and transfers at June 30, 2020:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 18,007,995
Major Governmental Fund:		
Capital Reserve-Capital Projects Fund	6,911,056	-
Non-Major Governmental Fund:		
Pupil Activity Special Revenue Fund	213,713	-
Instructional Special Revenue Fund	9,550,207	-
Interscholastic Athletic Special Revenue Fund	1,333,019	-
	<u>\$ 18,007,995</u>	<u>\$ 18,007,995</u>

The district transferred from the General Fund \$9,550,207, \$213,713, and \$1,333,019 respectively to the Instructional Special Revenue Fund, Pupil Activity Special Revenue Fund, and the Interscholastic Athletic Special Revenue Fund to meet operational needs.

The General Fund transferred \$6,911,056 to the Capital Reserve-Capital Projects Fund to meet current and future capital needs.

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

NOTE F: CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

<u>Governmental Activities</u>	Balance at 6/30/2019	Additions/ Transfers	Deletions/ Transfers	Balance at 6/30/2020
Non-depreciable assets:				
Land	\$ 34,721,536	\$ -	\$ -	\$ 34,721,536
Construction in progress	87,962,777	95,010,095	22,276,955	160,695,917
Total non-depreciable assets	<u>122,684,313</u>	<u>95,010,095</u>	<u>22,276,955</u>	<u>195,417,453</u>
Depreciable assets:				
Buildings	771,173,043	20,964,296	-	792,137,339
Equipment/vehicles	59,760,298	15,196,581	1,434,965	73,521,914
Total depreciable assets	<u>830,933,341</u>	<u>36,160,877</u>	<u>1,434,965</u>	<u>865,659,253</u>
Less accumulated depreciation for:				
Buildings	(320,470,741)	(18,520,005)	-	(338,990,746)
Equipment/vehicles	(36,387,335)	(4,522,405)	(1,429,138)	(39,480,602)
Total accumulated depreciation	<u>(356,858,076)</u>	<u>(23,042,410)</u>	<u>(1,429,138)</u>	<u>(378,471,348)</u>
Total capital assets, net	<u>\$ 596,759,578</u>	<u>\$ 108,128,562</u>	<u>\$ 22,282,782</u>	<u>\$ 682,605,358</u>

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

<u>Governmental activities:</u>	
Instruction	\$ 17,177,981
School administration	7,460
Business services	127,874
Transportation	810,901
District-wide	<u>4,918,194</u>
Total depreciation expense - governmental activities	<u>\$ 23,042,410</u>

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

	Balance at 6/30/2019	Additions/ Transfers	Deletions/ Transfers	Balance at 6/30/2020
Non-depreciable assets:				
Land	\$ 11,095,388	\$ -	\$ 260,000	\$ 10,835,388
Construction in progress	122,312	1,421,229	-	1,543,541
Total non-depreciable assets	<u>11,217,700</u>	<u>1,421,229</u>	<u>260,000</u>	<u>12,378,929</u>
Depreciable assets:				
Buildings and site improvements	90,276,670	-	-	90,276,670
Equipment/Vehicles	636,645	27,749	6,738	657,656
Total depreciable assets	<u>90,913,315</u>	<u>27,749</u>	<u>6,738</u>	<u>90,934,326</u>
Less accumulated depreciation for:				
Buildings and site improvements	(6,907,231)	(2,573,479)	-	(9,480,710)
Equipment/Vehicles	(153,960)	(65,706)	(6,738)	(212,928)
Total accumulated depreciation	<u>(7,061,191)</u>	<u>(2,639,185)</u>	<u>(6,738)</u>	<u>(9,693,638)</u>
Total capital assets, net	<u>\$95,069,824</u>	<u>\$ (1,190,207)</u>	<u>\$ 260,000</u>	<u>\$ 93,619,617</u>

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

Operations and maintenance depreciation expense	<u>\$ 2,639,185</u>
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NOTE G: ACCRUED SALARIES AND BENEFITS

Salaries and longevity benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2020 are estimated to be \$21,508,939. Effective July 1, 2020 the contractual period will change to August through July. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund, Pupil Activity Special Revenue Fund, Other Special Revenue Fund, Instructional Special Revenue Fund, Governmental Designated-Purpose Grants Special Revenue Fund, Interscholastic Athletic Special Revenue Fund, Before, After, and Summer Enrichment Special Revenue Fund, and Food Service Special Revenue Fund.

NOTE H: OPERATING LEASES

The General Fund is committed under various leases for office equipment and white fleet vehicles on a year-by-year basis. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended June 30, 2020 amounted to \$837,595.

NOTE I: LONG TERM LIABILITIES

CHANGES IN LONG TERM LIABILITIES

Issue	Balance at 6/30/2019	Additions	Reductions	Balance at 6/30/2020	Due Within One Year
General Oblig. Refunding Bonds, Series 2012	\$ 82,995,000	\$ -	\$ 5,230,000	\$ 77,765,000	\$ 5,340,000
General Oblig. Refunding Bonds, Series 2014	20,090,000	-	-	20,090,000	-
General Oblig. Refunding Bonds, Series 2014B	46,945,000	-	1,965,000	44,980,000	2,040,000
General Oblig. Refunding Bonds, Series 2015	13,030,000	-	6,345,000	6,685,000	6,685,000
General Oblig. Refunding Bonds, Series 2016A	24,235,000	-	5,625,000	18,610,000	5,905,000
General Obligation Bonds, Series 2016B	275,000,000	-	5,000,000	270,000,000	480,000
General Obligation Bonds, Series 2018	65,000,000	-	-	65,000,000	-
Unamortized Bond Premiums	61,075,519	-	6,254,837	54,820,682	5,971,141
Total GO Bonds	588,370,519	-	30,419,837	557,950,682	26,421,141
Certificates of Participation, Series 2016	18,385,000	-	1,780,000	16,605,000	1,830,000
Unamortized COP Premiums	2,405,754	-	285,738	2,120,016	285,738
Total COPs	20,790,754	-	2,065,738	18,725,016	2,115,738
Capital Lease Obligations	520,229	-	520,229	-	-
Compensated Absences*	27,634,799	14,434,611	10,531,835	31,537,575	10,530,396
Total	\$ 637,316,301	\$ 14,434,611	\$ 43,537,639	\$ 608,213,273	\$ 39,067,275

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

The changes in long-term liabilities for the component units for the year ended June 30, 2020 were as follows:

Issue	Balance at 6/30/2019	Additions	Reductions	Balance at 6/30/2020	Due Within One Year
Loan payable	\$ 92,473	\$ -	\$ 27,787	\$ 35,788	\$ 28,919
Charter School Revenue Bonds	84,875,329	34,775,000	35,035,414	89,090,745	1,045,130
Unamortized Bond Premium	-	5,284,175	109,183	7,246,718	-
Total bonds payable	84,875,329	40,059,175	35,144,597	96,337,463	1,045,130
Compensated absences	64,877	93,236	67,895	126,133	119,867
Total	\$ 85,032,679	\$ 40,152,411	\$ 35,240,279	\$ 96,499,384	\$ 1,193,916

GENERAL OBLIGATION AND CAPITAL APPRECIATION SERIAL BONDS

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

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

\$93,460,000 2012 Series Refunding Bonds (*refunded Series 2005A*) due in semi-annual installments with annual payments of \$710,000 to \$22,970,000 through December 15, 2024. Interest rate: 2.00% to 5.00%. \$ 77,765,000

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

\$61,030,325 2014B Series Refunding Bonds (*partially refunded Series 2006B, 2007A & 2008A*) due in semi-annual installments with annual payments of \$1,585,000 to \$28,660,000 through December 15, 2024. Interest rate: 3.00% to 5.00%. 44,980,000

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

\$34,845,000 General Oblig. Refunding Bonds, Series 2016A (*refunded Series 2006A*) due in semi-annual installments with payments of \$5,255,000 to \$6,510,000 through December 15, 2022. Interest rate: 2.00% to 5.00% 18,610,000

\$285,000,000 General Obligation Bonds, Series 2016B due in semi-annual installments with payments of \$480,000 to \$33,160,000 through December 15, 2036. Interest rate: 2.00% to 5.00%. 270,000,000

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

\$ 503,130,000

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

The following schedule reflects the debt service requirements to maturity of the district's general obligation bonded debt as of June 30, 2020:

Year	Principal	Interest	Total
2021	20,450,000	24,347,025	44,797,025
2022	36,500,000	22,963,150	59,463,150
2023	38,400,000	21,084,575	59,484,575
2024	24,375,000	19,674,175	44,049,175
2025	25,340,000	18,559,250	43,899,250
2026 - 2030	130,295,000	73,245,976	203,540,976
2031 - 2035	154,575,000	38,574,951	193,149,951
2036 - 2037	73,195,000	3,747,700	76,942,700
	<u>\$ 503,130,000</u>	<u>\$ 222,196,802</u>	<u>\$ 725,326,802</u>

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

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

COMPONENT UNIT REVENUE BONDS

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

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

Westgate Charter School reported on May 1, 2016, the Public Finance Authority issued \$6,362,887 Charter School Refunding and Improvement Revenue Bonds (Westgate Community School Project) Series 2016A, and \$2,726,952 Charter School Refunding and Improvement Revenue Bonds (Westgate Community School Project) Series 2016B (Taxable). These bonds were issued to refund the Charter School Revenue Bonds, Series 2012, fund the debt services reserve, accrued interest account, pay certain issuance costs and fund the project account. Both Series mature on May 2, 2026. Interest on the

Series 2016A and Series 2016B (Taxable) accrues at 3.896% and 5.565% per annum, respectively. The Bonds may be called at various dates beginning May 3, 2016 through May 20, 2021 at rates ranging from 105% to 101% and 100% after May 3, 2021.

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

On April 23, 2020, Prospect Ridge Academy reported that the Colorado Educational and Cultural Facilities Authority (CECFA) issued the \$33,860,000 Charter School Refunding and Improvement Revenue Bonds, Series 2020A and \$915,000 Charter School Refunding and Improvement Revenues Bonds, Federally Taxable Series 2020B. These bonds were issued to refund the Charter School Revenue Bonds, Series 2017 and 2016, and to loan to the Building Corporation to fund the debt service reserve and accrued interest account, pay certain issuance costs and fund the project account. The bonds mature March 15, 2055. Interest accrues at rates ranging from 4.0% to 5.0%, per annum. The bonds may be called at par on March 15, 2030, or any principal or interest payment date, thereafter.

Prospect Ridge Academy reported on March 11, 2016, the Colorado Educational and Cultural Facilities Authority (CECFA) issued the \$21,630,000 Charter School Refunding and Improvement Revenue Bonds, Series 2016 (Prospect Ridge Academy Project). These bonds were issued to refund the Charter School Revenue Bonds, Series 2013, and to loan to the Building Corporation to fund the debt service reserve and accrued interest account, pay certain issuance costs and fund the project account. The bonds mature March 15, 2023. Interest accrues at 4.85%, per annum. The bonds may be called at par on March 15, 2019, or any principal or interest payment date, thereafter. These bonds were called and paid-in-full on April 23, 2020, with the issuance of the Charter School Refunding and improvement Revenue Bonds, Series 2020A and Federally Taxable Series 2020B.

On March 15, 2017, the Colorado Educational and Cultural Facilities Authority (CECFA) issued the \$13,500,000 Charter School Revenue Bonds, Series 2017 (Prospect Ridge Academy Project). These bonds were issued to loan to the Building Corporation in order to finance the cost of acquiring land and existing facilities where the Academy's K-8th grade school operates. In addition, the bonds will fund the capitalized interest, partial fund of the bond reserve and pay certain issuance costs. The bonds mature March 15, 2023. Interest accrues at 5.0%, per annum. The bonds may be called at par on March 15, 2019, or any principal or interest payment date, thereafter. These bonds were called and paid-in-full on April 23, 2020, with the issuance of the Charter School Refunding and improvement Revenue Bonds, Series 2020A and Federally Taxable Series 2020B.

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

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

COMPONENT UNIT SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

The following schedule reflects the debt service requirements to maturity of the Charter school's revenue bonded debt as of June 30, 2020:

Year	Principal	Interest	Total
2021	1,045,130	3,919,355	4,964,485
2022	1,090,943	4,048,159	5,139,102
2023	1,589,119	3,995,067	5,584,186
2024	1,667,454	3,919,358	5,586,812
2025	1,747,935	3,838,699	5,586,634
2026-2030	19,395,164	16,409,590	35,804,754
2031-2035	8,210,000	13,362,250	21,572,250
2036-2040	11,825,000	11,351,000	23,176,000
2041-2045	5,835,000	8,826,700	14,661,700
2046-2050	27,475,000	6,120,950	33,595,950
2051-2055	9,210,000	1,426,500	10,636,500
	<u>\$ 89,090,745</u>	<u>\$ 77,217,628</u>	<u>\$ 166,308,373</u>

FORWARD DELIVERY AGREEMENT

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

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

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

Fiscal Year Ending June 30	Revenue Recognized	Balance (Unearned Revenue)
2021	140,202	138,934
2022	104,042	34,892
2023	34,892	-

CAPITAL LEASE OBLIGATIONS

On July 7, 2015 the district entered into a capital bus lease agreement to purchase 25 buses for the transportation department. The lease terms are for sixty months with an annual percentage rate of 1.49%.

Annual payments began on July 7, 2015 and subsequent payments are due annually on each July 7, ending July 7, 2019. The district's obligation to make annual payments under the lease is subject to annual appropriation authority as made by the Board of Education. As of June 30, 2020 all debt obligation on this lease have been met.

CERTIFICATES OF PARTICIPATION

In June 2015, Refunding Certificates of Participation were issued by the district in the amount of \$2,870,000 to refund the existing Certificates of Participation in the amount of \$2,890,000 for the purpose of matching the debt service payments with the lease revenues. The rental payments, representing principal and interest on the certificates, are being made from the Capital Reserve- Capital Projects Fund. Interest, at rates from 2.00% to 4.00%, is payable semi-annually on June 1 and December 1. As of June 30, 2020 all debt obligations on the Certificate of Participation have been met.

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

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

Fiscal Year Ending June 30	
2021	2,473,600
2022	2,474,125
2023	2,463,300
2024	2,464,100
2025	2,456,800
2026-2028	7,346,450
	<u>19,678,375</u>
Less Interest	<u>(3,073,375)</u>
Total Principal	<u>\$ 16,605,000</u>

COMPENSATED ABSENCES

At June 30, 2020, compensated absence liabilities of the district included \$2,480,672 for vacation pay with an associated amount of \$506,057 for PERA benefits at 20.40% and \$35,970 for Medicare benefits at 1.45%, and \$12,390,822 for reimbursable leave with \$179,667 of associated Medicare; and \$15,944,387 in early retirement benefits for 460 employees who are eligible for such retirement benefits as of June 30, 2020.

COMPUTATION OF LEGAL DEBT MARGIN

The computation for the district's legal debt margin as of June 30, 2020 is as follows:

Actual Value of Taxable Property in the District	\$ 33,930,072,092
Debt Limitation – 6% of Actual Value of Taxable Property	2,035,804,326
Total Bonded Debt	503,130,000
Less: Amount set aside to repay general debt	<u>(90,302,546)</u>
Total net debt applicable to debt limit	<u>412,827,454</u>
Legal Debt Margin	<u>\$ 1,622,976,872</u>

The debt limitation for all school districts in Colorado is dictated by Colorado State Statute 22.42.104. Except as proved in subsections (1.3), (1.4), and (1.6) of this section, the limit on bonded indebtedness of a school district is the greater of the following: (a) Twenty percent of the latest valuation for assessment of the taxable property in such district, as certified by the county assessor to the board of county commissioners; or (b) Six percent of the most recent determination of the actual value of the taxable property in the district, as certified by the county assessor to the board of county commissioners.

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

NOTE J: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

PENSIONS

Adams 12 Five Star Schools participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

GENERAL INFORMATION ABOUT THE PENSION PLAN

PLAN DESCRIPTION

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

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, 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 lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

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

CONTRIBUTIONS PROVISIONS AS OF JUNE 30, 2020

Eligible employees of the district and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 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 June 30, 2020
Employer Contribution Rate ¹	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	-1.02%
Amount Apportioned to the SCHDTF ¹	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.50%
Total Employer Contribution Rate to the SCHDTF¹	19.38%

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 the district is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district were \$51,976,001 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 district proportion of the net pension liability was based on district 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, the district reported a liability of \$616,603,671 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the district as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the district were as follows:

Adams 12 Five Star Schools proportionate share of the net pension liability	\$ 616,603,671
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Adams 12 Five Star Schools	\$ 78,208,332
Total	\$ 694,812,003

At December 31, 2019, the district proportion was 4.127%, which was an increase of 0.058% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the district recognized pension expense of \$114,543,196 and revenue of \$2,473,837 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:

	Deferred Outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ 33,605,306	\$ -
Changes in assumptions or other inputs	\$ 17,603,094	\$ 279,685,582
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 73,042,842
Changes in proportion and difference between contributions recognized and proportionate share of contributions	\$ 9,895,003	\$ 73,238,534
Contributions subsequent to the measurement date	\$ 27,973,473	\$ -
Total	\$ 89,076,876	\$ 425,966,958

\$27,973,473 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:

For the Fiscal Year Ended	
6/30/2020	\$ (205,871,217)
6/30/2021	\$ (137,390,703)
6/30/2022	\$ 3,245,377
6/30/2023	\$ (24,847,012)

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 ¹	1.25% compounded annually
PERA benefit structure hired after 12/31/06	Financed by the Annual Increase Reserve
(ad hoc, substantively automatic) ¹	

¹ 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, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the

October 28, 2016, actuarial assumptions workshop and were adopted by 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:

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 percent.

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 percent.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 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 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- 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 DISTRICT PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

Discount Rate:	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(6.25%)</u>	<u>Rate (7.25%)</u>	<u>(8.25%)</u>
Proportionate share of the net pension liability	\$ 817,748,488	\$ 616,603,671	\$ 447,725,070

PENSION PLAN FIDUCIARY NET POSITION

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

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

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

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

Prospect Ridge:

https://www.prospectridgeacademy.org/apps/pages/index.jsp?uREC_ID=799787&type=d&pREC_ID=968850

New America: https://newamericaschool.org/apps/pages/index.jsp?uREC_ID=450410&type=d

NOTE K: DEFINED CONTRIBUTION PENSION PLAN

VOLUNTARY INVESTMENT PROGRAM

PLAN DESCRIPTION

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

FUNDING POLICY

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$2,493,224 for the Voluntary Investment Program.

NOTE L: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES******OPEB***

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

GENERAL INFORMATION ABOUT THE OPEB PLAN***PLAN DESCRIPTION***

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

BENEFITS PROVIDED

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment

period.

PERA BENEFIT STRUCTURE

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

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

CONTRIBUTIONS

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from district were \$2,735,579 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 district reported a liability of \$30,315,215 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF 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 district proportion of the net OPEB liability was based on district 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 district proportion was 2.697%, which was an increase of 0.052% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the district recognized OPEB expense of \$751,885. At June 30, 2020, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 100,601	\$ 5,094,071
Changes in assumptions or other inputs	\$ 251,503	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 506,001
Changes in proportion and difference between contributions recognized and proportionate share of contributions	\$ 593,126	\$ 889,219
Contributions subsequent to the measurement date	\$ 1,472,288	\$ -
Total	\$ 2,417,518	\$ 6,489,291

\$1,472,288 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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:

For the Fiscal Year Ended	
6/30/2020	(1,230,672)
6/30/2021	(1,230,618)
6/30/2022	(1,084,112)
6/30/2023	(1,074,220)
6/30/2024	(872,187)
Thereafter	(52,252)

ACTUARIAL ASSUMPTIONS

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2019, gradually increasing to 4.50% in 2029

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, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by 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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. 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 non-disabled 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 non-disabled 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 percent.

SENSITIVITY OF THE DISTRICT PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TO CHANGES IN THE HEALTH CARE COST TREND RATES.

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one

percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trned Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$29,595,092	\$30,315,215	\$31,147,374

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 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 projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

SENSITIVITY OF THE DISTRICT PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Discount Rate:			
Proportionate share of the net OPEB liability	\$34,277,453	\$30,315,215	\$26,926,674

OPEB PLAN FIDUCIARY NET POSITION

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

NOTE M: RISK MANAGEMENT

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

COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

WORKERS' COMPENSATION

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

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

NOTE N: TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Article X calls for various spending and revenue limitations and other restrictions to growth in government. Compliance may ultimately be determined by numerous legal opinions and court interpretations. However, the district believes it is in compliance with Article X, Section 20 of the Colorado Constitution and recognizes this in its reservation for emergencies of fund balance in the General Fund. Said reservation is 3% of fiscal year 2019-2020 spending.

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

NOTE O: COMMITMENTS AND CONTINGENCIES

1. LITIGATION

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

2. GRANTS

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

3. CONSTRUCTION CONTRACT COMMITMENTS

Commitments for construction and improvement contracts in the Building-Capital Projects Fund totals \$101,635,425 as of June 30, 2020.

NOTE P: RELATED PARTY TRANSACTIONS

The district provides administrative and other service to its charter schools, shown in this report as component units. The amount charged for services, in accordance with governing state statutes, range from 1% to 5% of per pupil funding under the Colorado Public School Finance Act. Amounts charged to all charter schools for the fiscal year ended June 30, 2020 were \$1,120,322.

The district's Food Services program is a member of a food co-operative along with other school districts in the state of Colorado. During the year ended June 30, 2020, the district paid \$2,652,085 for food related costs. Administrative costs were paid by membership fees.

NOTE Q: SUBSEQUENT EVENTS

On July 24, 2020 the district purchased three easements associated with land development for the district's new career and technical campus FutureForward at Washington Square consisting of:

- Temporary construction easement and Right of Entry - This easement allowed the district to build 126th Avenue.
- Temporary construction easement and Right of Entry - This easement allowed the district to build the sidewalk along Washington to the north of 126th.
- Grant of perpetual transportation easement - This easement allowed Xcel Energy to place a transformer that supports the new traffic lights that Adams 12 installed.

On July 29, 2020 the district purchased a transportation right of way and temporary construction easements on the northeast quadrant of 126th and Washington Street. This purchase is associated with the development of the district's new career and technical campus FutureForward at Washington Square.

On October 6, 2020 Adams County approved an additional \$4 million of CARES ACT funding to the district to support increased cost associated with COVID-19 requirements.

REQUIRED SUPPLEMENTARY INFORMATION

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

PERA Pension Plan – School Division Trust Fund Last 10 Years*

	2019	2018
District's proportion of the net pension liability	4.1272599%	4.0690374%
District's proportionate share of the net pension liability	\$ 616,603,671	\$ 720,506,652
State's Proportionate Share of the Net Pension Liability associated with the District **	78,208,332	98,519,279
Total	<u>\$ 694,812,003</u>	<u>\$ 819,025,931</u>
District's covered payroll	242,510,888	223,695,798
District's proportionate share of the net pension liability as a percentage of its covered payroll	254.26%	322.09%
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%

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

** 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.

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

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONT.)

PERA Pension Plan – School Division Trust Fund Last 10 Years*

2017	2016	2015	2014	2013
4.6958516%	4.8777381%	4.8314652%	4.8866711%	5.1084488%
\$ 1,518,471,530	\$ 1,452,291,268	\$ 738,938,497	\$ 662,308,071	\$ 651,581,259
-	-	-	-	-
<u>\$ 1,518,471,530</u>	<u>\$ 1,452,291,268</u>	<u>\$ 738,938,497</u>	<u>\$ 662,308,071</u>	<u>\$ 651,581,259</u>
216,614,182	218,921,565	210,551,876	\$ 204,716,575	\$ 206,170,605
701.00%	663.38%	350.95%	323.52%	316.04%
43.96%	43.13%	59.20%	62.80%	64.06%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERA Pension Plan – School Division Trust Fund Last 10 Fiscal Years*

	2020	2019	2018	2017
Statutorily required contribution	\$ 51,976,002	\$ 44,958,386	\$ 41,212,203	\$ 39,735,628
Contribution in relation to the statutorily required contribution	(51,976,002)	(44,958,386)	(41,212,203)	(39,735,628)
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	268,194,022	231,913,692	218,250,104	216,169,864
Contribution as a percentage of covered payroll.	19.38%	19.39%	18.88%	18.38%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS— (CONT.)

PERA Pension Plan – School Division Trust Fund Last
10 Fiscal Years*

2016	2015	2014	2013	2012	2011
\$ 38,564,555	\$ 34,508,020	\$ 33,093,081	\$ 30,951,475	\$ 29,618,525	\$ 27,921,084
(38,564,555)	(34,508,020)	(33,093,081)	(30,951,475)	(29,618,525)	(27,921,084)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
217,388,594	204,298,944	207,042,843	205,348,253	208,750,579	210,019,550
17.74%	16.89%	15.98%	15.07%	14.19%	13.29%

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

	PERA Health Care Trust Fund Last 10 Years*			
	2019	2018	2017	2016
District's proportion of the net OPEB liability	2.6970879496%	2.6448842146%	2.6681661839%	2.7725640212%
District's proportionate share of the net OPEB liability	\$ 30,315,215	\$ 35,984,761	\$ 34,675,488	\$ 35,947,235
District's covered-employee payroll	242,510,888	223,695,798	216,614,182	218,921,565
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	12.50%	16.61%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERA Health Care Trust Fund Last 10 Fiscal Years*

	2020	2019	2018	2017
Contractually required contribution	2,735,579	\$ 2,365,520	\$ 2,226,151	\$ 2,204,933
Contribution in relation to the contractually required contribution	2,735,579	2,365,520	2,226,151	2,204,933
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	268,194,022	231,913,692	218,250,104	216,169,864
Contribution as a percentage of covered-employee payroll.	1.02%	1.02%	1.02%	1.02%

*The amounts presented in this schedule represent a fiscal year, July 1 through June 30. Contributions and covered-employee payroll includes component unit's OPEB amounts through 2014.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONT.)

PERA Health Care Trust Fund Last 10 Fiscal Years*

2016	2015	2014	2013	2012	2011
\$ 2,217,364	\$ 2,083,849	\$ 2,111,837	\$ 2,094,552	\$ 2,129,256	\$ 2,142,199
2,217,364	2,083,849	2,111,837	2,094,552	2,129,256	2,142,199
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
217,388,594	204,298,944	207,042,843	205,348,253	208,750,579	210,019,550
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%



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INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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



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Non-Major Governmental Funds

Special Revenue Funds

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

- Pupil Activity Special Revenue Fund – This fund accounts for revenues collected from student fees and fines and expenditures associated with intrascholastic and interscholastic activities, classroom materials, technology, and damages paid for by the revenue collected. This fund was created in fiscal year 2016-2017 to more accurately track these types of activities. In prior years, these activities were included in the Pupil Activity Agency Fund.
- Other Special Revenue Fund – This fund is used to account for activities associated with self-funded high school lunch programs, school vending sales, vendor rebates, and small local grants. In prior years, these activities were included in the Pupil Activity Agency Fund. This fund was created in fiscal year 2016-2017 to more accurately differentiate and track these types of activities.
- Instructional Special Revenue Fund – This fund accounts for the Extended Day Kindergarten Program (EDKP) and reports the revenue collected from tuition and expenses incurred for running the all-day kindergarten programs. This fund also accounts for revenues collected from student fees and expenditures associated with textbooks and classroom instructional materials.
- Food Service Special Revenue Fund – This fund accounts for financial transactions related to food service operations for student breakfast and lunch.
- Before, After, and Summer Enrichment (BASE) Special Revenue Fund – This fund accounts for Before, After, and Summer Enrichment operations offered at 30 locations in the district.
- Interscholastic Athletic Special Revenue Fund - This fund accounts for the activities of the interscholastic athletic programs in the district.

Major Governmental Funds

- Bond Redemption-Debt Service Fund – This fund is authorized by Colorado School Law. It provides revenues based upon a property tax mill levy set by the School Board to satisfy the district's bonded indebtedness on an annualized basis.
- Building Fund-Capital Projects Fund – This fund is used to account for the major capital outlays for facilities funded by the proceeds from general obligation bonds.
- Capital Reserve-Capital Projects Fund – This fund is authorized by Colorado School Law and is used to fund ongoing capital needs including the acquisition of sites, buildings, equipment, and vehicles.
- Governmental Designated-Purpose Grants Special Revenue Fund – This fund accounts for the various federal and state grants awarded to the district to accomplish specific activities.

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET

June 30, 2020

	Pupil Activity Special Revenue	Other Special Revenue	Instructional Special Revenue
ASSETS			
Cash and Investments	\$ 4,345,101	\$ 3,679,305	\$ 10,825,303
Accounts Receivable	966	10,693	-
Due from Other Governments	-	-	-
Inventories	-	3,906	-
Prepaid Items	480	2,080	-
Total Assets	<u>\$ 4,346,547</u>	<u>\$ 3,695,984</u>	<u>\$ 10,825,303</u>
<u>Liabilities and Fund Balances</u>			
LIABILITIES			
Accounts Payable	\$ 65,950	\$ 146,140	\$ 165,703
Retainage Payable	-	3,369	-
Payroll withholdings Payable	-	-	-
Accrued Salaries and Benefits	1,939	11,887	418,526
Unearned Revenue-Other	-	-	6,735
Total Liabilities	<u>67,889</u>	<u>161,396</u>	<u>590,964</u>
FUND BALANCES			
Nonspendable:			
Inventory	-	3,906	-
Prepaid Items	480	2,080	-
Restricted for:			
Tabor 3% Emergency Reserve	122,348	48,566	326,238
Food Service	-	-	-
Committed to:			
Pupil Activity Special Revenue	4,155,830	-	-
Other Special Revenue	-	-	-
Instructional Special Revenue	-	-	9,908,101
Child Care	-	-	-
Athletics	-	-	-
Assigned to:			
Capital Projects	-	-	-
Assigned Fund Balance	-	3,480,036	-
Unassigned:			
Total Fund Balances	<u>4,278,658</u>	<u>3,534,588</u>	<u>10,234,339</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,346,547</u>	<u>\$ 3,695,984</u>	<u>\$ 10,825,303</u>

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONT.)

Food Service Special Revenue	Before, After, and Summer Enrichment Special Revenue	Interscholastic Athletic Special Revenue	Total Non-Major Governmental Funds
\$ 2,543,844	\$ 638,919	\$ 481,773	\$ 22,514,245
34,069	113,874	-	159,602
568,169	-	-	568,169
195,632	-	-	199,538
1,500	19,766	-	23,826
<u>\$ 3,343,214</u>	<u>\$ 772,559</u>	<u>\$ 481,773</u>	<u>\$ 23,465,380</u>
\$ 59,770	\$ 13,191	\$ 10,967	\$ 461,721
-	-	-	3,369
-	-	-	-
60,534	176,730	72,264	741,880
<u>66,377</u>	<u>307,478</u>	<u>2,100</u>	<u>382,690</u>
<u>186,681</u>	<u>497,399</u>	<u>85,331</u>	<u>1,589,660</u>
195,632	-	-	199,538
1,500	19,766	-	23,826
101,330	189,000	61,391	848,873
2,858,071	-	-	2,858,071
-	-	-	4,155,830
-	-	-	-
-	-	-	9,908,101
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	66,394	335,051	3,881,481
-	-	-	-
<u>3,156,533</u>	<u>275,160</u>	<u>396,442</u>	<u>21,875,720</u>
<u>\$ 3,343,214</u>	<u>\$ 772,559</u>	<u>\$ 481,773</u>	<u>\$ 23,465,380</u>

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2020

	Pupil Activity Special Revenue	Other Special Revenue	Instructional Special Revenue
REVENUES			
State	\$ -	\$ -	\$ 964,185
Federal	-	-	-
Local	3,864,634	2,765,714	360,219
Investment Earnings	21,190	16,602	-
Miscellaneous	1,109	104,396	-
Total Revenues	<u>3,886,933</u>	<u>2,886,712</u>	<u>1,324,404</u>
EXPENDITURES			
Current:			
Direct Instruction			
Elementary Education	240,530	38,968	5,681,714
K-8 Education	66,206	-	-
Middle School Education	162,523	6,659	1,261
High School Education	772,069	126,735	518,080
Other Regular Education	2,488,020	1,033,653	112,170
Special Programs	10,038	1,051	5,727
Total Direct Instruction	<u>3,739,386</u>	<u>1,207,066</u>	<u>6,318,952</u>
Indirect Instruction			
Pupil Support Services	92	15,235	-
Instructional Staff Services	476	21,367	101,627
School Administration	36,382	212,846	-
Total Indirect Instruction	<u>36,950</u>	<u>249,448</u>	<u>101,627</u>
Other Support Programs			
Business/Fiscal Services	-	8,961	-
Procurement and Warehouse	-	66,403	-
Operations and Maintenance	-	750,958	-
Pupil Transportation Services	6,851	9,319	777,604
Staff Services	-	212	-
Other Support Services	-	-	-
Community Programs	-	81,077	-
Facilities: Planning & Development	-	65,299	432,767
Food Service Operations	-	60,829	-
Child Care Operations	-	17,404	-
Total Other Support Programs	<u>6,851</u>	<u>1,060,462</u>	<u>1,210,371</u>
Total Expenditures	<u>3,783,187</u>	<u>2,516,976</u>	<u>7,630,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,746	369,736	(6,306,546)
OTHER FINANCING SOURCES (USES)			
Transfers In	213,713	-	9,550,207
Total Other Financing Sources (Uses)	<u>213,713</u>	<u>-</u>	<u>9,550,207</u>
Net Change in Fund Balances	317,459	369,736	3,243,661
Fund Balances, July 1, 2019	3,961,199	3,164,852	6,990,678
Fund Balances, June 30, 2020	<u>\$ 4,278,658</u>	<u>\$ 3,534,588</u>	<u>\$ 10,234,339</u>

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES (CONT.)

Food Service Special Revenue	Before, After, and Summer Enrichment Special Revenue	Interscholastic Athletic Special Revenue	Total Non-Major Governmental Funds
\$ 272,402	\$ -	\$ -	\$ 1,236,587
8,018,145	-	-	8,018,145
3,078,625	6,299,298	698,296	17,066,786
13,278	-	7,056	58,126
15,289	695	8,000	129,489
<u>11,397,739</u>	<u>6,299,993</u>	<u>713,352</u>	<u>26,509,133</u>
-	-	-	5,961,212
-	-	592	66,798
-	-	2,774	173,217
-	-	1,820,361	3,237,245
-	-	51,798	3,685,641
-	-	211,976	228,792
<u>-</u>	<u>-</u>	<u>2,087,501</u>	<u>13,352,905</u>
-	-	-	15,327
-	-	125,341	248,811
-	-	-	249,228
<u>-</u>	<u>-</u>	<u>125,341</u>	<u>513,366</u>
-	-	-	8,961
-	-	-	66,403
-	193,305	1,679	945,942
-	-	-	793,774
-	-	-	212
168,559	56,033	-	224,592
-	-	15,719	96,796
-	-	-	498,066
11,665,848	-	-	11,726,677
<u>-</u>	<u>6,517,696</u>	<u>-</u>	<u>6,535,100</u>
<u>11,834,407</u>	<u>6,767,034</u>	<u>17,398</u>	<u>20,896,523</u>
<u>11,834,407</u>	<u>6,767,034</u>	<u>2,230,240</u>	<u>34,762,794</u>
(436,668)	(467,041)	(1,516,888)	(8,253,661)
-	-	1,333,019	11,096,939
-	-	1,333,019	11,096,939
(436,668)	(467,041)	(183,869)	2,843,278
3,593,201	742,201	580,311	19,032,442
<u>\$ 3,156,533</u>	<u>\$ 275,160</u>	<u>\$ 396,442</u>	<u>\$ 21,875,720</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET
AND ACTUAL
BOND REDEMPTION - DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2020**

	Budget Amounts		Variance with	
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Taxes:				
Property	\$ 54,635,804	\$ 65,807,786	\$ 64,923,331	\$ (884,455)
Delinquent Taxes and Interest	102,181	102,181	112,769	10,588
Investment Earnings	-	-	1,141,660	1,141,660
Total Revenues	<u>54,737,985</u>	<u>65,909,967</u>	<u>66,177,760</u>	<u>267,793</u>
EXPENDITURES				
Debt Service				
Principal Retirement	24,165,000	24,165,000	24,165,000	-
Interest and Fiscal Charges	23,306,975	25,306,975	25,306,975	-
Bond Issuance and Other Costs	3,750	15,750	14,500	1,250
Total Expenditures	<u>47,475,725</u>	<u>49,487,725</u>	<u>49,486,475</u>	<u>1,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,262,260	16,422,242	16,691,285	269,043
Net Change in Fund Balances	7,262,260	16,422,242	16,691,285	269,043
Fund Balances, July 1, 2019	<u>73,100,025</u>	<u>73,611,261</u>	<u>73,611,261</u>	<u>-</u>
Fund Balances, June 30, 2020	<u>\$ 80,362,285</u>	<u>\$ 90,033,503</u>	<u>\$ 90,302,546</u>	<u>\$ 269,043</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET
AND ACTUAL
BUILDING - CAPITAL PROJECTS FUND**

For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ 4,190,097	\$ 4,190,097	\$ 3,504,241	\$ (685,856)
Miscellaneous	-	8,235,904	5,929,428	(2,306,476)
Total Revenues	4,190,097	12,426,001	9,433,669	(2,992,332)
EXPENDITURES				
Capital Outlay:				
Sites, Buildings, and Ground Improvements	48,644,002	48,644,002	50,229,721	(1,585,719)
School Additions, Improvements, and Repairs	56,725,326	56,725,326	35,594,691	21,130,635
Equipment/Vehicles/Operation Systems	28,764,600	28,764,600	19,957,229	8,807,371
Total Expenditures	134,133,928	134,133,928	105,781,641	28,352,287
Excess (Deficiency) of Revenues Over (Under) Expenditures	(129,943,831)	(121,707,927)	(96,347,972)	25,359,955
Net Change in Fund Balances	(129,943,831)	(121,707,927)	(96,347,972)	25,359,955
Fund Balances, July 1, 2019	213,680,977	196,783,427	196,783,427	-
Fund Balances, June 30, 2020	\$ 83,737,146	\$ 75,075,500	\$ 100,435,455	\$ 25,359,955

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET
AND ACTUAL
CAPITAL RESERVE - CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2020**

	Budget Amounts		Actual Amounts	Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Local	\$ 2,158,130	\$ 2,243,344	\$ 2,554,164	\$ 310,820
Investment Earnings	1,006,819	1,006,819	572,844	(433,975)
Miscellaneous	360,000	600,000	758,190	158,190
Total Revenues	<u>3,524,949</u>	<u>3,850,163</u>	<u>3,885,198</u>	<u>35,035</u>
EXPENDITURES				
Capital Outlay:				
Sites, Buildings, and Ground Improvements	4,090,259	4,090,259	2,124,277	1,965,982
School Additions, Improvements, and Repairs	2,394,935	2,394,935	693,236	1,701,699
Equipment/Vehicles/Operation Systems	2,650,000	2,650,000	2,292,357	357,643
Debt Service				
Principal Retirement	1,780,000	1,780,000	1,780,000	-
Interest and Fiscal Charges	697,750	697,750	697,750	-
Total Expenditures	<u>11,612,944</u>	<u>11,612,944</u>	<u>7,587,620</u>	<u>4,025,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,087,995)	(7,762,781)	(3,702,422)	4,060,359
OTHER FINANCING SOURCES (USES)				
Transfers In	6,271,056	6,361,056	6,911,056	550,000
Total Other Financing Sources (Uses)	<u>6,271,056</u>	<u>6,361,056</u>	<u>6,911,056</u>	<u>550,000</u>
Net Change in Fund Balances	(1,816,939)	(1,401,725)	3,208,634	4,610,359
Fund Balances, July 1, 2019	22,449,892	23,044,800	23,044,801	1
Fund Balances, June 30, 2020	<u>\$ 20,632,953</u>	<u>\$ 21,643,075</u>	<u>\$ 26,253,435</u>	<u>\$ 4,610,360</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL PUPIL ACTIVITY SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Local	\$ 4,871,238	\$ 4,871,238	\$ 3,864,634	\$ (1,006,604)
Investment Earnings	3,034	3,034	21,190	18,156
Miscellaneous	-	-	1,109	1,109
Total Revenues	<u>4,874,272</u>	<u>4,874,272</u>	<u>3,886,933</u>	<u>(987,339)</u>
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	-	-	240,530	(240,530)
K-8 Education	-	-	66,206	(66,206)
Middle School Education	-	-	162,523	(162,523)
High School Education	-	-	772,069	(772,069)
Other Regular Education	4,438,562	4,438,562	2,488,020	1,950,542
Special Programs	-	-	10,038	(10,038)
Total Direct Instruction	<u>4,438,562</u>	<u>4,438,562</u>	<u>3,739,386</u>	<u>699,176</u>
Indirect Instruction:				
Pupil Support Services	-	-	92	(92)
Instructional Staff Services	-	-	476	(476)
School Administration	-	-	36,382	(36,382)
Total Indirect Instruction	<u>-</u>	<u>-</u>	<u>36,950</u>	<u>(36,950)</u>
Other Support Programs:				
Pupil Transportation Services	-	-	6,851	(6,851)
Total Other Support Programs	<u>-</u>	<u>-</u>	<u>6,851</u>	<u>(6,851)</u>
Total Expenditures	<u>4,438,562</u>	<u>4,438,562</u>	<u>3,783,187</u>	<u>655,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	435,710	435,710	103,746	(331,964)
OTHER FINANCING SOURCES (USES)				
Transfers In	213,713	213,713	213,713	-
Total Other Financing Sources (Uses)	<u>213,713</u>	<u>213,713</u>	<u>213,713</u>	<u>-</u>
Net Change in Fund Balances	649,423	649,423	317,459	(331,964)
Fund Balances, July 1, 2019	4,464,775	3,961,199	3,961,199	-
Fund Balances, June 30, 2020	<u>\$ 5,114,198</u>	<u>\$ 4,610,622</u>	<u>\$ 4,278,658</u>	<u>\$ (331,964)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL OTHER SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amounts		Variance with
	Original	Final			Final Budget
REVENUES					
Local	\$ 1,409,939	\$ 1,409,939	\$ 2,765,714	\$	1,355,775
Investment Earnings	-	-	16,602		16,602
Miscellaneous	125,000	125,000	104,396		(20,604)
Total Revenues	1,534,939	1,534,939	2,886,712		1,351,773
EXPENDITURES					
Current:					
Direct Instruction:					
Elementary Education	2,902	2,902	38,968		(36,066)
Middle School Education	15,055	15,055	6,659		8,396
High School Education	120,990	120,990	126,735		(5,745)
Other Regular Education	664,828	664,828	1,033,653		(368,825)
Special Programs	2,500	2,500	1,051		1,449
Total Direct Instruction	806,275	806,275	1,207,066		(400,791)
Indirect Instruction:					
Pupil Support Services	15,384	15,384	15,235		149
Instructional Staff Services	147,628	147,628	21,367		126,261
School Administration	676,230	676,230	212,846		463,384
Total Indirect Instruction	839,242	839,242	249,448		589,794
Other Support Programs:					
General Administration	-	-	17,404		(17,404)
Business/Fiscal Services	-	-	8,961		(8,961)
Procurement and Warehouse	-	-	66,403		(66,403)
Operations and Maintenance	2,338,660	1,977,006	750,958		1,226,048
Pupil Transportation Services	9,000	9,000	9,319		(319)
Staff Services	-	-	212		(212)
Community Programs	6,500	6,500	81,077		(74,577)
Facilities: Planning & Development	-	-	65,299		(65,299)
Food Service Operations	-	-	60,829		(60,829)
Total Other Support Programs	2,354,160	1,992,506	1,060,462		932,044
Total Expenditures	3,999,677	3,638,023	2,516,976		1,121,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,464,738)	(2,103,084)	369,736		2,472,820
Net Change in Fund Balances	(2,464,738)	(2,103,084)	369,736		2,472,820
Fund Balances, July 1, 2019	2,651,750	3,164,852	3,164,852		-
Fund Balances, June 30, 2020	\$ 187,012	\$ 1,061,768	\$ 3,534,588	\$	2,472,820

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL INSTRUCTIONAL SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
State	\$ -	\$ 800,186	\$ 964,185	\$ 163,999
Local	552,500	552,500	360,219	(192,281)
Total Revenues	552,500	1,352,686	1,324,404	(28,282)
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	6,182,383	6,149,639	5,681,714	467,925
Middle School Education	1,386,287	1,386,287	1,261	1,385,026
High School Education	1,300,000	1,300,000	518,080	781,920
Other Regular Education	-	-	112,170	(112,170)
Special Programs	200,000	200,000	5,727	194,273
Total Direct Instruction	9,068,670	9,035,926	6,318,952	2,716,974
Indirect Instruction:				
Instructional Staff Services	600,895	633,639	101,627	532,012
Total Indirect Instruction	600,895	633,639	101,627	532,012
Other Support Programs:				
Pupil Transportation Services	-	-	777,604	(777,604)
Facilities: Planning & Development	-	-	432,767	(432,767)
Total Other Support Programs	-	-	1,210,371	(1,210,371)
Total Expenditures	9,669,565	9,669,565	7,630,950	2,038,615
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,117,065)	(8,316,879)	(6,306,546)	2,010,333
OTHER FINANCING SOURCES (USES)				
Transfers In	9,550,207	9,547,452	9,550,207	2,755
Total Other Financing Sources (Uses)	9,550,207	9,547,452	9,550,207	2,755
Net Change in Fund Balances	433,142	1,230,573	3,243,661	2,013,088
Fund Balances, July 1, 2019	7,686,472	6,990,678	6,990,678	-
Fund Balances, June 30, 2020	\$ 8,119,614	\$ 8,221,251	\$ 10,234,339	\$ 2,013,088

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET
AND ACTUAL
FOOD SERVICE SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes:				
State	\$ 264,479	\$ 264,479	\$ 272,402	\$ 7,923
Federal	7,801,988	7,801,988	8,018,145	216,157
Local	3,832,647	3,832,647	3,078,625	(754,022)
Investment Earnings	5,916	5,916	13,278	7,362
Miscellaneous	-	10,735	15,289	4,554
Total Revenues	<u>11,905,030</u>	<u>11,915,765</u>	<u>11,397,739</u>	<u>(518,026)</u>
EXPENDITURES				
Other Support Programs:				
Other Support Services	167,647	167,647	168,559	(912)
Food Service Operations	<u>12,015,402</u>	<u>12,714,201</u>	<u>11,665,848</u>	<u>1,048,353</u>
Total Expenditures	<u>12,183,049</u>	<u>12,881,848</u>	<u>11,834,407</u>	<u>1,047,441</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(278,019)	(966,083)	(436,668)	529,415
Net Change in Fund Balances	(278,019)	(966,083)	(436,668)	529,415
Fund Balances, July 1, 2019	<u>2,958,008</u>	<u>3,593,201</u>	<u>3,593,201</u>	<u>-</u>
Fund Balances, June 30, 2020	<u>\$ 2,679,989</u>	<u>\$ 2,627,118</u>	<u>\$ 3,156,533</u>	<u>\$ 529,415</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BEFORE, AFTER, AND SUMMER ENRICHMENT (BASE) SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Tuition	\$ 8,716,087	\$ 8,716,087	\$ 6,299,298	\$ (2,416,789)
Miscellaneous	-	-	695	695
Total Revenues	<u>8,716,087</u>	<u>8,716,087</u>	<u>6,299,993</u>	<u>(2,416,094)</u>
EXPENDITURES				
Current:				
Other Support Programs:				
Operations and Maintenance	-	-	193,305	(193,305)
Other Support Services	35,267	35,267	56,033	(20,766)
Child Care Operations	<u>8,544,016</u>	<u>8,544,016</u>	<u>6,517,696</u>	<u>2,026,320</u>
Total Expenditures	<u>8,579,283</u>	<u>8,579,283</u>	<u>6,767,034</u>	<u>1,812,249</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	136,804	136,804	(467,041)	(603,845)
Net Change in Fund Balances	136,804	136,804	(467,041)	(603,845)
Fund Balances, July 1, 2019	<u>747,104</u>	<u>742,201</u>	<u>742,201</u>	<u>-</u>
Fund Balances, June 30, 2020	<u>\$ 883,908</u>	<u>\$ 879,005</u>	<u>\$ 275,160</u>	<u>\$ (603,845)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET
AND ACTUAL
INTERSCHOLASTIC ATHLETIC SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2020**

	Budget Amounts		Variance with	
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Local	\$ 980,300	\$ 932,250	\$ 698,296	\$ (233,954)
Investment Earnings	2,400	2,400	7,056	4,656
Miscellaneous	-	8,000	8,000	-
Total Revenues	<u>982,700</u>	<u>942,650</u>	<u>713,352</u>	<u>(229,298)</u>
EXPENDITURES				
Current:				
Direct Instruction:				
K-8 Education	-	3,400	592	2,808
Middle School Education	4,756	11,056	2,774	8,282
High School Education	521,150	525,449	1,820,361	(1,294,912)
Other Regular Education	1,434,008	1,420,008	51,798	1,368,210
Special Programs	<u>329,468</u>	<u>329,468</u>	<u>211,976</u>	<u>117,492</u>
Total Direct Instruction	<u>2,289,382</u>	<u>2,289,381</u>	<u>2,087,501</u>	<u>201,880</u>
Indirect Instruction:				
Instructional Staff Services	<u>129,055</u>	<u>129,055</u>	<u>125,341</u>	<u>3,714</u>
Total Indirect Instruction	<u>129,055</u>	<u>129,055</u>	<u>125,341</u>	<u>3,714</u>
Other Support Programs:				
Operations and Maintenance	12,500	12,500	1,679	10,821
Community Programs	18,278	18,278	15,719	2,559
Total Other Support Programs	<u>30,778</u>	<u>30,778</u>	<u>17,398</u>	<u>13,380</u>
Total Expenditures	<u>2,449,215</u>	<u>2,449,214</u>	<u>2,230,240</u>	<u>218,974</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,466,515)	(1,506,564)	(1,516,888)	(10,324)
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>1,333,019</u>	<u>1,333,019</u>	<u>1,333,019</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,333,019</u>	<u>1,333,019</u>	<u>1,333,019</u>	<u>-</u>
Net Change in Fund Balances	(133,496)	(173,545)	(183,869)	(10,324)
Fund Balances, July 1, 2019	350,180	580,311	580,311	-
Fund Balances, June 30, 2020	<u>\$ 216,684</u>	<u>\$ 406,766</u>	<u>\$ 396,442</u>	<u>\$ (10,324)</u>



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COMPONENT UNITS

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

COMBINING STATEMENT OF NET POSITION

Component Units
June 30, 2020

	Stargate Charter School	Westgate Charter School	Prospect Ridge Charter School	New America- Thornton Charter School	Total Charter Schools
<u>Assets</u>					
Cash and Investments - Unrestricted	\$ 3,378,784	\$ 2,450,138	\$ 5,588,359	\$ 964,738	\$ 12,382,019
Cash and Investments - Restricted	3,027,304	862,721	7,382,534	187,752	11,460,311
Accounts Receivable	103,510	-	-	242,871	346,381
Prepaid Expenses	3,757	39,750	114,359	4,637	162,503
Due from Primary Government	154,912	33,256	102,963	53,037	344,168
Capital Assets, not being Depreciated:					
Land and Construction in Progress	3,733,264	3,887,346	4,758,319	-	12,378,929
Capital Assets, Net of Accumulated Depreciation:					
Buildings	40,718,513	5,529,737	28,808,273	5,742,437	80,798,960
Equipment/Vehicles	390,596	15,354	-	35,778	441,728
Total Assets	<u>51,510,640</u>	<u>12,818,302</u>	<u>46,754,807</u>	<u>7,231,250</u>	<u>118,314,999</u>
<u>Deferred Outflows of Resources</u>					
Deferred Charges on Refunding	95,173	-	159,973	-	255,146
Deferred Outflows Related to Pensions	5,479,149	1,727,576	3,607,813	411,228	11,225,766
Deferred Outflows Related to OPEB	217,166	84,746	159,590	9,072	470,574
Total Deferred Outflows of Resources	<u>5,791,488</u>	<u>1,812,322</u>	<u>3,927,376</u>	<u>420,300</u>	<u>11,951,486</u>
<u>Liabilities</u>					
Accounts Payable	111,628	36,320	63,926	85,714	297,588
Retainages Payable	-	44,048	-	-	44,048
Accrued Expenses	-	-	239,419	-	239,419
Accrued Salaries and Benefits	1,170,072	190,805	661,427	172,914	2,195,218
Accrued Interest Payable	150,742	30,107	314,451	-	495,300
Due to Primary Government	3,544	777	562	-	4,883
Unearned Revenue	-	-	52,234	44,046	96,280
Noncurrent Liabilities					
Due within One Year:					
Compensated Absences	-	-	52,200	-	52,200
Loans	-	28,919	-	-	28,919
Revenue Bonds	650,000	246,138	-	148,992	1,045,130
Due in more than One Year:					
Compensated Absences	67,667	-	-	6,266	73,933
Loans	-	6,869	-	-	6,869
Revenue Bonds	41,555,287	7,957,161	40,021,431	5,758,454	95,292,333
Net Pension Liability	18,205,136	5,725,920	16,060,686	3,308,406	43,300,148
Net OPEB Liability	894,745	281,390	789,440	162,593	2,128,168
Total Liabilities	<u>62,808,821</u>	<u>14,548,454</u>	<u>58,255,776</u>	<u>9,687,385</u>	<u>145,300,436</u>
<u>Deferred Inflows of Resources</u>					
Deferred Inflows Related to Pensions	11,476,508	2,608,489	6,713,629	2,738,696	23,537,322
Deferred Inflows Related to OPEB	165,286	43,214	121,234	44,391	374,125
Total Deferred Inflows of Resources	<u>11,641,794</u>	<u>2,651,703</u>	<u>6,834,863</u>	<u>2,783,087</u>	<u>23,911,447</u>
<u>Net Position</u>					
Net Investment in Capital Assets	2,732,259	1,193,350	(6,454,839)	58,521	(2,470,709)
Restricted for:					
Capital Projects	-	60,933	-	-	60,933
Debt Service	2,876,562	832,614	2,211,138	187,752	6,108,066
TABOR	460,456	170,300	396,456	93,787	1,120,999
Special Education	200,000	200,000	200,005	-	600,005
Unrestricted	(23,417,764)	(5,026,730)	(10,761,216)	(5,158,982)	(44,364,692)
Total Net Position	<u>\$ (17,148,487)</u>	<u>\$ (2,569,533)</u>	<u>\$ (14,408,456)</u>	<u>\$ (4,818,922)</u>	<u>\$ (38,945,398)</u>

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

COMBINING STATEMENT OF ACTIVITIES COMPONENT UNITS

Component Units
For the Fiscal Year Ended June 30, 2020

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Schools:					
Stargate Charter School	\$ 16,624,414	\$ 444,035	\$ 488,922	\$ -	\$ (15,691,457)
Westgate Charter School	5,026,917	178,532	211,911	66,325	(4,570,149)
Prospect Ridge Charter School	12,817,935	450,111	203,727	387,602	(11,776,495)
New America-Thornton Charter School	3,176,421	407,924	608,006	90,069	(2,070,422)
Total Expenditures	<u>\$ 37,645,687</u>	<u>\$ 1,480,602</u>	<u>\$ 1,512,566</u>	<u>\$ 543,996</u>	<u>(34,108,523)</u>
General Revenues:					
School Finance Act:					
Stargate Charter School					11,787,477
Westgate Charter School					4,295,065
Prospect Ridge Charter School					11,546,577
New America-Thornton Charter School					2,683,125
Other:					
Stargate Charter School					3,465,454
Westgate Charter School					857,703
Prospect Ridge Charter School					2,464,662
New America-Thornton Charter School					483,928
Subtotal general revenues					<u>37,583,991</u>
Special Items:					
New America-Thornton Charter School					14,185
Total General Revenues and Transfers					<u>37,598,176</u>
Change in Net Position					3,489,653
Net Position July 1, 2019					<u>(42,435,051)</u>
Net Position June 30, 2020					<u>\$ (38,945,398)</u>

STATE REQUIRED REPORT

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

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

AUDITORS INTEGRITY REPORT

Page: 1



Colorado Department of Education

Auditors Integrity Report

District: 0020 - Adams 12 Five Star Schools

Fiscal Year 2019-20

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Governmental	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources Uses	6700-6799 & Prior Per Adj Ending Fund Balance
10 General Fund		63,489,960	349,904,454	81,246,746
18 Risk Mgmt Sub-Fund of General Fund		4,393,293	3,965,661	4,679,883
19 Colorado Preschool Program Fund		0	2,774,661	0
Sub- Total		67,883,253	356,644,775	85,926,629
11 Charter School Fund		11,153,308	41,519,711	10,860,434
20,26-29 Special Revenue Fund		11,479,042	22,107,887	14,440,529
06 Supplemental Cap Const, Tech, Main Fund		0	0	0
07 Total Program Reserve Fund		0	0	0
21 Food Service Spec Revenue Fund		3,593,201	11,397,739	3,156,533
22 Govt Designated-Purpose Grants Fund		0	39,553,923	0
23 Pupil Activity Special Revenue Fund		3,961,199	4,099,306	4,278,658
24 Full Day Kindergarten Mill Levy Override		0	0	0
25 Transportation Fund		0	0	0
31 Bond Redemption Fund		73,611,261	66,177,760	90,302,546
39 Certificate of Participation (COP) Debt Service Fund		0	0	0
41 Building Fund		196,783,427	9,433,669	100,435,455
42 Special Building Fund		0	0	0
43 Capital Reserve Capital Projects Fund		23,044,801	10,796,254	26,253,435
46 Supplemental Cap Const, Tech, Main Fund		0	0	0
Totals		391,508,491	561,730,826	335,654,220
50 Other Enterprise Funds		0	0	0
64 (63) Risk-Related Activity Fund		0	0	0
60,65-69 Other Internal Service Funds		0	0	0
Totals		0	0	0
70 Other Trust and Agency Funds		0	0	0
72 Private Purpose Trust Fund		0	0	0
73 Agency Fund		0	0	0
74 Pupil Activity Agency Fund		0	0	0
79 GASB 34-Permanent Fund		0	0	0
85 Foundations		0	0	0
Totals		0	0	0
FINAL				
Totals		0	0	0

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

1/25/21

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Artist: Matteo Lambden
School: Mountain View Elementary School



These Hands
Artist: Mercedes Bethers
School: Legacy High School



Colorado Proud
Artist: Caitlen Ernberger
School: Rocky Top Middle School

STATISTICAL SECTION

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

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.

FINANCIAL TRENDS SCHEDULE 1

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 138,799,116	\$ 144,815,482	\$ 157,898,594	\$ 161,427,987
Restricted	49,107,034	44,641,164	28,001,800	33,474,816
Unrestricted	23,587,271	20,042,222	27,474,100	20,724,391
Total governmental activities net position	<u>\$ 211,493,421</u>	<u>\$ 209,498,868</u>	<u>\$ 213,374,394</u>	<u>\$ 215,627,194</u>
Business-type activities				
Net investment in capital assets	\$ 1,250,821	\$ 994,103	\$ 848,479	\$ 686,574
Restricted	-	-	-	-
Unrestricted	8,037,608	8,896,706	9,077,241	9,936,435
Total business-type activities net position	<u>\$ 9,288,429</u>	<u>\$ 9,890,809</u>	<u>\$ 9,925,720</u>	<u>\$ 10,623,009</u>
Primary government				
Net investment in capital assets	\$ 140,049,937	\$ 145,809,585	\$ 158,747,073	\$ 162,114,561
Restricted	49,107,034	44,641,164	28,001,800	33,474,816
Unrestricted	31,624,879	28,938,928	36,551,341	30,660,826
Total primary government net position	<u>\$ 220,781,850</u>	<u>\$ 219,389,677</u>	<u>\$ 223,300,214</u>	<u>\$ 226,250,203</u>

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

FINANCIAL TRENDS SCHEDULE 1 (CONT.)

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

2015	2016	2017	2018	2019	2020
\$ 145,038,966	\$ 163,015,412	\$ 147,159,979	\$ 178,067,913	\$ 196,339,493	\$ 216,718,472
63,890,686	70,250,428	71,516,770	78,607,227	283,327,839	204,781,811
(625,268,715)	(657,867,115)	(858,420,907)	(1,160,986,216)	(1,233,328,810)	(993,807,395)
<u>\$ (416,339,063)</u>	<u>\$ (424,601,275)</u>	<u>\$ (639,744,158)</u>	<u>\$ (904,311,076)</u>	<u>\$ (753,661,478)</u>	<u>\$ (572,307,112)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 145,038,966	\$ 163,015,412	\$ 147,159,979	\$ 178,067,913	\$ 196,339,493	\$ 216,718,472
63,890,686	70,250,428	71,516,770	78,607,227	283,327,839	204,781,811
(625,268,715)	(657,867,115)	(858,420,907)	(1,160,986,216)	(1,233,328,810)	(993,807,395)
<u>\$ (416,339,063)</u>	<u>\$ (424,601,275)</u>	<u>\$ (639,744,158)</u>	<u>\$ (904,311,076)</u>	<u>\$ (753,661,478)</u>	<u>\$ (572,307,112)</u>

FINANCIAL TRENDS SCHEDULE 2

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	2011	2012	2013	2014
Expenses				
Governmental activities:				
Direct Instruction	\$ 204,116,371	\$ 202,400,390	\$ 200,660,934	\$ 201,406,574
Indirect Instruction	49,532,839	43,868,253	42,520,108	47,999,681
Other Support Programs	56,866,813	54,781,017	58,617,994	68,402,400
Charter school funding	43,910,735	49,760,754	51,583,887	43,472,016
Interest expense, unallocated	20,016,965	24,610,420	18,649,158	13,191,487
Total governmental activities expenses	<u>374,443,723</u>	<u>375,420,834</u>	<u>372,032,082</u>	<u>374,472,158</u>
Business-type activities:				
Food services	9,124,435	9,572,148	9,769,874	10,116,781
Child care	6,003,305	5,984,358	5,807,797	6,184,005
Total business-type activities expenses	<u>15,127,740</u>	<u>15,556,506</u>	<u>15,577,671</u>	<u>16,300,786</u>
Total primary government expenses	<u>\$ 389,571,463</u>	<u>\$ 390,977,340</u>	<u>\$ 387,609,753</u>	<u>\$ 390,772,944</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Direct Instruction	\$ 1,479,152	\$ 3,549,584	\$ 3,285,911	\$ 3,266,656
Indirect Instruction	602,470	525,653	546,271	652,191
Other Support Programs	2,956,240	2,154,280	2,772,177	3,892,302
Charter School Funding	530,874	639,861	656,182	631,056
Operating grants and contributions:				
Direct Instruction	32,027,827	18,750,842	18,738,679	21,374,486
Indirect Instruction	8,519,699	7,807,215	6,835,264	5,911,727
Other Support Programs	1,959,642	2,041,845	2,046,461	2,414,066
Capital grants and contributions:				
Direct Instruction	169,519	63,138	-	-
Total governmental activities program revenues	<u>48,245,423</u>	<u>35,532,418</u>	<u>34,880,945</u>	<u>38,142,484</u>
Business-type activities:				
Charges for services:				
Food service	3,973,120	3,624,894	3,443,467	3,279,697
Child care	6,539,911	6,450,628	6,430,706	6,879,261
Operating grants and contributions:				
Food service	6,103,394	6,079,140	6,135,587	6,837,064
Total business-type activities program revenues	<u>16,616,425</u>	<u>16,154,662</u>	<u>16,009,760</u>	<u>16,996,022</u>
Total primary government program revenues	<u>\$ 64,861,848</u>	<u>\$ 51,687,080</u>	<u>\$ 50,890,705</u>	<u>\$ 55,138,506</u>
Net (Expense)/Revenue				
Governmental activities	\$ (326,198,300)	\$ (339,888,416)	\$ (337,151,137)	\$ (336,329,674)
Business-type activities	1,488,685	598,156	432,089	695,236
Total primary government net expense	<u>\$ (324,709,615)</u>	<u>\$ (339,290,260)</u>	<u>\$ (336,719,048)</u>	<u>\$ (335,634,438)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Local property taxes	\$ 122,541,664	\$ 121,200,202	\$ 121,511,993	\$ 121,590,268
Specific ownership taxes	7,994,040	8,140,240	8,644,074	9,366,253
Intergovernmental, unrestricted	202,372,669	208,047,852	209,276,528	209,026,802
Intergovernmental agreements	-	-	-	-
Other	1,306,961	885,902	737,988	163,280
Earnings on investments	564,593	511,328	456,080	394,470
Transfers	1,000,000	-	400,000	-
Gain (loss) on disposal of assets	130,157	-	-	-
Total governmental activities	<u>335,910,084</u>	<u>338,785,524</u>	<u>341,026,663</u>	<u>340,541,073</u>
Business-type activities:				
Earnings on investments	5,404	4,220	2,822	2,053
Other	-	-	-	-
Transfers	(1,000,000)	-	(400,000)	-
Loss on disposal of assets	-	-	-	-
Total business-type activities	<u>(994,596)</u>	<u>4,220</u>	<u>(397,178)</u>	<u>2,053</u>
Total primary government	<u>\$ 334,915,488</u>	<u>\$ 338,789,744</u>	<u>\$ 340,629,485</u>	<u>\$ 340,543,126</u>
Change in Net Position				
Governmental activities	\$ 9,711,784	\$ (1,102,892)	\$ 3,875,526	\$ 4,211,399
Business-type activities	494,089	602,376	34,911	697,289
Total primary government	<u>\$ 10,205,873</u>	<u>\$ (500,516)</u>	<u>\$ 3,910,437</u>	<u>\$ 4,908,688</u>

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

FINANCIAL TRENDS SCHEDULE 2 (CONT.)

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

2015	2016	2017	2018	2019	2020
\$ 217,179,196	\$ 232,478,810	\$ 367,274,260	\$ 382,902,884	\$ 173,813,445	\$ 180,856,812
58,613,866	65,909,683	66,270,495	72,239,890	69,539,489	76,762,268
72,883,709	80,863,780	156,778,489	181,577,452	65,012,278	57,209,135
19,391,201	23,186,915	35,740,446	23,164,902	29,981,478	35,487,122
34,388,947	23,185,957	28,356,597	18,544,253	19,685,817	19,438,806
<u>402,456,919</u>	<u>425,625,145</u>	<u>654,420,287</u>	<u>678,429,381</u>	<u>358,032,507</u>	<u>369,754,143</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 402,456,919</u>	<u>\$ 425,625,145</u>	<u>\$ 654,420,287</u>	<u>\$ 678,429,381</u>	<u>\$ 358,032,507</u>	<u>\$ 369,754,143</u>
\$ 3,130,072	\$ 3,436,695	\$ 11,628,380	\$ 11,552,685	\$ 11,962,972	\$ 8,464,291
792,885	676,633	-	-	-	-
14,427,437	14,938,507	14,677,103	14,945,360	17,540,836	13,809,141
382,008	443,099	414,677	501,988	828,854	1,120,322
20,126,032	20,487,996	20,569,291	23,721,969	21,072,216	32,487,124
7,752,585	7,943,535	7,394,343	8,019,330	8,551,922	10,953,215
10,700,393	10,486,734	11,856,009	9,849,959	12,915,585	20,710,559
-	-	-	-	-	-
<u>57,311,412</u>	<u>58,413,199</u>	<u>66,539,803</u>	<u>68,591,291</u>	<u>72,872,385</u>	<u>87,544,653</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 57,311,412</u>	<u>\$ 58,413,199</u>	<u>\$ 66,539,803</u>	<u>\$ 68,591,291</u>	<u>\$ 72,872,385</u>	<u>\$ 87,544,653</u>
\$ (345,145,507)	\$ (367,211,946)	\$ (587,880,484)	\$ (609,838,090)	\$ (285,160,122)	\$ (282,209,490)
-	-	-	-	-	-
<u>\$ (345,145,507)</u>	<u>\$ (367,211,946)</u>	<u>\$ (587,880,484)</u>	<u>\$ (609,838,090)</u>	<u>\$ (285,160,122)</u>	<u>\$ (282,209,490)</u>
\$ 122,794,404	\$ 136,517,005	\$ 138,732,861	\$ 157,040,586	\$ 186,202,843	\$ 214,043,518
10,222,765	11,093,715	12,034,731	13,862,710	14,658,993	13,704,723
200,859,028	206,985,977	206,131,592	205,047,241	221,675,173	226,389,820
2,302,560	2,733,756	-	-	-	-
103,728	-	2,964,474	428,313	2,071,028	789,794
576,636	1,619,236	2,715,194	3,729,733	11,201,683	8,636,001
-	-	-	-	-	-
1,525	-	-	-	-	-
<u>336,860,646</u>	<u>358,949,689</u>	<u>362,578,852</u>	<u>380,108,583</u>	<u>435,809,720</u>	<u>463,563,856</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 336,860,646</u>	<u>\$ 358,949,689</u>	<u>\$ 362,578,852</u>	<u>\$ 380,108,583</u>	<u>\$ 435,809,720</u>	<u>\$ 463,563,856</u>
\$ (8,284,861)	\$ (8,262,257)	\$ (227,999,058)	\$ (229,729,507)	\$ 150,649,598	\$ 181,354,366
-	-	-	-	-	-
<u>\$ (8,284,861)</u>	<u>\$ (8,262,257)</u>	<u>\$ (227,999,058)</u>	<u>\$ (229,729,507)</u>	<u>\$ 150,649,598</u>	<u>\$ 181,354,366</u>

FINANCIAL TRENDS SCHEDULE 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 1,039,078	\$ 691,093	\$ 673,651	\$ 839,223
Restricted	18,028,812	18,572,049	19,131,027	19,202,758
Committed	2,392,938	2,314,378	2,978,017	3,029,680
Assigned	2,995,764	-	17,611,085	10,003,569
Unassigned	28,474,372	28,294,086	9,286,389	11,955,673
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	\$ 52,930,964	\$ 49,871,606	\$ 49,680,169	\$ 45,030,903
All Other Governmental Funds				
Nonspendable:				
Capital projects	\$ 400,591	\$ -	\$ -	\$ -
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Restricted for:				
Tabor 3% Emergency Reserve	-	-	-	-
Debt Service projects	37,500,858	39,400,485	39,803,375	46,639,747
Capital projects	17,367,367	14,376,982	-	6,939,248
Food Service	-	-	-	-
Committed to:				
Athletics	342,158	383,942	367,360	432,246
Child Care	-	-	-	-
Transportation	-	-	-	-
Capital projects	-	-	7,952,899	9,463,425
Activity Special Revenue	-	-	-	-
Assigned to:				
Capital projects	8,074,417	4,639,035	3,526,175	2,044,029
Designated Purpose Grants	-	-	-	-
Assigned Fund Balance	-	-	-	-
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	\$ 63,685,391	\$ 58,800,444	\$ 51,649,809	\$ 65,518,695

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

FINANCIAL TRENDS SCHEDULE 3 (CONT.)

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

2015	2016	2017	2018	2019	2020
\$ 899,916	\$ 1,854,645	\$ 1,521,776	\$ 2,452,889	\$ 2,420,674	\$ 2,479,831
19,154,089	18,894,678	18,868,915	19,199,644	19,381,266	19,776,229
2,492,101	11,103,922	11,679,868	12,389,195	12,658,458	12,498,349
13,951,419	4,062,219	841,530	5,181,523	27,287,783	41,222,766
5,893,576	-	4,671,160	8,547,150	6,135,072	9,949,454
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 42,391,101</u>	<u>\$ 35,915,464</u>	<u>\$ 37,583,249</u>	<u>\$ 47,770,401</u>	<u>\$ 67,883,253</u>	<u>\$ 85,926,629</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
210,395	147,083	149,139	121,812	98,195	199,538
54,641	47,557	83,613	88,535	46,323	45,863
-	761,737	1,096,140	1,001,283	1,560,390	1,172,761
53,111,796	58,654,446	58,855,679	66,411,355	73,611,261	90,302,546
26,866,762	24,997,937	269,711,636	212,984,403	196,778,514	100,435,455
5,409,523	4,194,883	3,887,732	3,279,535	3,373,141	2,858,071
364,592	423,947	359,998	343,832	505,365	-
3,145,553	2,391,491	1,929,598	792,548	464,770	-
669,158	-	-	-	-	-
10,111,685	12,248,536	33,766,084	14,884,608	22,524,079	25,907,510
-	-	6,468,253	10,280,184	13,509,893	14,063,931
2,506,772	-	-	-	-	-
-	(33,491)	-	-	-	-
-	-	-	-	-	3,881,481
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 102,450,877</u>	<u>\$ 103,834,126</u>	<u>\$ 376,307,872</u>	<u>\$ 310,188,095</u>	<u>\$ 312,471,931</u>	<u>\$ 238,867,156</u>

FINANCIAL TRENDS SCHEDULE 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues				
Taxes	\$ 131,549,891	\$ 129,104,686	\$ 130,814,942	\$ 131,427,784
State	225,698,244	219,519,011	221,251,686	222,550,056
Federal	19,351,112	17,132,769	15,645,246	15,855,381
Local	-	25,118	20,884	1,330,180
Mineral Leases	-	-	-	-
Investment Earnings	564,593	511,328	456,080	394,470
Miscellaneous	6,875,698	7,814,392	7,998,529	7,596,949
Total revenues	<u>384,039,538</u>	<u>374,107,304</u>	<u>376,187,367</u>	<u>379,154,820</u>
Expenditures				
Direct Instruction	187,724,932	186,273,435	184,188,632	185,347,582
Indirect Instruction	49,400,171	43,771,488	42,342,107	47,962,804
Other Support Programs	53,776,443	50,344,628	50,405,364	58,606,031
Charter school funding	43,910,735	49,760,754	51,583,887	43,472,016
Debt service:				
Principal	25,219,323	21,071,120	22,247,787	21,792,134
Interest	16,889,485	21,828,525	19,880,225	13,326,531
Bond issuance costs	-	792,243	-	478,487
Capital outlay	25,035,243	9,826,488	11,215,035	12,655,188
Total expenditures	<u>401,956,332</u>	<u>383,668,681</u>	<u>381,863,037</u>	<u>383,640,773</u>
Excess of revenues over (under) expenditures	(17,916,794)	(9,586,495)	(5,696,554)	(4,485,953)
Other Financing Sources (Uses)				
Transfers in	6,578,177	5,454,759	11,338,921	13,961,433
Transfers out	(5,578,177)	(5,454,759)	(10,938,921)	(13,961,433)
Payments to refunded bonds escrow agent	-	-	-	-
Payments to refunded COPs escrow agent	-	(138,199,482)	-	-
Refunding bonds	-	120,537,083	-	-
Issuance of bonds	-	-	-	-
Bond premium	-	20,196,250	-	-
Land/building sales	132,599	-	-	-
Lease purchase	1,002,873	-	217,500	13,705,573
Total other financing sources (uses)	<u>2,135,472</u>	<u>2,533,851</u>	<u>617,500</u>	<u>13,705,573</u>
Net change in fund balance	<u>\$ (15,781,322)</u>	<u>\$ (7,052,644)</u>	<u>\$ (5,079,054)</u>	<u>\$ 9,219,620</u>
Debt service as a percentage of noncapital expenditures	11.2%	11.5%	11.2%	9.3%

FINANCIAL TRENDS SCHEDULE 4 (CONT.)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

2015	2016	2017	2018	2019	2020
\$ 133,716,439	\$ 146,675,513	\$ 151,450,944	\$ 170,631,184	\$ 199,729,916	\$ 223,941,939
216,715,737	223,377,140	222,924,367	223,040,936	245,676,336	251,961,417
24,037,648	24,470,458	23,479,402	23,883,740	25,847,555	41,821,748
7,133,593	19,633,379	25,882,394	26,451,141	29,460,666	21,977,393
37,520	31,946	19,551	17,338	21,007	18,714
576,636	1,619,236	2,715,194	3,729,733	11,201,683	8,636,001
12,653,755	620,009	632,729	673,690	958,265	7,342,364
<u>394,871,328</u>	<u>416,427,681</u>	<u>427,104,581</u>	<u>448,427,762</u>	<u>512,895,428</u>	<u>555,699,576</u>
191,442,866	200,880,489	203,923,568	200,899,049	218,715,822	238,293,685
54,922,617	60,590,339	59,791,273	64,409,299	72,742,263	81,408,428
78,201,170	82,031,282	82,915,251	83,519,090	88,532,937	92,688,024
19,391,201	23,186,915	35,740,446	23,164,902	29,981,478	35,487,122
25,988,689	30,614,131	30,344,633	27,575,188	28,808,286	26,465,229
13,958,345	15,699,284	20,860,230	24,654,890	25,524,923	26,012,476
931,108	454,878	1,568,249	26,258	355,811	14,500
13,654,621	11,060,329	13,712,204	80,111,711	101,885,940	110,891,511
<u>398,490,617</u>	<u>424,517,647</u>	<u>448,855,854</u>	<u>504,360,387</u>	<u>566,547,460</u>	<u>611,260,975</u>
(3,619,289)	(8,089,966)	(21,751,273)	(55,932,625)	(53,652,032)	(55,561,399)
20,123,032	18,632,079	9,592,463	9,261,549	17,446,939	18,007,995
(20,123,032)	(18,632,079)	(9,592,463)	(9,261,549)	(17,446,939)	(18,007,995)
(99,241,278)	(54,472,766)	(65,222,756)	-	-	-
-	-	-	-	-	-
81,245,325	-	-	-	-	-
-	-	319,845,000	-	65,000,000	-
15,822,745	2,836,956	37,697,041	-	11,048,720	-
-	-	-	-	-	-
30,148,442	54,633,388	-	-	-	-
<u>27,975,234</u>	<u>2,997,578</u>	<u>292,319,285</u>	<u>-</u>	<u>76,048,720</u>	<u>-</u>
<u>\$ 24,355,945</u>	<u>\$ (5,092,388)</u>	<u>\$ 270,568,012</u>	<u>\$ (55,932,625)</u>	<u>\$ 22,396,688</u>	<u>\$ (55,561,399)</u>
10.4%	11.2%	11.7%	12.3%	11.7%	10.4%

REVENUE CAPACITY

These schedules contain information to help the reader understand and assess the District's ability to generate own-source revenues.

REVENUE CAPACITY SCHEDULE 5

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Levy Year/ Collection Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	Agricultural Property	Natural Resources
2010/2011	\$ 1,165,020,123	\$ 369,028,959	\$ 17,284,040	\$ 43,495,190	\$ 549,090	\$ 9,880
2011/2012	1,146,833,573	363,974,574	17,197,190	36,316,440	462,540	9,880
2012/2013	1,161,229,372	361,190,712	17,377,320	32,756,710	435,330	9,880
2013/2014	1,178,393,358	377,471,168	15,268,340	35,759,280	463,510	9,880
2014/2015	1,194,583,604	367,039,632	15,580,650	31,487,390	459,100	9,880
2015/2016	1,408,185,162	405,637,590	23,257,190	44,509,010	599,790	9,880
2016/2017	1,434,937,543	407,167,480	22,823,790	38,051,010	511,500	9,880
2017/2018	1,722,063,604	476,237,820	22,138,390	53,304,270	440,810	9,910
2018/2019	1,755,716,481	500,061,430	22,860,650	51,350,080	424,600	11,000
2019/2020	2,097,284,105	639,297,760	51,995,130	57,319,650	393,040	11,840

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

REVENUE CAPACITY SCHEDULE 5 (CONT.)
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Oil and Gas		Public Utilities		Personal Property		Total Taxable Assessed Value	Mill Levy General Fund and Bond	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$	3,418,840	\$	13,041,800	\$	149,660,920	\$ 1,761,508,842	70.36	\$ 17,366,297,047	10.14%
	5,244,990		14,899,210		145,633,820	1,730,572,217	70.28	17,196,373,239	10.06%
	6,020,790		16,680,130		141,541,680	1,737,241,924	70.60	16,948,596,051	10.25%
	4,846,960		22,757,260		147,447,010	1,782,416,766	68.61	17,295,184,533	10.31%
	4,978,500		22,009,358		154,645,390	1,790,793,504	68.78	17,524,070,040	10.22%
	8,430,690		22,247,852		163,953,960	2,076,831,124	66.02	20,705,094,601	10.03%
	10,519,850		21,715,380		177,853,770	2,113,590,203	65.92	21,082,604,911	10.03%
	5,917,280		20,476,280		185,786,680	2,486,375,044	63.26	27,397,199,777	9.08%
	2,194,960		20,346,821		176,885,320	2,529,851,342	73.51	28,087,678,829	9.01%
	2,067,820		18,555,641		190,595,090	3,057,520,076	69.99	33,930,072,092	9.01%

REVENUE CAPACITY SCHEDULE 6

Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of Assessed Value)
Last Ten Fiscal/Calendar Years
(Unaudited)

Fiscal Year	School District Rates			Overlapping Rates	
	General Fund	Debt Service Fund	Total	Adams County	Broomfield County
2011	47.594	22.765	70.359	26.883	15.774
2012	47.511	22.765	70.276	26.806	15.261
2013	47.837	22.765	70.602	26.903	15.261
2014	46.940	21.665	68.605	26.815	15.261
2015	47.116	21.665	68.781	27.042	15.261
2016	44.352	21.665	66.017	26.817	15.261
2017	44.257	21.665	65.922	27.055	15.261
2018	41.594	21.665	63.259	26.929	15.261
2019	51.845	21.665	73.510	26.864	15.261
2020	48.319	21.665	69.984	26.917	15.261

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

REVENUE CAPACITY SCHEDULE 7
Principal Property Taxpayers
Most Current Calendar Year Available and Nine Years Ago
(Unaudited)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Public Service Company of Colorado dba Xcel Energy	\$ 54,919,780	1	1.80%	\$ 26,001,960	1	1.48%
Amazon.com Services Inc C/O Property Tax Dept	47,376,150	2	1.55%			
Vestar Orchard Town Center Inc	33,742,950	3	1.10%	14,889,960	4	0.85%
Denver Premium Outlets LLC	26,276,680	4	0.86%			
GC Net Lease Investors	19,335,090	5	0.63%			
Amazon.com Services Inc	17,354,160	6	0.57%			
Tri State Generation	14,590,460	7	0.48%	8,320,990	7	0.47%
Marketplace at Northglenn (10410-10450 Melody Lane LLC)	13,913,840	8	0.46%	10,120,060	5	0.57%
GKT Thorncreek Plaza LLC	12,525,710	9	0.41%			
Qwest Corp.	11,332,300	10	0.37%	22,380,600	2	1.27%
Avaya Inc (real property)				17,720,360	3	1.01%
SITE A LLC				8,782,460	6	0.50%
Google Inc				7,692,340	8	0.44%
Northview Inc.				7,493,270	9	0.43%
Target Corporation				6,416,380	10	0.36%
Total	<u>\$ 251,367,120</u>		<u>8.22%</u>	<u>\$ 129,818,380</u>		<u>7.37%</u>

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

Note: Total assessed valuation upon which 2019 tax collections are based is \$3,057,520,076

REVENUE CAPACITY SCHEDULE 8

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collected ⁽²⁾	Total Tax Collections	Percent of Total Tax Collections To Levy ⁽³⁾
2011	123,938,001	121,498,090	98.0%	267,009	121,765,099	98.2%
2012	121,617,694	118,576,640	97.5%	220,565	118,797,205	97.7%
2013	122,652,754	122,008,409	99.5%	272,986	122,281,395	99.7%
2014	122,282,702	121,943,285	99.7%	183,367	122,126,653	99.9%
2015	123,172,568	123,147,865	99.9%	185,885	123,333,750	100.1%
2016	137,106,160	135,396,623	98.8%	56,038	135,452,660	98.8%
2017	139,332,094	139,107,064	99.8%	145,235	139,252,298	99.9%
2018	157,285,599	156,377,039	99.4%	233,052	156,610,091	99.6%
2019	185,969,372	184,797,824	99.4%	90,520	184,888,344	99.4%
2020	213,977,485	209,877,121	98.1%	118,706	209,995,827	98.1%

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

Notes:

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

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

(3) Amounts showing greater than 100% collected include prior year delinquent taxes collected.

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.

DEBT CAPACITY SCHEDULE 9

Ratios of Outstanding Debt by Type Last Ten Fiscal Periods (Unaudited)

Fiscal Year ⁽¹⁾	Governmental Activities			Total Primary Government	Percentage of Debt to Assessed Value ⁽²⁾	Percentage of Debt to Personal Income ⁽³⁾	Net Debt Per Capita	Population ⁽⁴⁾
	General Obligation Bonds	Certificates of Participation	Capital Leases					
2011	367,281,774	35,382,774	1,461,485	404,126,033	22.94%	7.10%	1,926	209,792
2012	352,985,794	33,499,914	1,049,183	387,534,891	22.40%	6.68%	1,839	210,736
2013	331,866,199	31,552,054	792,645	364,210,898	20.96%	5.83%	1,608	226,448
2014	328,946,511	29,534,194	14,006,625	372,487,330	20.90%	5.80%	1,675	222,387
2015	315,616,943	54,621,679	9,951,329	380,189,951	21.23%	5.35%	1,692	224,741
2016	284,640,274	54,317,570	9,551,402	348,509,246	16.78%	4.74%	1,493	233,505
2017	569,700,159	26,126,320	6,583,703	602,410,182	28.50%	7.86%	2,582	233,342
2018	541,586,058	23,570,999	3,573,515	568,730,572	22.87%	7.03%	2,379	239,051
2019	588,370,519	20,790,754	520,229	609,681,502	24.10%	6.81%	2,446	249,243
2020	557,950,682	18,725,016	-	576,675,698	18.86%	6.77%	2,361	244,209

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

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

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

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

(4) U.S. Census Bureau, 2019 American Community Survey (Estimates)

DEBT CAPACITY SCHEDULE 10

Direct and Overlapping Governmental Activities Debt

As of June 30, 2019

(Unaudited)

	Debt Outstanding	Percentage Applicable to Adams 12 Five Star Schools	Estimated Amount Applicable to Adams 12 Five Star Schools	Percentage of General Obligation Debt to Actual Property Value ⁽¹⁾
<u>Direct Debt</u>				
Adams 12 Five Star Schools	\$ 576,675,698	100.00%	\$ 576,675,698	1.700%
<u>Overlapping Debt</u>				
Adams County Fire Protection District	1,508,612	5.87%	88,556	0.000%
Anthem West Metropolitan District	56,460,000	100.00%	56,460,000	0.166%
Aspen Reserve Metropolitan District	3,000,000	100.00%	3,000,000	0.009%
Bradburn Metropolitan District #2	9,790,000	100.00%	9,790,000	0.029%
Bradburn Metropolitan District #3	8,210,000	100.00%	8,210,000	0.024%
Bramming Farm Metropolitan District #1	5,420,000	100.00%	5,420,000	0.016%
Broadlands Metro District No. 2	11,821,406	100.00%	11,821,406	0.035%
Country Club Highlands Metro District	2,102,732	100.00%	2,102,732	0.006%
Country Club Village Metropolitan Dist.	2,380,000	100.00%	2,380,000	0.007%
Cundall Farms Metropolitan District	12,012,000	100.00%	12,012,000	0.035%
Fallbrook Metropolitan Dist.	4,876,049	100.00%	4,876,049	0.014%
HighPointe Park Metropolitan District	5,345,000	100.00%	5,345,000	0.016%
Huntington Trails Metropolitan Dist.	6,420,000	100.00%	6,420,000	0.019%
Hyland Hills Metro Park and Recreation District	3,625,000	39.33%	1,425,713	0.004%
Lambertson Farms Metropolitan Dist. 1, 2 & 3	33,085,000	100.00%	33,085,000	0.098%
Lambertson Lakes Metro	4,775,000	100.00%	4,775,000	0.014%
Larkridge Metropolitan District No. 1	11,960,000	99.92%	11,950,432	0.035%
Lewis Pointe Metropolitan District	11,548,000	100.00%	11,548,000	0.034%
McKay Landing Metropolitan Dist. No. 2	8,570,000	100.00%	8,570,000	0.025%
North Metro Fire Rescue District	13,720,000	22.02%	3,021,144	0.009%
PLA Metropolitan District	875,000	100.00%	875,000	0.003%
Red Leaf Metropolitan District No. 2	4,266,224	100.00%	4,266,224	0.013%
Spruce Meadows Metropolitan District	2,510,000	100.00%	2,510,000	0.007%
Villas at Eastlake Reservoir Metro. Dist.	2,500,000	100.00%	2,500,000	0.007%
Wildgrass Metropolitan District	10,000,000	89.43%	8,943,000	0.026%
Total Overlapping Debt	236,780,023		221,395,256	
Total Direct and Overlapping Debt	<u>\$ 813,455,721</u>		<u>\$ 798,070,954</u>	

Notes:

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

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

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

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

DEBT CAPACITY SCHEDULE 11

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ⁽¹⁾	Capital Leases	Certificates of Participation ⁽¹⁾	Total Outstanding Debt	Percentage of Personal Income ⁽²⁾	Population ⁽³⁾	Debt per Capita
Governmental Activities							
2010/2011	\$ 367,281,774	\$ 1,461,485	\$ 35,382,774	\$ 404,126,033	7.09%	207,093	\$ 1,951
2011/2012	352,985,794	1,049,183	33,499,914	387,534,891	6.68%	210,736	1,839
2012/2013	331,866,199	792,645	31,552,054	364,210,898	5.83%	226,448	1,608
2013/2014	328,946,511	14,006,625	29,534,194	372,487,330	5.80%	222,387	1,675
2014/2015	315,616,943	9,951,329	54,621,679	380,189,951	5.35%	224,741	1,692
2015/2016	284,640,274	9,551,402	54,317,570	348,509,246	4.74%	233,505	1,493
2016/2017	569,700,159	6,583,703	26,126,320	602,410,182	7.86%	233,342	2,582
2017/2018	541,586,058	3,573,515	23,570,999	568,730,572	7.03%	239,051	2,379
2018/2019	588,370,519	520,229	20,790,754	609,681,502	6.81%	249,243	2,446
2019/2020	557,950,682	-	18,725,016	576,675,698	6.77%	244,209	2,361

Notes:

- (1) Presented net of original issuance discounts and premiums
- (2) Personal income is disclosed on Schedule 14 - Demographic & Economic Statistics
- (3) U.S. Census Bureau ACS 2019 1-Year Survey (Estimates)

DEBT CAPACITY SCHEDULE 12

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended 30-Jun	General Obligation Bonds ⁽¹⁾	Less: Amounts Available in Debt Service Fund ⁽²⁾	Total	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2011	\$ 367,281,774	\$ 37,500,858	\$ 329,780,916	1.90%	\$ 1,592
2012	352,985,794	39,400,485	313,585,309	1.82%	1,488
2013	331,866,199	39,803,375	292,062,824	1.72%	1,290
2014	328,946,511	46,639,747	282,306,764	1.63%	1,269
2015	315,616,943	53,111,796	262,505,147	1.50%	1,168
2016	284,640,274	58,654,446	225,985,828	1.09%	968
2017	569,700,159	58,855,679	510,844,480	2.42%	2,189
2018	541,586,058	66,411,355	475,174,703	1.73%	1,988
2019	588,370,519	73,611,261	514,759,258	1.83%	2,065
2020	557,950,682	90,302,546	467,648,136	1.38%	1,915

Notes:

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

DEBT CAPACITY SCHEDULE 13

Legal Debt Margin Information

June 30, 2019

Fiscal Year	Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Estimated Actual Value	Estimated Actual Taxable Value
2015/2016	\$ 2,076,831,124	10.03%	\$ 20,705,094,601
2016/2017	2,113,590,203	10.03%	21,082,604,911
2017/2018	2,486,375,044	9.08%	27,397,199,777
2018/2019	2,529,851,342	9.01%	28,087,678,829
2019/2020	3,057,520,076	9.01%	33,930,072,092
Total Five Year Valuation			\$ 131,202,650,210
Five Year Average Full Valuation of Taxable Real Property			\$ 26,240,530,042.00
Constitutional Debt Limit (6%)			\$ 1,574,431,803
Outstanding General Obligation Indebtness as of June 30, 2020			
Governmental Activities - General Obligation Debt			557,950,682
Net Indebtness subject to debt limit			557,950,682
Net debt contracting margin			\$ 1,016,481,121
Percentage of net debt contracting margin available			64.56%
Percentage of net debt contracting power exhausted			35.44%

Last Ten Fiscal years

Year	Constitutional Debt Limit ⁽¹⁾	Outstanding Indebtness June 30	Percentage of Net Debt Contracting Margin Available
2010/2011	\$ 371,711,605	\$ 367,281,774	1.19%
2011/2012	366,650,019	352,985,794	3.73%
2012/2013	367,771,159	331,866,199	9.76%
2013/2014	377,727,170	328,946,511	12.91%
2014/2015	381,274,680	315,616,943	17.22%
2015/2016	445,076,446	284,640,274	36.05%
2016/2017	1,122,666,602	569,700,159	49.25%
2017/2018	1,248,049,846	541,586,058	56.61%
2018/2019	1,504,323,083	588,370,519	60.89%
2019/2020	1,574,431,803	557,950,682	64.56%

Note:

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

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.

DEMOGRAPHIC AND ECONOMIC INFORMATION SCHEDULE 14

Demographic and Economic Statistics
Last Ten Fiscal/Calendar Years
(Unaudited)

<u>Fiscal/ Calendar Year</u>	<u>Population ⁽¹⁾</u>	<u>Median Age ⁽¹⁾</u>	<u>Head Count ⁽²⁾</u>	<u>Personal Income ⁽³⁾</u>	<u>Per Capita Income ⁽³⁾</u>	<u>Unemployment Rate ⁽⁴⁾</u>
2010/2011	207,093	33.9	43,903	5,695,471,686	27,502	9.7%
2011/2012	210,736	33.7	43,946	5,801,351,344	27,529	11.1%
2012/2013	226,448	33.8	45,362	6,246,568,080	27,585	8.9%
2013/2014	222,387	33.3	44,354	6,425,205,204	28,892	7.4%
2014/2015	224,741	35.7	42,668	7,110,805,240	31,640	4.4%
2015/2016	233,505	35.1	43,205	7,360,077,600	31,520	4.2%
2016/2017	233,342	34.4	43,626	7,667,618,120	32,860	3.5%
2017/2018	239,051	34.4	43,689	8,086,378,177	33,827	3.0%
2018/2019	249,243	34.1	44,094	8,955,051,747	35,929	3.4%
2019/2020	244,209	34.9	43,494	8,512,148,904	34,856	2.9%

Notes:

(1) U.S. Census Bureau American Community Survey 1-Year Estimates (Total Population)

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

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

(4) U.S. Bureau of Labor Statistics (Local Area Unemployment)

DEMOGRAPHIC AND ECONOMIC INFORMATION SCHEDULE 15

Principal Employers Current Year and Ten Years Ago

Employer	Product/Service	2019			2010		
		Employees	Rank	Percent of Total District Employment	Employees	Rank	Percent of Total District Employment
Amazon	Retail Distribution	2300	1	1.80%			
Waterworld ⁽¹⁾	Amusement Park	1672	2	1.31%			
Maxar (formerly Digital Globe)	Satellite Imaging	1071	3	0.84%			
Centura Health/St. Anthony North	Hospital	1015	4	0.79%	780	4	0.69%
Health One: North Suburban Medical Center	Medical and Rehabilitation Clinic	850	5	0.66%	640	6	0.57%
Wal-Mart / Sam's Club (3 locations)	Retail	737	6	0.58%	800	3	0.71%
Alliance Data Systems	Credit Card Processing	677	7	0.53%	422	9	0.37%
Tri State Generation	Electric Utilities Generation	541	8	0.42%	400	10	0.36%
Mtech Mechanical Technologies	Mechanical Contractor	535	9	0.42%			
King Soopers (3 Locations)	Grocery Retailer	503	10	0.39%	444	8	0.39%
Avaya, Inc.	Telecommunications Research and Development				1,000	1	0.89%
DISH Network/EchoStar Communications	Satellite Television Service Provider				970	2	0.86%
T-Mobile	Call Center				650	5	0.58%
American Furniture Warehouse	Furniture Retailer				506	7	0.45%
		9,901		7.74%	6,612		5.87%

Sources:

Adams & Broomfield County Economic Development (Employer Data)
State of Colorado, Division of Labor and Employment, Labor Market information
City of Thornton, Westminster, Federal Heights & Northglenn
Management of individual entities

Note:

(1) Seasonal Employer

State/local government agencies not included.

OPERATING INFORMATION

These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs

OPERATING INFORMATION SCHEDULE 16

Full-time Equivalent District Employees by Category Last Ten Fiscal Years

Employee Category	As of June 30, 2011	As of June 30, 2012	As of June 30, 2013	As of June 30, 2014
Educational Services				
Executive Directors	4.0	4.0	3.0	3.0
Directors	7.0	7.0	6.0	5.0
Principals	47.0	47.0	47.0	50.0
Assistant Principals	53.5	42.5	42.5	43.5
Dean of Students	11.0	11.0	12.0	12.1
Teachers	1932.3	1883.7	1862.3	1927.8
Counselors	45.6	48.9	48.9	53.0
Library Media Specialists	40.0	24.7	19.5	21.0
Social Workers	15.1	14.8	14.5	14.6
Secretaries/Bookkeepers/Office Clerks	174.6	168.4	173.1	181.2
Campus Supervisors	17.0	17.0	18.0	23.0
Physical/Occupational/Speech Therapists	63.7	65.4	65.9	67.6
Psychologists	28.0	32.0	35.6	35.6
Nurses	8.7	9.7	9.7	11.7
ParaEducator Classified	387.7	447.8	471.8	503.4
Childcare ParaEducators Classified	131.2	91.7	95.5	106.3
Coordinators	10.9	20.4	13.8	14.8
Other ⁽²⁾	11.3	13.0	20.1	26.4
Substitute Teachers ⁽³⁾⁽⁴⁾	676.0	594.0	577.0	572.0
Classified Substitutes ⁽³⁾	182.0	140.0	174.0	181.0
Total Educational Services	3846.6	3683.1	3710.2	3853.0
Support Services				
Executive Directors	3.0	1.0	1.0	3.0
Directors	8.0	11.5	14.5	15.0
Supervisors	4.0	5.0	5.0	3.0
Managers	18.5	27.0	25.0	32.5
Information Systems - Administrative	19.5	24.0	23.3	28.3
Technicians/Specialists Classified	78.9	82.9	88.7	87.7
Professional/Technical	41.5	32.1	34.8	34.0
Secretaries	25.2	25.9	18.6	14.9
Custodians	179.7	181.2	186.2	179.0
Crafts/Trades/Services	99.7	69.7	77.9	72.9
Food Service Managers	17.9	24.8	23.7	22.9
Food Service Classified	96.3	109.6	108.7	114.5
Bus Drivers	72.4	62.5	78.6	83.0
Other ⁽²⁾	25.1	9.7	12.9	22.0
Custodial Substitutes ⁽³⁾	30.0	19.0	22.0	28.0
Total Support Services	719.7	685.8	720.7	740.6
Districtwide Leadership				
Superintendent	1.0	1.0	1.0	1.0
Assistant Superintendent	0.0	0.0	0.0	0.0
Chief Operations Officer	1.0	1.0	1.0	1.0
Chief Academic Officer	1.0	1.0	1.0	1.0
Chief Human Resource Officer	1.0	1.0	1.0	1.0
Chief Communication Officer	1.0	0.0	0.0	0.0
Chief Financial Officer	1.0	1.0	1.0	1.0
Chief Information Officer	1.0	1.0	1.0	1.0
General Counsel	1.0	1.0	1.0	1.0
Total Districtwide	8.0	7.0	7.0	7.0
Charter School Employees	326.4	474.1	498.3	484.8
Grand Total	4900.7	4849.9	4936.2	5085.4

Source: District HR Department Staffing Reports

Notes:

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

OPERATING INFORMATION SCHEDULE 16 (CONT.)

Full-time Equivalent District Employees by Category
Last Ten Fiscal Years

As of June 30, 2015	As of June 30, 2016	As of June 30, 2017	As of June 30, 2018	As of June 30, 2019	As of June 30, 2020 ⁽¹⁾
3.0	4.0	3.0	4.0	4.0	6.0
5.0	10.0	8.4	8.0	11.0	12.0
49.1	49.1	49.0	49.0	49.0	52.0
44.6	51.0	51.5	53.0	61.0	62.0
12.1	16.4	15.5	16.1	21.0	21.0
2023.8	2008.3	1963.0	1942.4	1970.9	2156.3
59.6	65.1	64.6	67.5	71.6	73.0
19.0	18.5	17.0	16.0	14.5	13.5
17.3	20.2	25.9	28.9	36.0	35.3
181.0	166.0	165.1	164.5	162.8	169.1
22.5	22.3	23.8	25.3	37.5	42.5
71.0	85.3	82.9	94.8	102.1	110.4
38.4	41.9	35.6	34.7	40.0	41.2
13.7	16.4	16.5	18.1	20.4	20.1
502.3	603.2	565.9	571.3	580.5	579.0
107.9	108.3	173.1	139.3	133.5	106.5
19.9	38.9	33.8	44.1	47.6	47.1
27.3	13.5	15.5	9.9	10.4	9.0
658.0	557.0	616.0	623.0	681.0	555.0
199.0	136.0	140.0	161.0	164.0	183.0
4074.5	4031.4	4065.9	4070.7	4218.6	4293.9
3.0	2.0	1.0	0.0	0.0	0.0
17.0	11.0	11.0	11.0	9.0	11.0
5.0	5.0	5.0	6.0	6.0	6.0
31.5	30.5	25.5	30.0	30.0	34.0
36.8	34.8	35.5	35.3	35.3	37.1
73.7	77.8	64.5	66.7	68.7	65.5
58.8	72.1	70.3	69.9	73.1	70.5
12.9	12.1	16.3	10.9	10.9	14.0
181.2	169.7	168.3	170.7	169.0	173.2
78.0	79.0	89.0	95.0	95.8	89.8
26.3	30.0	26.6	30.0	36.4	39.0
112.1	104.7	95.6	83.6	79.1	90.2
81.4	95.1	109.8	104.7	109.1	93.5
16.0	19.4	27.7	16.5	17.7	17.3
8.0	14.0	15.0	16.0	11.0	9.0
741.6	757.2	761.0	746.3	750.9	749.9
1.0	1.0	1.0	1.0	1.0	1.0
0.0	0.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
0.0	0.0	0.0	0.0	0.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
7.0	7.0	8.0	8.0	8.0	9.0
259.7	331.4	282.0	303.1	286.9	310.9
5082.8	5127.0	5117.0	5128.1	5264.4	5363.7

OPERATING INFORMATION SCHEDULE 17

Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Expenses ⁽¹⁾	District 12 Head Count ⁽²⁾	Cost per Pupil	Teaching Staff ⁽³⁾	Pupil Teacher Ratio	High School Graduates ⁽⁴⁾
2011	389,571,463	41,957	9,285	1,932	21.71	1,952
2012	390,977,340	42,990	9,095	1,884	22.82	2,061
2013	387,609,753	43,272	8,958	1,862	23.24	2,192
2014	390,772,944	42,230	9,253	1,928	21.91	2,185
2015	402,456,919	38,701	10,399	2,024	19.12	2,047
2016	425,625,145	39,287	10,834	2,008	19.56	2,116
2017	654,420,287	38,818	16,859	1,963	19.77	2,261
2018	678,429,381	38,870	17,454	1,942	20.02	2,317
2019	358,032,507	39,282	9,114	1,971	19.93	2,438
2020	369,754,143	38,707	9,553	2,156	17.95	2,761

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

Notes:

- (1) Expenses from Government-Wide Statement of Activities
- (2) Based on one-day pupil count in October of District schools and 4 District Charter Schools: Stargate Charter, Westgate Community Charter, Prospect Ridge Academy, and New America School-Thornton (Pinnacle, The Academy, and Global Village Academy Charter are not included as the District incurs no expenses on their behalf)
- (3) Employee counts based on Full-Time Equivalent (FTE)
- (4) High School Graduate data for 2019-20 is a CDE estimate as final data was not available

OPERATING INFORMATION SCHEDULE 18

School Building Information Last Ten Fiscal Years (Unaudited)

	2011	2012	2013	2014
30 Elementary Schools				
Total square feet	1,744,767	1,751,009	1,639,977	1,678,322
Total program capacity	17,105	16,727	15,150	15,634
Enrollment	17,218	16,696	14,375	15,688
4 K-8 Schools ⁽¹⁾				
Total square feet	-	-	342,778	301,440
Total program capacity	-	-	2,360	1,929
Enrollment	-	-	2,402	1,955
7 Middle Schools				
Total square feet	1,018,104	1,014,315	907,720	907,720
Total program capacity	9,355	9,355	7,390	8,377
Enrollment	7,737	7,800	6,810	7,019
5 High Schools & 1 Vocational School				
Total square feet	1,391,222	1,393,890	1,393,890	1,393,890
Total program capacity	9,940	9,885	9,885	10,274
Enrollment	9,299	9,387	9,446	9,661
2 Alternative Schools				
Total square feet	81,416	81,416	100,751	100,751
Total program capacity	530	585	635	310
Enrollment	505	509	568	659
4 Charter Schools ⁽²⁾				
Enrollment	7,198	8,598	8,886	7,248
District wide Facilities				
Total square feet	604,333	610,850	625,004	625,004

Source: District Business Services Department

OPERATING INFORMATION SCHEDULE 18 (CONT.)

School Building Information
Last Ten Fiscal Years
(Unaudited)

2015	2016	2017	2018	2019	2020
1,678,322	1,678,914	1,693,335	1,693,335	1,705,218	1,708,453
15,690	15,570	15,090	14,802	14,610	13,506
15,980	15,942	15,805	15,590	15,170	14,344
301,440	301,440	301,440	301,440	414,383	441,435
1,904	1,979	2,251	1,856	2,892	2,826
1,938	2,007	2,058	2,000	2,567	2,933
907,720	916,365	916,365	916,365	916,365	916,365
8,275	8,173	8,125	8,350	8,410	8,410
7,311	7,398	7,281	7,255	7,004	6,943
1,404,285	1,404,293	1,404,293	1,404,293	1,389,957	1,388,461
10,572	10,572	10,572	10,627	10,572	10,572
9,840	9,893	10,030	10,122	10,185	10,068
100,751	100,751	100,751	100,751	100,751	100,751
310	650	700	700	700	700
641	630	744	715	740	746
2,991	3,417	2,900	3,188	3,616	3,673
625,004	625,004	610,582	610,582	610,582	610,582



Artist: Morgan Beltzer
School: Westlake Middle School

Artist: Lauren Hanke
School: Mountain View
Elementary School



Dine Tribute
Artist: Arianna Heichelbech
School: Rocky Top Middle School

SINGLE AUDIT

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 21, 2021. Our report includes a reference to other auditors who audited the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters as those financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Broomfield, Colorado
January 21, 2021



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

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

Report on Compliance for Each Major Federal Program

We have audited Adams 12 Five Star Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Adams 12 Five Star Schools' major federal programs for the year ended June 30, 2020. Adams 12 Five Star Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Adams 12 Five Star Schools' basic financial statements include the operations of the discretely presented component units, Stargate Charter School, Westgate Charter School, Prospect Ridge Academy, and New America School – Thornton, which received \$329,416 in federal awards, which is not included in Adams 12 Five Star Schools' schedule of expenditures of federal awards during the year ended June 30, 2020. Our audit, described below, did not include the operations of the discretely presented component units, Stargate Charter School, Westgate Charter School, Prospect Ridge Academy, and New America School – Thornton, because other auditors were engaged to perform audits of these discretely presented component units.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Adams 12 Five Star Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
January 21, 2021

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Grantor / Pass-Thru Grantor / Program or Cluster Title	CFDA Number	Pass-through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through Colorado Department of Education			
Special Education Cluster			
Special Education	84.027	4027	\$ 6,417,569
Special Education - Preschool	84.173	4173	134,684
Subtotal Special Education Cluster			6,552,253
Special Education - Grants for Infants and Families with Disabilities	84.181A	5181	26,049
		4010 / 5010 /	
Title I - Improving the Academic Achievement of the Disadvantaged	84.010	92xx	4,746,234
Title IX - Education for Homeless Children and Youth	84.196	5196	49,165
21st Century Community Learning Centers	84.287	5287	711,176
Title III - English Language Acquisition	84.365	4365 / 7365	469,102
Title II - Supporting Effective Instruction	84.367	4367	832,138
Title IV - Student Support and Academic Enrichment	84.424	4424	263,373
Passed through Colorado Community College System			
Career and Technical Education	84.048	4048	231,425
Subtotal Passed-Through Programs			13,880,915
Direct Federal Programs			
Title VI - Indian Education	84.060	4060	36,455
Subtotal Direct Programs			36,455
TOTAL U.S. DEPARTMENT OF EDUCATION			13,917,370
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster			
Passed through Colorado Department of Human Services			
Donated Commodities	10.555	4555	860,741
Passed through Colorado Department of Education			
School Breakfast Program	10.553	4553	899,099
National School Lunch Program	10.555	4555	4,197,276
COVID-19-National School Lunch Program	10.555	4555	1,981,555
Summer Food Service Program for Children	10.559	4559	15,857
Subtotal Child Nutrition Cluster			7,954,528
Fresh Fruit and Vegetable Program	10.582	4582	63,616
TOTAL U.S. DEPARTMENT OF AGRICULTURE			8,018,144
U.S. DEPARTMENT OF THE TREASURY			
Passed through Colorado Department of Education			
Coronavirus Relief Fund	21.019	4012	14,566,309
Passed through Adams County			
Coronavirus Relief Fund	21.019	4012	622,782
TOTAL U.S. DEPARTMENT OF THE TREASURY			15,189,091
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 37,124,605

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020***NOTE 1 – GENERAL***

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Adams 12 Five Star Schools (the District). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

NOTE 2 – BASIS OF ACCOUNTING

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

NOTE 3 – NONCASH PROGRAMS

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of \$860,741 are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue and expenses when received and are reported as part of the National School Lunch Program (CFDA 10.555).

NOTE 4 - INDIRECT COST RATE

The District's negotiated restricted indirect cost rate for FY 2019-2020 is 6.70%, as provided by the Colorado Department of Education. The District has chosen to use the lesser indirect rate of 5.99% for all allowable grants, unless otherwise specified by the prevailing grant terms. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 5 - SUBRECIPIENTS

The District provided no federal awards to subrecipients.

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

CFDA Number(s)

84.010

21.019

Name of Federal Program or Cluster

Title I, Improving the Academic Achievement of the Disadvantaged

Coronavirus Relief Fund

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

\$1,113,738

Auditee qualified as low-risk auditee?

 x yes _____ no

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

**ADAMS 12 FIVE STAR SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

Adams 12 Five Star Schools respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2020.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

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

