

# Arapahoe County School District Number Six



## *Comprehensive Annual Financial Report*

*For the Fiscal Year Ended  
June 30, 2020*



5776 South Crocker Street  
Littleton, Colorado 80120  
[www.littletonpublicschools.net](http://www.littletonpublicschools.net)



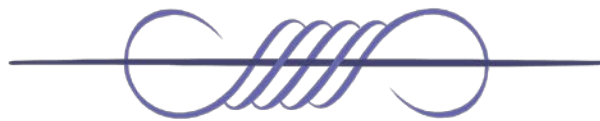
SCHOOLS REPRESENTED ON THE COVER—*From top to bottom and left to right:* #1 Littleton Preparatory Charter School; #2 Field Elementary School; #3 Centennial Elementary School; #4 Sandburg Elementary School; #5 Lenski Elementary School; #6 Wilder Elementary School; #7 East Elementary School; #8 The Village Preschool; #9 Twain Elementary School; #10 Highland Elementary School; #11 Littleton Preparatory Charter School; #12 Littleton High School; #13 Goddard Middle School; #14 Hopkins Elementary School; #15 Heritage High School; #16 Powell Middle School; #17 Moody Elementary School; #18 Franklin Elementary School; #19 Goddard Middle School; #20 Heritage High School; #21 Highland Elementary School; #22 Wilder Elementary School; #23 Peabody Elementary School; #24 Franklin Elementary School; and #25 Runyon Elementary School.

ARAPAHOE COUNTY  
SCHOOL DISTRICT  
NUMBER SIX

Littleton, Colorado

Comprehensive Annual  
Financial Report

For the Fiscal Year  
Ended June 30, 2020



Prepared by Financial Services

Donna Villamor  
Chief Financial Officer

Jonathan Levesque  
Director of Finance



**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2020**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal.....	1
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	7
Principal Officials.....	8
Organizational Chart.....	9

**FINANCIAL SECTION**

Independent Auditors’ Report .....	10
Management’s Discussion and Analysis .....	12
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	23
Statement of Activities .....	24
Fund Financial Statements:	
Balance Sheet—Governmental Funds .....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Notes to Basic Financial Statements .....	28
Required Supplementary Information:	
General Fund—Budgetary Comparison Schedule .....	59
Risk Management Fund—Budgetary Comparison Schedule .....	60
Notes to Required Supplementary Information.....	61
Schedules of Required Supplementary Information.....	62
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds.....	64
Combining Balance Sheet—Nonmajor Governmental Funds .....	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds.....	67

Budgetary Comparison Schedules:	
Designated Purpose Grants Fund .....	69
Nutrition Services Fund .....	70
Extended Day Care Program Fund .....	71
Student Athletic, Activities and Clubs Fund.....	72
Capital Projects Fund .....	73
Capital Projects— Building Fund.....	74
Debt Service Fund .....	75
Combining Statement of Net Position—Component Units .....	76
Combining Statement of Activities—Component Units .....	77

**STATISTICAL SECTION**

Statistical Section.....	78
Net Position by Component .....	79
Expenses, Program Revenues, and Net (Expense)/Revenue.....	81
General Revenues and Total Change in Net Position .....	83
Governmental Funds, Fund Balances .....	85
Governmental Funds, Revenues, Expenditures, and Debt Service Ratio .....	86
Assessed Value and Estimated Actual Value of Taxable Property .....	87
Direct and Overlapping Property Tax Rates .....	89
Principal Property Taxpayers .....	90
Property Tax Levies and Collections .....	91
Ratios of Outstanding Debt by Type.....	92
Ratios of General Bonded Debt Outstanding.....	93
Direct and Overlapping Governmental Activities Debt .....	94
Legal Debt Margin Information.....	95
Demographic and Economic Statistics .....	96
Principal Employers .....	97
Full-Time Equivalent District General Fund Employees by Type.....	98
Operating Statistics.....	99
Schedule of Insurance .....	100
Facilities Statistics .....	101

**COMPLIANCE SECTION**

Auditors’ Integrity Report.....	102
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# INTRODUCTORY SECTION





November 23, 2020

Board of Education and Citizens  
Arapahoe County School District Number Six  
Littleton, Colorado

The Comprehensive Annual Financial Report (CAFR) of the Arapahoe County School District Number Six (the district) as of June 30, 2020, and for the fiscal year then ended, is hereby submitted. Colorado state law requires that each local government undergo an annual audit of the financial statements by independent certified public accountants in accordance with generally accepted auditing standards. This report fulfills that requirement.

Responsibility for the accuracy, completeness, and fairness of the information presented in this report rests with the management of the district based upon a comprehensive framework of internal control that it has established for this purpose. 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 are accurate in all material respects and reported in a manner to fairly present the financial position and results of operations of the district's funds. As the cost of internal controls should not outweigh the benefits, the outcome is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

The CAFR is presented in conformity with Statement No. 34 of the Governmental Accounting Standards Board (GASB), titled *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments (as amended)*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities into a single total column for government-wide activities. GASB 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, and should be read in conjunction with, the MD&A.

This is the sixth year the CAFR is required to conform to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (as amended)*, which establishes financial reporting requirements for most governments that provide pension benefits through a multiple-employer, cost-sharing defined benefit pension plan. Statement No. 68 requires the district to record a proportionate share of the unfunded pension liability of Public Employee's Retirement Association of Colorado (PERA).

This is the third year the CAFR is required to conform to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). Statement No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by PERA to record their proportionate share of the HCTF's net OPEB liability.

For GASB Statements No. 68 and No. 75, the district has no legal obligation to fund any shortfall, nor does it have any liability to affect funding, benefits, or annual required contribution decisions made by PERA.

Beginning July 2018, Colorado Revised Statutes (C.R.S. 24-51-413) specifies that the state is required to contribute \$225 million each year to PERA, the pension plan that covers all district employees. A portion of the direct distribution payment is allocated to the district based on the district's proportionate amount of annual payroll to the total payroll of all PERA divisions. This portion is considered a non-employer contribution for financial reporting purposes. PERA's goal is to eliminate its unfunded actuarial accrued liability and reach a 100 percent funded ratio within the next 30 years.

### **Profile of the District**

Arapahoe County School District Number Six, commonly referred to as Littleton Public Schools (LPS), is a political subdivision of the State of Colorado and a corporate body duly organized in 1889 for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The district provides a full range of educational programs and services, including Pre-K–12 instruction, special education and special education preschool, vocational education, and numerous other programs. The number of students enrolled in fiscal year 2019–2020 was 14,691.

The district encompasses approximately 28 square miles in western Arapahoe County in the southern portion of the Denver metropolitan area. The district's boundaries include the town of Columbine Valley, the majority of the city of Littleton, and portions of the municipalities of Bow Mar, Centennial, Englewood, and Greenwood Village.

The district is governed by a five-member Board of Education (the Board), whose members are elected by the qualified electors within the district's boundaries. General duties the Board is empowered to perform include employing all personnel necessary to maintain the operations and carry out the educational programs of the district and paying their compensation, fixing attendance boundaries, establishing annual budgets, determining the educational programs to be offered in the schools of the district, prescribing the textbooks of any course of instruction or study in such educational programs, and levying a property tax on both real and personal properties located within the district's boundaries.

The district includes two charter schools as component units. The charter schools are public schools, authorized by state statutes, and under the supervision of the Board provide alternatives in education for pupils, parents, and teachers. Each charter school has a separate governing board, but they are fiscally dependent on the district for the majority of their funding. The component units are discretely presented in the CAFR and have separate, audited financial statements.

### **Factors Affecting Financial Condition**

**State funding.** The state has not fully funded the Colorado Public School Finance Act of 1994 (SFA) based on the full requirement of the state constitution's Amendment 23 since the national fiscal crisis in 2008. The SFA for fiscal year 2019–2020 included a 7.02 percent reduction (known as the negative factor or budget stabilization factor) or a \$572.4 million statewide K–12 funding reduction. The district's program revenue negative factor reduction for the 2019–2020 school year was decreased by \$1.8 million from the previous year to \$9.2 million. Since March 2020, Colorado's economy has suffered as a result of the COVID-19. For 2020–2021, the state funded inflation of 1.9 percent and set the negative factor to 14.0 percent. The negative factor results in an additional \$9.3 million annual loss of district program revenue for a total loss of funding in the amount of \$18.5 million revenue when compared to the state fully funding the program revenue. The negative factor was originally adopted in 2008 by the state's General Assembly to reduce the overall statewide contribution to K–12 education since local funding of the SFA is primarily fixed. The negative factor was adopted as a mechanism to enable the General Assembly to balance the state's budget.

Beginning in fiscal year 2019–2020, House Bill (HB) 19-1262 provided funding through the school finance formula for full-day kindergarten educational programs. A student enrolled in a full-day kindergarten program is funded at the same amount as students enrolled full-time in other grades. A school district, including its charter schools, that provides full-day kindergarten cannot charge tuition fees for attending kindergarten.

The district incorporated budget balancing strategies in 2020–2021 to help offset the state’s funding cuts with Board-approved budget reductions of \$4.2 million. Due to the large state funding cut for fiscal year 2020–2021, along with unbudgeted COVID-19 costs, in August 2020, the Board approved placement of a Debt-Free Schools Mill Levy Override question on the November 2020 ballot. The question asked voters to approve a tax increase of \$12 million, or no more than 6 mills, for collection starting in 2021. One additional mill can be approved by the Board each year, not to exceed 11 mills in total. The community approved this ballot question on November 3, 2020. This allows the district to cover ongoing building maintenance, capital improvements, and technology expenditures, therefore freeing up dollars in the district’s General Fund to be available for purposes such as continuing to attract and retain quality teachers, maintaining school counselors and mental health support, and providing career, technical, and skilled trade programming.

**State and local economy.** The state’s economic picture is important to the district because a major source of funding for the district’s General Fund is received through the SFA established by the state legislature. Due to the negative effects of COVID-19 on Colorado’s economy, the state had a budget shortfall of \$3.3 billion this spring, causing a huge budgetary hit to public education. Although the district received \$6.6 million in one-time federal funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), it does not cover the large state funding reduction.

Colorado’s economic activity remains far below normal levels despite significant improvement since April 2020. The unemployment rate rose from 2.5 percent in February to 12.2 percent in April before falling to 6.7 percent by August. Colorado’s economy continues to perform better than the national average as the state has a high percentage of the workforce that can work remotely and as virus caseloads remained comparatively low through the summer and into the start of the school year. The economy is highly dependent upon the course of the COVID-19 pandemic and intermittent periods of rising caseloads until a vaccine is developed and made widely available.

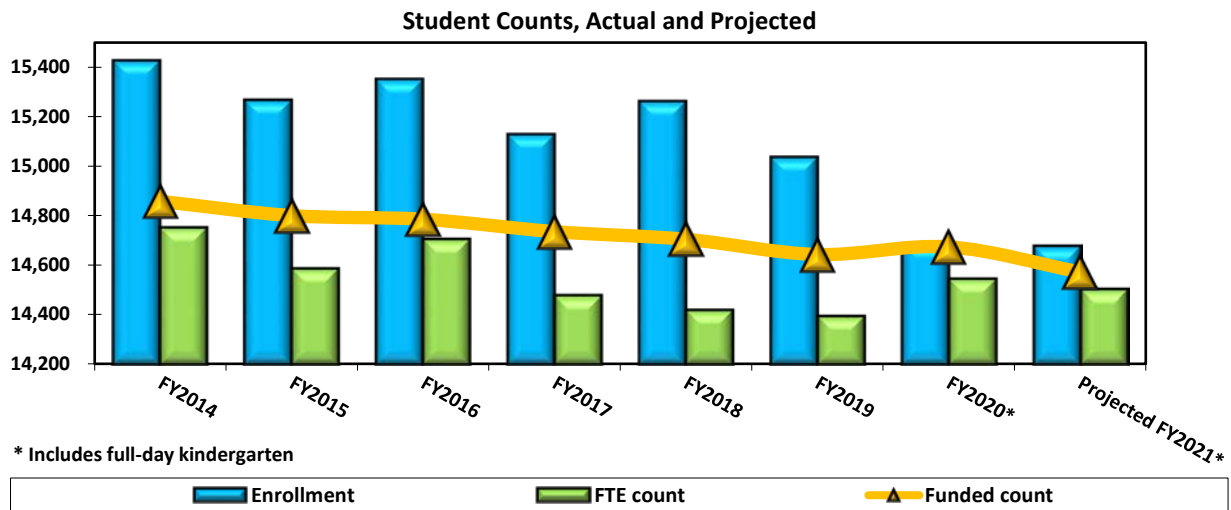
The Denver metro area has the largest share of the state’s population and workforce. The impacts of the COVID-19 pandemic and related recession have impacted the region’s labor market, with only a small number of the jobs lost in March and April being regained in subsequent months. In response to the downturn in tourism, business travel, requirements for physical distancing, and shifts in consumer activity, many businesses have reduced their workforces or shuttered their doors. In spite of the downturn, residential real estate and construction markets remain hot in the Denver metro area; however, nonresidential construction activity continues to cool from 2016 highs. Additionally, the Denver metro area is home to a large concentration of oil and gas firms, many of which have reduced their workforces in the low energy price environment.

Home price appreciation continues to lessen in the Denver metro region along with other regions of the state following several years of double-digit gains. COVID-19-related restrictions and uncertainty limited the number of homes put on the market; however, home prices are expected to remain elevated as demand for housing in the area continues to exceed limited supply. According to data from the Denver Metro Association of Realtors, August 2020 posted the most home sales of any August on record in spite

of the lowest inventory of any August on record. The average single family home price in the area reached a record \$606,330 in August, a 5.6 percent increase year-to-date over 2019 prices.

The State Education Fund (SEF) continues to support a large share of education funding. Revenue to the State Education Fund from income taxes fell by 6.7 percent in 2019–2020, but is expected to increase 8.2 percent in 2020–2021, and decrease 3.9 percent in FY 2021–2022. The Colorado Constitution required the SEF to receive one-third of one percent of taxable income. The State Education Fund’s year-end balance was \$143.3 million in FY 2019–2020 and is projected to increase to \$378.1 million in 2020–2021.

**Enrollment and demographics.** In fiscal year 2019–2020, the district’s enrollment decreased by 348 students to 14,691 students. Preliminary membership counts for the 2020–2021 school year indicate that enrollment will decrease over 730 due to COVID-19. The district has seen a lower number of preschoolers, a higher number of students being homeschooled, and families moving out of state. This lower enrollment equates to a loss of revenue of approximately \$1.0 million. The district is not the only school district with lower-than-projected students. The metro area enrollment is down approximately 10,000 students. It is uncertain at this time if those students will return next school year. The student full-time equivalent (FTE) count is less than enrollment mostly due to part-time students. The actual SFA funded count allows for the current year FTE count to be averaged with up to four previous years’ counts. Declining enrollment, along with the per-pupil revenue cuts (negative factor) incorporated in the state’s SFA, continues to challenge the district to provide services and keep a balanced budget while maintaining necessary reserves for long-term fiscal stability.



### Major Initiatives

In 2018–2019, the LPS Long-Range Planning Committee (LRPC), representing a cross-section of the community, continued discussions on instructional programs and facility needs. Based on the LRPC’s recommendation, the Board of Education placed a \$298.9 million bond measure on the November 2018 ballot. Voters approved the bond measure, sending a strong endorsement of the district’s commitment to providing the resources needed for students to succeed. Major projects in 2019–2020 included construction costs for the new Newton Middle School and the new elementary school on the Ames campus (recently named Dr. Justina Ford Elementary School), new turf fields at the middle and high schools, and the remodeling design for the Highland Early Childhood Education Center. Projects for the 2020–2021 fiscal year include design and construction for a new elementary school on the Franklin

campus, the purchase of property for the new career and technical education and innovation center, and various projects throughout the district.

Additionally, since the fall of 2018, LRPC studied potential changes to the district's enrollment boundaries, which was part of their original charge from the Board of Education in 2017. The LRPC considered many different scenarios at each level: elementary, middle, and high. The committee solicited feedback from the community and the Board of Education multiple times, and in August 2020, the Board approved new school boundaries, which will be effective for the 2021–2022 school year.

### **Long-Term Financial Planning**

The district's long-range financial projections are regularly updated for review and consideration by the Board. These include forecasts of student enrollment, upon which school funding is computed. Without additional K–12 funding, the district's current financial forecast indicates that budgetary efficiencies may need to be sought and considered by the Board in 2021–2022. With the passage of the debt-free schools mill levy override, an implementation plan will be developed in alignment with the Board's strategic plan during calendar year 2021. This plan will then be incorporated into the district's long-range financial forecasting and planning model.

### **Strategic Plan**

The superintendent and staff work closely with the Board to ensure that the Board's vision and strategic plan is fulfilled. In November 2014, the Board approved revisions to the strategic plan to better guide the work of the district, students, and community and align the district's direction to coincide with eleven core beliefs. The Board's vision is, "Extraordinary learning, exceptional community, expanded opportunity, and success for all students." The strategic plan includes ten focus areas to support the mission statement, "To educate all students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion in a safe and secure environment."

- Enhance instructional systems and career pathways that maximize achievement for all students and integrate knowledge and skills relevant to 21st century career choices.
- Expand utilization of instructional technology with appropriate use for student achievement while providing the infrastructure for organizational efficiency and effectiveness.
- Provide an educational and work environment that supports professional learning and collaborative work for all staff.
- Promote, sustain, and create quality programs that make Littleton Public Schools the uniquely preferred choice for families inside and outside the district.
- Engage the community and parents as active partners in the objectives, activities, and performance of the district and its students.
- Optimize the use of district resources and facilities to meet student learning needs while operating the district efficiently.
- Promote and provide a safe environment that fosters caring, respect, and compassion for others.
- Enhance and support quality early childhood and childcare programs.
- Educate and support staff, parents, and community to address diverse student learning by providing access and opportunities for all students.
- Partner with parents and community to expand and enhance programs that address the physical, social, and emotional well-being of students, families, and staff.

The environment should foster community engagement, staff collaboration, and student learning. The district will continue to address the diverse community needs and keep the public involved as active partners in increasing achievement levels, a major component of the LPS strategic plan. LPS has established a district achievement goal that states, “One hundred percent of LPS students will graduate prepared for meaningful post-secondary opportunities.”

### **Annual Audit**

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP serves as the independent auditor for the district. In addition to meeting the requirements set forth in state law, the audit is also designed to meet the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 2CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) 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 the Certificate of Achievement, the district published an easily readable and efficiently organized CAFR. That report satisfied both Generally Accepted Accounting Principles (GAAP) 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 award program’s requirements, and we are submitting it to GFOA to determine its eligibility for a new Certificate of Achievement.

Additionally, the Meritorious Budget Award was conferred by the Association of School Business Officials International to the district for its fiscal year 2019–2020 budget document. In order to qualify for the Meritorious Budget Award, the district’s budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of financial services, grant administrators, and printing services. Each department member has our sincere appreciation for the contributions made in the preparation of this report.

In closing, we wish to thank the members of the Board of Education for their interest, leadership, and support in maintaining the highest standards of professionalism in the management of the district’s finances.

Respectfully submitted,



Brian Ewert  
Superintendent



Donna Villamor  
Chief Financial Officer

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX  
CAFR AWARD CERTIFICATE



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Arapahoe County School  
District Number Six, Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2019**

*Christopher P. Morill*

Executive Director/CEO

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX  
PRINCIPAL OFFICIALS**

**Board of Education**



Jack Reutzel  
President  
Term: 2017–2021



Kelly Perez  
Vice President  
Term: 2017–2021



Robert Reichardt  
Secretary  
Term: 2019–2023



Lindley McCrary  
Assistant Secretary  
Term: 2019–2023



Carrie Warren-Gully  
Treasurer  
Term: 2017–2021

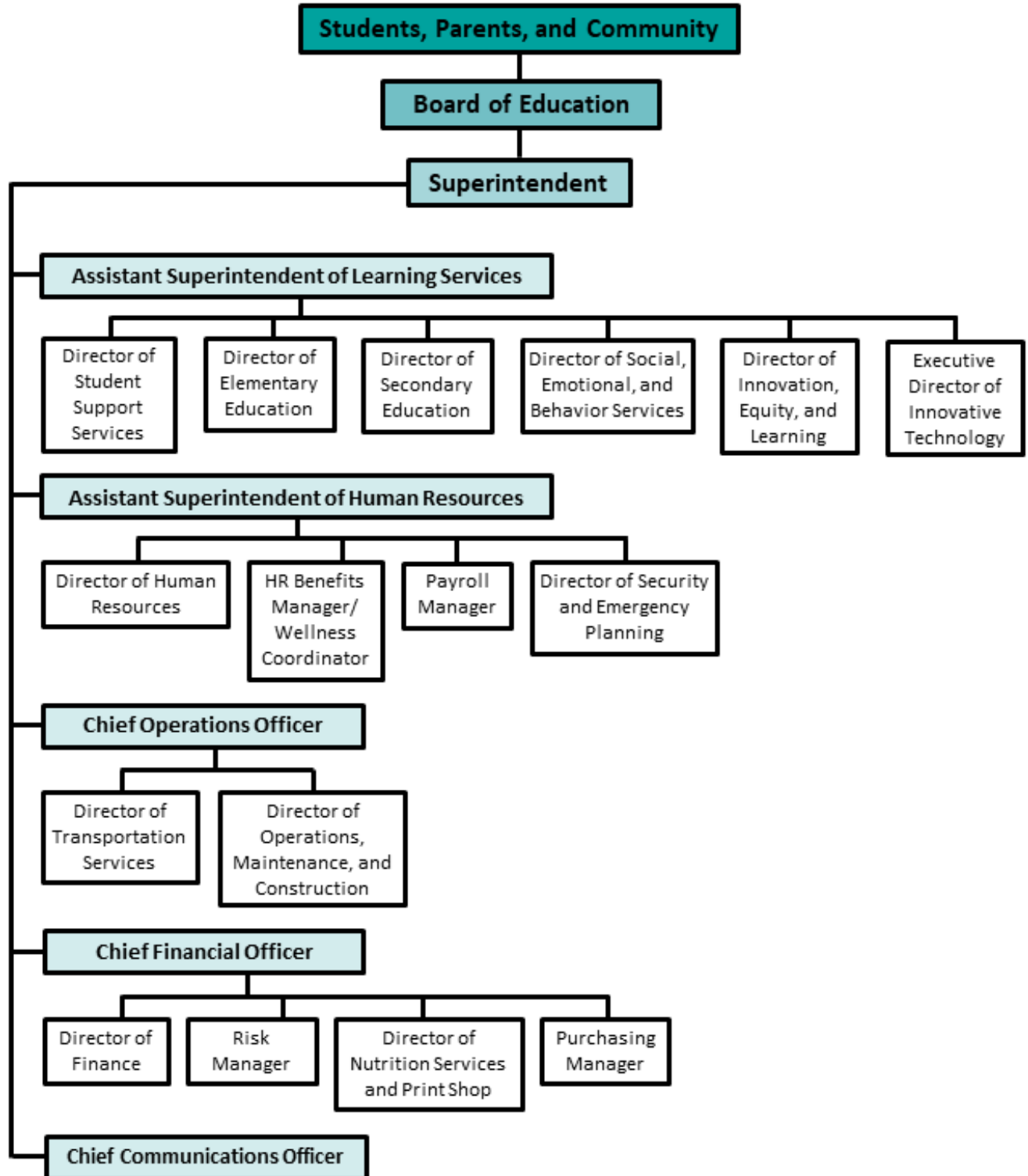
**Superintendent and Superintendent’s Staff**

Brian Ewert..... Superintendent  
 Dr. Tera Helmon.....Assistant Superintendent of Learning Services  
 Mike Jones ..... Assistant Superintendent of Human Resources  
 Terry Davis.....Chief Operations Officer  
 Diane Leiker..... Chief Communications Officer  
 Donna Villamor..... Chief Financial Officer

**MISSION STATEMENT**

**To educate all students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion in a safe and secure environment.**

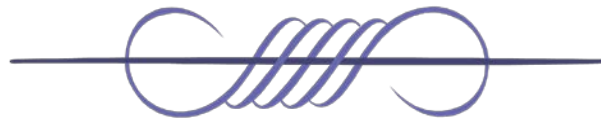
ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX  
ORGANIZATIONAL CHART



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# FINANCIAL SECTION







## INDEPENDENT AUDITORS' REPORT

Board of Education  
Arapahoe County School District Number Six  
Littleton, Colorado

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

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

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

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

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

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

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

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

### ***Opinions***

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

**Emphasis of Matter**

*Change in Accounting Principle*

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

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Arapahoe County School District Number Six's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, combining component unit financial statements, and the Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**CliftonLarsonAllen LLP**



Greenwood Village, CO  
November 20, 2020

# Management's Discussion and Analysis



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**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Management's Discussion and Analysis**  
**As of and For the Fiscal Year Ended June 30, 2020**

As management of the Arapahoe County School District Number Six, Arapahoe County, Colorado (the 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 1–6.

**Financial Highlights**

- Beginning June 30, 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established new financial reporting requirements for most governments that provide pension benefits through a multiple-employer, cost-sharing defined-benefit pension plan. District employees, including the two charter schools' employees, are in a program administered by the Public Employee's Retirement Association of Colorado (PERA). Statement No. 68 requires the district and its charter schools to record a proportionate share of PERA's unfunded pension liability. The district and its charter schools have no legal obligation to fund any shortfall, nor do they have any liability to affect funding, benefits, or annual required contribution decisions made by PERA.
- Beginning June 30, 2018, the district adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for financial statements beginning after June 15, 2017. Statement No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). Statement No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by PERA to record their proportionate share of the HCTF's net OPEB liability. For the district, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability.
- Beginning June 30, 2019, the district is reporting the resulting effects of the Senate Bill (SB) 18-200 passed and signed into Colorado law June 4, 2018. SB 18-200 makes changes in several key ways to the PERA retirement plan including increasing contribution rates from employers and employees, directing the state to make a \$225 million on-behalf contribution each year to PERA to reduce the unfunded liability, modifying the retirement benefits including reducing the annual increase for all current and future retirees as well as raising retirement age for new employees, and establishing an automatic adjustment provision designed to keep PERA on a path to full funding in 30 years.
- The liabilities and deferred inflows of resources of the district, sometimes referred to as the primary government, exceeded assets and deferred outflows of resources at June 30, 2020, by \$359.5 million, primarily due to the net OPEB and pension liabilities, noted above, of \$281.2 million.
- The financial position of the primary government increased as the total net position increased by \$68.2 million, primarily from the net pension income of \$51.1 million due to the requirement of GASB Statement No. 68.
- The total cost of basic programs increased \$3.1 million, or 1.8 percent, to \$171.0 million which includes the decrease of \$11.8 million of net pension expense.
- Revenues increased \$29.7 million, or 14.2 percent, to \$239.2 million primarily due to an increase in property and specific ownership taxes.
- The net cost of governmental activities decreased \$4.3 million, or 3.0 percent, primarily due to change of \$11.8 million in net pension expense (net pension income) due to the requirement of GASB Statement No. 68.

## Overview of the Financial Statements

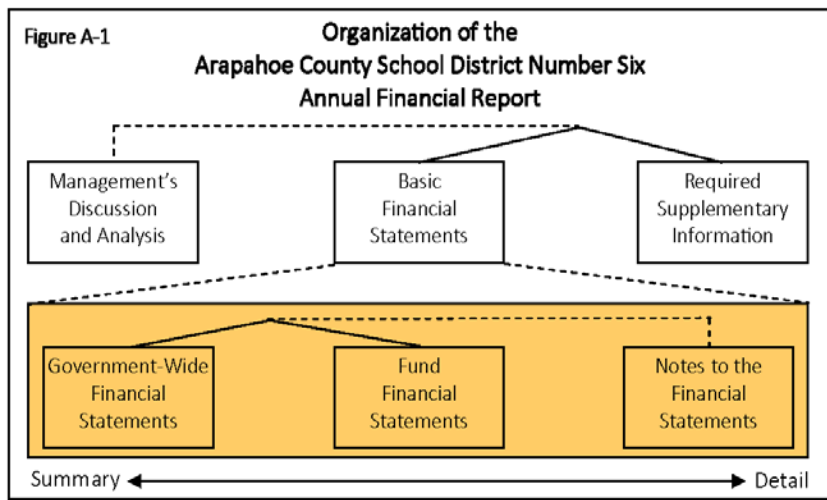
Management’s discussion and analysis is intended to serve as an introduction to the district’s annual report and basic financial statements. The financial section of the annual report consists of four parts: management’s discussion and analysis, basic financial statements, required supplementary information, and combining and individual fund statements and schedules. The basic financial statements include two types of statements that present different views of the district.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the district’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the district’s operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services, such as instruction and support services, were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison to the district’s budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the district’s financial statements, including the portion of activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.



**Figure A-2**  
**Major Features of the Districtwide and Fund Financial Statements**

	Government-Wide Statements	Fund Financial Statements
		Governmental Funds
<b>Scope</b>	Entire district (except the fiduciary fund)	The activities of the district which are not proprietary or fiduciary, such as instruction and support services
<b>Required Financial Statements</b>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance</li> </ul>
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

## Government-Wide Financial Statements

The government-wide statements report information about the district as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the district's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the district's net position and how it has changed. Net position—the difference between the district's assets, liabilities, and deferred outflows and inflows of resources—is one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, additional nonfinancial factors may need to be considered, such as changes in the district's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the district's activities are divided into two categories:

- **Governmental activities:** Most of the district's basic services are included here, such as instruction and support services.
- **Component units:** The district's two charter schools have independent governing boards but are financially dependent upon the district for most of their funding. Generally accepted accounting principles (GAAP) prescribe a discrete presentation of the component units—meaning separate presentation from the primary government.

## Fund Financial Statements

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds—not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law or GAAP.
- The district establishes other funds to control and manage money for particular purposes (i.e., athletics and activities funded largely by fees and ticket sales) or to show that it is properly using certain revenues, such as federal grants.

The district has one category of funds:

- **Governmental funds:** Most of the district's basic services are included in governmental funds, which generally focus on how cash and other financial assets can readily be converted to cash flow in and out and the balances left at fiscal year-end that are available for spending. Consequently, the governmental fund statements provide a detailed, short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs.

## Financial Analysis of the District as a Whole

The district's net position of the governmental activities on June 30, 2020, increased \$68.2 million to a negative \$359.5 million from what it was the previous year (see Figure A-3), primarily as a result of the impact of GASB Statements No. 68 and No. 75.

Assets, deferred outflows of resources, liabilities, and deferred inflows of resources changed from the prior year for the following reasons:

- Current and other assets decreased by \$8.2 million, primarily from decreased restricted cash and investments related to Capital Projects—Building Fund.
- Capital assets increased \$26.2 million, which is the net result of capital asset depreciation expense offset by asset additions, and construction in progress.

- Deferred outflows of resources for deferred charges on refunding decreased \$0.5 million due to amortization expense. Deferred outflows related to OPEB decreased \$0.1 million due to the district's OPEB contribution subsequent to the measurement date and actual actuarial experience. Deferred outflows related to pension decreased \$66.1 million due to an increase of \$0.3 million to the district's pension contribution subsequent to the measurement date; a decrease of deferred assumptions of \$52.5 million; and the difference between expected and actual actuarial experience of \$3.7 million.
- Current and other liabilities increased \$11.7 million, mainly due to higher contracts payable in the Capital Projects–Building Fund.
- The net OPEB liability decreased \$2.9 million due to the GASB Statement No. 75 requirement to record a proportionate share of PERA's Health Care Trust Fund (HCTF) net OPEB liability. The net pension liability decreased \$54.2 million due to the GASB Statement No. 68 requirement to record a proportionate share of PERA's unfunded pension liability.
- Noncurrent liabilities decreased \$11.3 million, the net result of bond principal payments, amortization of bond premium, and accreted interest on bonds.
- Deferred inflows of resources for OPEB increased \$2.5 million which includes interest earnings and the change in proportionate share of contributions. Deferred inflows of resources for pension decreased \$63.0 million for pension-related activities, of which \$31.1 million is the change in investment earnings and a decrease of deferred assumptions of \$78.8 million. The balance of \$75.9 million includes the change in proportion and the differences between contributions recognized and the proportionate share of contributions.
- Net position increased \$68.2 million. This change included a \$7.5 million increase to net investment in capital assets (capital assets less related debt), a \$10.3 million increase in restricted net position, and a \$50.7 million increase in unrestricted net position due to the adoption of GASB Statements No. 68 and No. 75.

Figure A-3, on the next page, presents a two-year, condensed statement of the district's net position.

**Figure A-3**  
**Condensed Statement of Net Position (in millions of dollars)**

	<u>Primary Government Governmental Activities</u>		<u>Total Dollars Change</u>
	<u>2019</u>	<u>2020</u>	<u>2019–2020</u>
<b>Assets</b>			
Current and other assets	\$ 436.9	\$ 428.7	\$ (8.2)
Capital assets	133.1	159.3	26.2
Total assets	<u>570.0</u>	<u>588.0</u>	<u>18.0</u>
<b>Deferred outflows of resources</b>			
Deferred charges on refunding	2.1	1.6	(0.5)
Deferred OPEB outflows	0.8	0.7	(0.1)
Deferred pension outflows	98.5	32.4	(66.1)
Total deferred outflows	<u>101.4</u>	<u>34.7</u>	<u>(66.7)</u>
<b>Liabilities</b>			
Current and other liabilities	16.8	28.5	11.7
Net OPEB liability	16.1	13.2	(2.9)
Net pension liability	322.2	268.0	(54.2)
Noncurrent liabilities	493.1	481.8	(11.3)
Total liabilities	<u>848.2</u>	<u>791.5</u>	<u>(56.7)</u>
<b>Deferred inflows of resources</b>			
Deferred OPEB inflows	0.2	2.7	2.5
Deferred pension inflows	251.0	188.0	(63.0)
Total deferred inflows	<u>251.2</u>	<u>190.7</u>	<u>(60.5)</u>
<b>Net position</b>			
Net investment in capital assets	1.2	8.7	7.5
Restricted	26.7	37.0	10.3
Unrestricted	(455.9)	(405.2)	50.7
Total net position—restated	<u>\$ (427.7)</u>	<u>\$ (359.5)</u>	<u>\$ 68.2</u>

The district's change in financial position is related to operating results (see Figure A-4), which are highlighted as follows:

- Revenues of \$239.2 million exceeded expenses of \$171.0 million, resulting in the \$68.2 million increase in net position. Total revenues increased \$29.7 million over revenues of the prior year and total expenses increased \$3.1 million, primarily due to the decrease of \$11.8 million of net pension expense due to GASB Statement No. 68.
- The State of Colorado's General Assembly included a 7.0 percent negative per-pupil budget stabilization factor into the School Finance Act (SFA) for fiscal year 2019–2020. This negative factor was to help the state balance its budget due to the fiscal crisis. The district's per-pupil revenue was \$7,790, compared to \$8,800 without the negative factor. The SFA was supported by state equalization funds, local taxes, and property taxes in the fiscal year.
- The average funded student count, which is the per-pupil basis for fiscal year 2019–2020 SFA program funding, increased slightly by 1.0 percent to 14,792.1 from 14,642.7 the previous year.
- Total expenses of \$171.0 million represent a \$3.1 million, or 1.8 percent, increase compared to the prior year. Instructional expenses decreased \$6.2 million, of which \$8.3 million represents the net OPEB and pension expense increase compared to the fiscal year 2018–2019. Support services expenses increased \$3.1 million, of which \$4.1 million represents the net OPEB and pension expense

increase compared to the 2018–2019 fiscal year. Interest expenses increased \$6.2 million based on the debt service payment schedule.

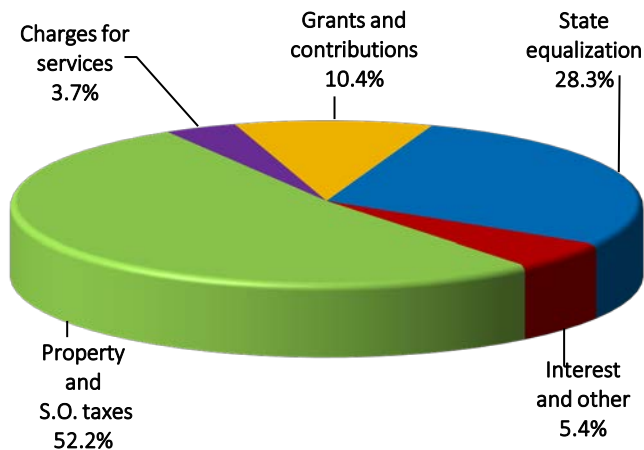
- The Board of Education approved \$11.8 million of one-time spending from the unassigned fund balance for student needs starting in 2017–2018. During the 2019–2020 fiscal year, \$3.0 million was spent on new curriculum, technology, and staffing support at the schools.

Figure A-4 presents a two-year summary of change in net position.

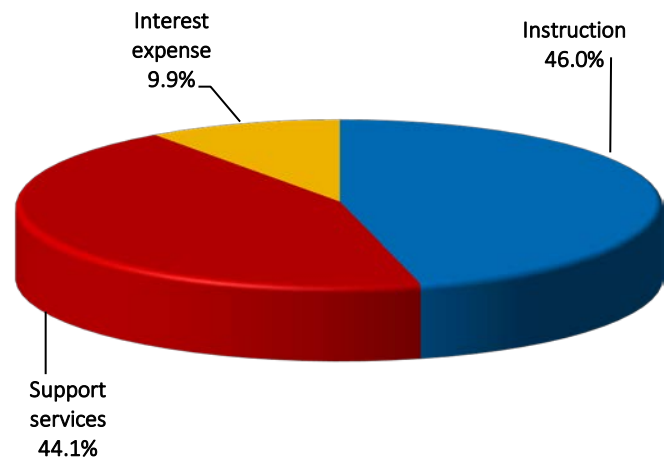
**Figure A-4**  
Change in Net Position from Operating Results (in millions of dollars)

	Primary Governmental Activities		Total Percent Change 2019–2020
	2019	2020	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 12.8	\$ 9.1	(28.9)%
Operating grants/contributions	13.7	24.8	81.0
Capital grants/contributions	-	-	-
General revenues			
Property and S.O. taxes	104.4	124.8	19.5
State equalization aid	67.1	67.6	0.7
Interest and other revenues	11.5	12.9	12.2
Total revenues	<u>209.5</u>	<u>239.2</u>	14.2
<b>Expenses</b>			
Instruction	84.9	78.7	(7.3)
Support services	72.3	75.4	4.3
Interest	10.7	16.9	57.9
Total expenses	<u>167.9</u>	<u>171.0</u>	1.8
Change in net position	41.6	68.2	63.9
Net position—beginning of year—restated	(469.6)	(427.7)	
Net position—end of year	<u><u>\$(428.0)</u></u>	<u><u>\$(359.5)</u></u>	

**Figure A-5**  
Sources of Revenue for Fiscal Year 2020



**Figure A-6**  
Expenses for Fiscal Year 2020



## Governmental Activities

Revenues increased \$29.7 million, or 14.2 percent, to \$239.2 million. Total expenses increased \$3.1 million to \$171.0 million as a result of the net OPEB and pension expense of \$11.8 million due to GASB Statements No. 68 and No. 75, salary and benefit increases, inflationary pressures, and one-time spending. Revenues exceeded expenditures resulting in a \$68.2 million increase in net position.

Figure A-7 summarizes the net cost of governmental activities, as presented in the statement of activities in the government-wide financial statements. The table also shows each activity's *net cost* (total cost less fees generated by the activities and other aid provided for specific programs). The net cost shows the financial burden placed on local and state taxpayers for each of the functions. Program revenues of \$33.9 million are a much smaller funding source for public school district governmental activities, representing only 14.2 percent of total revenues of \$239.2 million.

**Figure A-7**

### Net Cost of Governmental Activities (in millions of dollars)

Function/Program	Total Cost of Services		Percent Change 2019–2020	Net Cost of Services		Percent Change 2019–2020
	2019	2020		2019	2020	
Instruction	\$ 84.9	\$ 78.7	(7.3)%	\$ 72.7	\$ 56.8	(21.9)%
Support services	72.3	75.4	4.3	58.0	63.4	9.3
Interest expense	10.7	16.9	57.9	10.7	16.9	57.9
Total	<u>\$ 167.9</u>	<u>\$ 171.0</u>	1.8	<u>\$ 141.4</u>	<u>\$ 137.1</u>	(3.0)

Other items of note about governmental activities from the statement of activities are as follows:

- The cost of all governmental activities for the year was \$171.0 million.
- Some of the cost was financed by the users of the programs, \$9.1 million.
- The federal and state governments, along with private donors, subsidized certain programs with operating grants of \$24.8 million.
- Most of the net cost of \$137.1 million was financed by general revenues from state and local taxpayers.
- Net cost of governmental services decreased \$4.3 million, or 3.0 percent, from \$141.4 million in the previous year to \$137.1 million.
- General revenues totaled \$205.3 million, consisting of \$124.8 million in property and specific ownership taxes, \$67.6 million in state equalization aid, and \$12.9 million of interest earnings and other revenue.
- The resulting increase in governmental activities' net position was \$68.2 million.

## Financial Analysis of the District's Governmental Funds

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with GAAP, the SFA, and other related legal requirements. The governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's financing requirements.

### Fund Analysis

The General Fund, including the Risk Management sub-fund, is a major fund and is the most significant fund of the district. The Capital Projects Fund and the Student Athletic, Activities and Clubs Fund are supported by the General Fund, with transfers out totaling \$4.6 million for the year, which also includes approximately \$55,000 transfer to the Nutrition Services Fund from donations. The Capital Projects–Building Fund is a capital improvement fund used to account for the major capital outlays for district

facilities supported by the voter-approved 2018 bond election. The Designated Purpose Grant Fund is supported by grant revenues and the Debt Service Fund by voter-approved property tax mill levies to meet general obligation debt service requirements. The Extended Day Care Fund is supported by tuition, while the Nutrition Services Fund received funding from federal grants along with sales of breakfast and lunch meals.

Total General Fund school finance program funding, which includes property taxes, specific ownership taxes, and state equalization for fiscal year 2019–2020, was impacted by the state’s cost-of-living increase, a negative per-pupil budget stabilization factor of 7.0 percent, and stable enrollment.

- Overall, the General Fund reported revenue of \$167.4 million for fiscal year 2019–2020, which was \$5.8 million higher when compared to the previous year. This increase includes an on-behalf state contribution to PERA’s retirement plan of \$2.6 million.
- Expenditures reported in the General Fund decreased \$2.5 million to \$161.7 million for fiscal year 2019–2020. Net transfers to other funds increased \$0.7 million to \$4.6 million when compared to the prior year. Expenditures included salaries and benefits, one-time spending, overall inflationary pressures, and \$2.6 million of on-behalf state contribution to PERA’s retirement plan. The fund balance in the General Fund increased \$1.3 million for fiscal year 2019–2020.

District management intends to continue to balance the General Fund’s current resources with budgeted expenditures in order to maintain an adequate fund balance. Administration, with Board approval, will continue to make the necessary long-term budgetary adjustments in order to achieve a continued healthy financial outlook.

### **General Fund Budget**

Current General Fund expenditures, excluding the Risk Management sub-fund, totaling \$156.5 million were 92.9 percent of the final budget of \$168.4 million compared to the 97.1 percent of the prior year. Budget carryovers are allowed by policy in various operating areas, and the carryovers primarily resulted from the changes of the final budget when compared to the original budget. The unspent expenditure budget at the end of 2019–2020 is mostly due to the under-spending of the final budget that will be rolled into the subsequent year. The district’s contingency budget represents the majority of unspent appropriation and anticipated ending fund balance. The final budget reported a contingency reserve of \$17.3 million, which represents 9.3 percent of budgeted expenditures. Revenues of the General Fund amounted to 100.4 percent of budgeted revenues.

## Capital Assets and Long-Term Debt

### Capital Assets

As shown in Figure A-8, total primary government capital assets, net of depreciation, increased a net \$26.2 million to \$159.3 million from the previous year. This was the result of \$9.2 million of net depreciation expense, \$0.6 million of asset disposals, \$9.4 million of asset capitalization, and \$26.6 million of construction in progress. Asset additions consisted of land improvements, buildings, equipment, and vehicles.

**Figure A-8**  
Capital Assets (net of depreciation, in millions of dollars)

	<b>Total Primary Governmental</b>		<b>Dollars Change 2019–2020</b>
	<b>Governmental Activities</b>		
	<b>2019</b>	<b>2020</b>	
Land	\$ 5.9	\$ 5.9	\$ -
Land improvements	3.8	9.7	5.9
Buildings	114.5	107.8	(6.7)
Equipment	1.9	2.2	0.3
Vehicles	2.5	2.6	0.1
Construction in progress	4.5	31.1	26.6
<b>Total</b>	<b>\$ 133.1</b>	<b>\$ 159.3</b>	<b>\$ 26.2</b>

More detailed information about capital assets is presented in Note II, C. Capital Assets, of the financial statements.

### Long-Term Debt

As of year-end, the district had \$481.8 million in general obligation bonds and other long-term debt outstanding, a decrease of \$11.3 million, as shown in Figure A-9. The outstanding general obligation bonds at June 30, 2020, consisted of the 2010 general obligation refunding bonds of \$35.3 million, 2013 general obligation bonds of \$50.0 million, 2014 general obligation bonds of \$17.0 million, 2015 general obligation bonds of \$15.6 million, and the 2019 general obligation bonds of \$298.9 million.

More detailed information about long-term liabilities is presented in Note II, E. Long-Term Debt, of the financial statements.

**Figure A-9**  
Outstanding Long-Term Debt (in millions of dollars)

	<b>Governmental Activities</b>		<b>Dollars Change 2019–2020</b>	<b>Credit Rating Moody's Underlying Rate</b>
	<b>2019</b>	<b>2020</b>		
General obligation (G.O.) bonds	\$ 423.0	\$ 416.8	\$ (6.2)	Aa2
Premium on G.O. bonds	66.8	61.5	(5.3)	
Accreted interest	0.9	1.2	0.3	
Compensated absences	2.4	2.3	(0.1)	
<b>Total</b>	<b>\$ 493.1</b>	<b>\$ 481.8</b>	<b>\$ (11.3)</b>	

## Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the district contemplated the following factors that could significantly affect its financial health in the future.

- Globally and locally, the economy has suffered as a result of COVID-19. All Colorado school districts, including LPS, are facing large revenue losses from the state. The negative effect of COVID-19 on Colorado's economy caused a \$3.3 billion shortfall in the state's budget for next year, and public education took a huge hit. Although LPS received one-time federal funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of approximately \$6.6 million, the state reduced funding to the district over \$9.1 million. Deep budget cuts will need to occur at the state level over the next few years until Colorado's economy recovers.
- The state's General Assembly incorporated a statewide base per-pupil revenue (PPR) increase of 1.9 percent for inflation; however, the state set a negative factor of 14.0 percent for 2020–2021. This kept the statewide average total PPR at \$8,077, thus reducing the state share by \$1.2 billion for a total reduction of approximately \$9.3 billion over the last eleven years. The average statewide PPR funding without the negative factor funding cut would have been \$9,387, or \$1,310 more per student.
- Due the state funding cuts, it is projected that the district's per-pupil funding will decrease \$7.8 million when compared to 2019–2020 to \$113.2 million in 2020–2021. Full per-pupil funding would have equated to \$131.7 million, a loss of revenue to the district of \$18.5 million.
- The CARES Act, which was enacted on March 27, 2020, provided one-time grant funding to education to support expenses incurred due to COVID-19. The district received \$6.3 million from the Coronavirus Relief Fund (CRF). Allowable uses for these funds include complying with state and local public health orders, planning and implementing remote learning, recovering plans from lost learning time, meeting mental health needs, purchasing sanitation supplies, and providing other services necessary to limit the transmission of the COVID-19 virus. The district accounted for revenue and expenditures of this grant in its Designated Purpose Grants Fund.
- During the fall of 2019, the Board made budget reductions of \$4.2 million for fiscal year 2020–2021. These reductions included eliminating 17 staffing positions, reducing pay, reducing transfers to other funds, and increasing fees.
- The 2020–2021 budget assumes no salary increases for all staff; however, it includes an increase of 0.5 percent for the employer contribution to PERA and a 2.0 percent increase for health insurance.
- The 2020–2021 budget includes Board-approved one-time spending of \$1.0 million for student needs. The one-time spending, as outlined in the *Anticipated Funding Needs—Short- and Long-Term White Paper 2.0*, for curriculum, technology, and other student needs over multiple years has ceased until additional revenue sources become available.
- The Board of Education placed a \$298.9 million bond measure on the November 2018 ballot and voters approved the bond measure. The major projects funded by the bond in 2020–2021 include the completion of a new middle school on the Newton campus and a new elementary school on the Ames facility campus. Other projects include the design development of another elementary school on the Franklin campus, the purchase of a new building for career and technical education and an innovation center, and the purchase of new student furniture. A citizen's oversight committee will continue to review the use of these dollars to ensure that the funding is used for the purposes that were represented to the voters.
- Over the last year, the Board reviewed several new boundary options presented by the Long-Range Planning Committee (LRPC). The purpose of the study was to address the growing transportation challenges, provide boundaries for the new elementary school to be built on the Ames campus, prepare for the consolidation of the Highland and Franklin neighborhoods on the new Franklin

campus, and better balance enrollment throughout the district. In August 2020, the Board approved changes to the district's attendance boundaries after revisiting parent survey results. These new boundaries will take effect in the fall of 2021 for the 2021–2022 school year.

- In August 2020, the Board approved language for a Debt-Free Schools Mill Levy Override to be placed on the November 2020 ballot. The question asks voters to approve a tax increase of \$12 million, or no more than 6 mills, for collection starting in 2021. One additional mill can be approved by the Board each year, not to exceed 11 mills in total. The passage of this mill levy override will allow the district to cover ongoing building maintenance, capital improvements, and technology expenditures, therefore freeing up General Fund dollars to be available for purposes such as continuing to attract and retain quality teachers, maintaining counselors and mental health support, and providing career, technical, and skilled trade programming.

### **Contacting the District's Financial Management**

This financial report is designed to provide the district's citizens, taxpayers, customers, investors, and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives and spends. If you have questions about this report or need additional financial information, please contact the Finance Office, Littleton Public Schools, 5776 South Crocker Street, Littleton, CO 80120. Additional information is available on the district website at [www.littletonpublicschools.net](http://www.littletonpublicschools.net).

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# Basic Financial Statements



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**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**

**Statement of Net Position**

**June 30, 2020**

	<u>Primary Government</u>	<u>Component</u>
	<u>Governmental</u>	<u>Units</u>
	<u>Activities</u>	<u>Charter</u>
		<u>Schools</u>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 47,207,683	\$ 4,883,589
Restricted cash and investments	371,928,215	1,370,909
Taxes receivable—net	3,171,090	-
Due from other governments	2,643,754	-
Interest receivable	2,420,766	-
Other accounts receivable	413,913	17,974
Inventories	570,521	-
Deposits	124,667	-
Prepaid items	278,186	-
Capital assets—net of accumulated depreciation where applicable:		
Land	5,857,507	1,889,806
Land improvements	9,704,783	99,983
Buildings and leasehold improvements	107,840,994	10,007,858
Equipment	2,177,467	51,226
Vehicles	2,578,714	-
Construction in progress	31,121,291	15,964
Total assets	<u>588,039,551</u>	<u>18,337,309</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	1,571,049	259,469
Deferred OPEB outflows	688,044	35,020
Deferred pension outflows	32,421,598	1,566,375
Total deferred outflows of resources	<u>34,680,691</u>	<u>1,860,864</u>
<b>LIABILITIES</b>		
Accounts and contracts payable	16,073,103	66,130
Accrued compensation	8,167,843	531,269
Accrued interest payable	1,685,635	102,331
Unearned revenue	2,564,615	454,384
Noncurrent liabilities:		
Due within one year	18,085,000	317,982
Due in more than one year	463,754,884	10,114,305
Net OPEB liability	13,176,536	625,154
Net pension liability	267,994,602	12,714,867
Total liabilities	<u>791,502,218</u>	<u>24,926,422</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred OPEB inflows	2,678,324	127,073
Deferred pension inflows	188,040,584	8,921,490
Total deferred inflows of resources	<u>190,718,908</u>	<u>9,048,563</u>
<b>NET POSITION</b>		
Net investment in capital assets	8,672,164	2,705,491
Restricted for:		
Debt service	30,755,276	195,106
Nutrition services	1,152,897	-
Emergency reserve under TABOR	5,060,000	311,400
Repair and replacement	-	260,411
Unrestricted	<u>(405,141,221)</u>	<u>(17,249,220)</u>
Total net position	<u>\$ (359,500,884)</u>	<u>\$ (13,776,812)</u>

See accompanying Notes to Basic Financial Statements.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
					Governmental Activities	Charter Schools
<b>Primary Government</b>						
Governmental activities:						
Instruction	\$ 78,646,819	\$ 969,777	\$ 20,838,810	\$ -	\$ (56,838,231)	\$ -
Support services	75,402,286	8,087,886	3,927,003	-	(63,387,398)	-
Interest expense	16,924,527	-	-	-	(16,924,527)	-
Total primary government	\$ 170,973,632	\$ 9,057,663	\$ 24,765,813	\$ -	(137,150,156)	-
<b>Component Units—Charter Schools</b>						
	\$ 7,994,593	\$ 252,772	\$ 292,987	\$ 356,400		(7,092,434)
Property taxes:						
Property taxes—levied for general purposes					79,153,711	-
Property taxes—levied for debt service					37,720,882	-
Specific ownership taxes					7,946,959	-
Intergovernmental revenue, unrestricted:						
State equalization aid					67,591,718	8,310,321
District supplemental funding					-	1,109,921
Investment earnings					11,137,940	89,189
Other					1,842,048	245,115
Total general revenues					205,393,258	9,754,546
Change in net position					68,243,102	2,662,112
Net position—beginning—re-stated					(427,743,986)	(16,438,924)
Net position—ending					\$ (359,500,884)	\$ (13,776,812)

See accompanying Notes to Basic Financial Statements.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**

**Balance Sheet  
Governmental Funds  
June 30, 2020**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects— Building Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 36,735,107	\$ -	\$ -	\$ 10,472,576	\$ 47,207,683
Restricted investments	-	32,245,025	339,683,190	-	371,928,215
Taxes receivable from the county treasurer	1,559,714	375,160	-	-	1,934,874
Taxes receivable—net	2,147,292	1,023,798	-	-	3,171,090
Due from other governments	27,445	-	-	681,435	708,880
Other accounts receivable	413,913	-	-	-	413,913
Interest receivable on investments	-	-	2,416,926	3,840	2,420,766
Inventories	570,521	-	-	-	570,521
Deposits	124,667	-	-	-	124,667
Total assets	<u>\$ 41,578,659</u>	<u>\$ 33,643,983</u>	<u>\$ 342,100,116</u>	<u>\$ 11,157,851</u>	<u>\$ 428,480,609</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts and contracts payable	\$ 1,394,670	\$ -	\$ 13,566,237	\$ 1,112,196	\$ 16,073,103
Accrued compensation	7,752,189	-	-	415,654	8,167,843
Other unearned revenue	110,969	-	-	2,453,646	2,564,615
Total liabilities	<u>9,257,828</u>	<u>-</u>	<u>13,566,237</u>	<u>3,981,496</u>	<u>26,805,561</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue	2,147,292	1,023,798	-	-	3,171,090
Total deferred inflows	<u>2,147,292</u>	<u>1,023,798</u>	<u>-</u>	<u>-</u>	<u>3,171,090</u>
<b>FUND BALANCES</b>					
Nonspendable for:					
Inventories	570,521	-	-	-	570,521
Deposits	124,667	-	-	-	124,667
Restricted for:					
Emergency (TABOR)	5,060,000	-	-	-	5,060,000
Debt service	-	32,620,185	-	-	32,620,185
Nutrition services	-	-	-	1,152,897	1,152,897
Capital projects	-	-	328,533,879	-	328,533,879
Committed for:					
Risk management	1,377,301	-	-	-	1,377,301
Capital projects	-	-	-	3,494,941	3,494,941
Student care services	-	-	-	1,770,679	1,770,679
Pupil activities	-	-	-	756,879	756,879
Assigned for:					
Beverage sponsorship for student needs	-	-	-	959	959
Budget carryovers	1,519,537	-	-	-	1,519,537
One-time spending related to CARES Act	4,951,490	-	-	-	4,951,490
Subsequent year expenditures	989,297	-	-	-	989,297
Unassigned	15,580,726	-	-	-	15,580,726
Total fund balances	<u>30,173,539</u>	<u>32,620,185</u>	<u>328,533,879</u>	<u>7,176,355</u>	<u>398,503,958</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 41,578,659</u>	<u>\$ 33,643,983</u>	<u>\$ 342,100,116</u>	<u>\$ 11,157,851</u>	

**Reconciliation of the Balance Sheet to the Statement of Net Position for Governmental Activities:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount of capital assets is net of accumulated depreciation.	159,280,756
Other long-term assets are not available to pay for current year expenditures and, therefore, are unearned in the funds.	3,171,090
Other postemployment benefits (OPEB) liability activities including deferred OPEB outflows of \$688,044, net OPEB liability of (\$13,176,536), and deferred OPEB inflow of (\$2,678,324), are not due and payable in the current year and therefore not reported in the funds.	(15,166,816)
Pension liability activities including deferred pension outflows of \$32,421,598, net pension liability of (\$267,994,602), and deferred pension inflow of (\$188,040,584), are not due and payable in the current year and therefore not reported in the funds.	(423,613,588)
Long-term liabilities, including bonds payable, accreted interest and compensated absences of (\$481,839,884) and deferred charges on refunding of \$1,571,049, are not due and payable in the current period and therefore are not reported in the funds.	(480,268,835)
Interest payable on general obligation debt is not recorded on the fund financial statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.	(1,685,635)
Governmental activities net position	<u>\$ (359,500,884)</u>

See accompanying Notes to Basic Financial Statements.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	General Fund	Debt Service Fund	Capital Projects — Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 78,585,341	\$ 37,243,580	\$ -	\$ -	\$ 115,828,921
Specific ownership taxes	7,946,959	-	-	-	7,946,959
Federal grants	342,095	-	-	11,126,669	11,468,764
State equalization aid	67,591,718	-	-	-	67,591,718
State education of students with disabilities	3,383,803	-	-	-	3,383,803
Other state entitlements and state grants	2,793,744	-	-	2,185,670	4,979,414
Food sales	-	-	-	1,954,564	1,954,564
Donated commodities	-	-	-	249,062	249,062
Student care	-	-	-	3,142,991	3,142,991
Pupil activities	-	-	-	2,309,779	2,309,779
Investment earnings	351,352	315,562	10,462,029	8,997	11,137,940
State contributions—pension	2,574,546	-	-	-	2,574,546
Other	3,988,711	-	-	538,685	4,527,396
Total revenues	<u>167,558,269</u>	<u>37,559,142</u>	<u>10,462,029</u>	<u>21,516,417</u>	<u>237,095,857</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	99,989,026	-	-	4,090,544	104,079,570
Support services	61,557,014	-	-	20,306,037	81,863,051
Debt service:					
Principal retirement	-	6,230,000	-	-	6,230,000
Interest and fiscal charges	-	21,378,211	-	-	21,378,211
Capital outlay	124,748	-	40,822,852	4,026,389	44,973,989
Total expenditures	<u>161,670,788</u>	<u>27,608,211</u>	<u>40,822,852</u>	<u>28,422,970</u>	<u>258,524,821</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,887,481</u>	<u>9,950,931</u>	<u>(30,360,823)</u>	<u>(6,906,553)</u>	<u>(21,428,964)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	4,597,339	4,597,339
Transfers out	(4,597,339)	-	-	-	(4,597,339)
Total other financing sources (uses)	<u>(4,597,339)</u>	<u>-</u>	<u>-</u>	<u>4,597,339</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,290,142	9,950,931	(30,360,823)	(2,309,214)	(21,428,964)
<b>FUND BALANCE—BEGINNING—RESTATED</b>	<u>28,883,397</u>	<u>22,669,254</u>	<u>358,894,702</u>	<u>9,485,569</u>	<u>419,932,922</u>
<b>FUND BALANCES—ENDING</b>	<u>\$ 30,173,539</u>	<u>\$ 32,620,185</u>	<u>\$ 328,533,879</u>	<u>\$ 7,176,355</u>	<u>\$ 398,503,958</u>

See accompanying Notes to Basic Financial Statements.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**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**

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

Net change in fund balances—total governmental funds	\$ (21,428,964)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$9,642,554) and net book value of disposed assets (\$125,785) exceeds net capital asset additions of \$35,977,091.	26,208,752
Property tax revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.	3,171,090
Unearned property tax revenue of the prior year received in the current year is recognized in the prior year statement of activities and in the current year fund statements.	(2,125,418)
Repayments of bond principal of \$6,230,000 reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	6,230,000
The premium received on the issuance of bonds and the book loss on refunding of bonds are amortized over the life of the bonds. Current year amortization of the premium on bonds of \$5,221,558, net of amortization on the loss on refunding of (\$523,682), is reported as a reduction to interest expense on the statement of activities.	4,697,876
In the statement of activities, certain operating expenses, such as compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which benefits of \$1,336,460 exceeds usage of (\$1,379,112).	42,652
Increases to prepaid insurance premiums are expensed in the fund financial statements.	278,186
Net OPEB liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of OPEB expense of (\$745,927) and net of employer contribution expenditures of \$1,085,123.	339,196
Net pension liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of pension income \$71,238,857, including change in contribution subsequent to measurement date (\$316,912), and net of employer contribution expenditures of (\$20,164,933).	51,073,924
Interest payable on general obligation debt is not recorded on the fund financial statements because it is not a current use of cash. Interest of \$1,685,635 is accrued on the government-wide statements since the liability is to be paid in the near term. Accreted interest of \$1,203,072 is on the government-wide statements classified as due in more than one year. The liability in the prior year was \$2,644,515, resulting in additional interest expense reported for the current year.	<u>(244,192)</u>
Change in net position of governmental activities	<u>\$ 68,243,102</u>

See accompanying Notes to Basic Financial Statements.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**  
**June 30, 2020**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Arapahoe County School District Number Six (the district) is a political subdivision of the state of Colorado, and it is governed by an elected five-member Board of Education (the Board). The accompanying financial statements present the district, the primary government, and its component units, entities for which the district is considered financially accountable. The *discretely* presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the district.

**Discretely Presented Component Units.** The district's charter schools consist of two separately authorized charters: Littleton Academy and Littleton Preparatory. Charter schools are public schools authorized by the state of Colorado to provide alternatives for parents, pupils, and teachers. The charter schools are organized as legal entities, each with a separate governing board; however, the district must approve all charter school applications. Funding, as required by law, flows from the Colorado Department of Education through the district to the charter schools on a monthly basis. The charter schools are *discretely* presented component units because of the significance of their financial relationship with the district and the services they provide to district students. Separate financial statements for each of the charter schools can be found at the following websites: [www.academy.littletonpublicschools.net](http://www.academy.littletonpublicschools.net) and [www.littletonprep.littletonpublicschools.net](http://www.littletonprep.littletonpublicschools.net).

**B. 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 primary government and its component units. Governmental activities are primarily supported by taxes and intergovernmental revenues. 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 or program. Program revenues include: 1) charges for services that relate to a given function or program; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

# ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

## Notes to Basic Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 30 days of the end of the current fiscal period or within 90 days for federal grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period, provided the availability criteria has been met. All other revenue items are considered to be measurable and available only when cash is received by the district.

The district reports the following major governmental funds:

- The General Fund is the district's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Debt Service Fund accounts for dedicated revenue for the payments of principal and interest on long-term general obligation debt.
- The Capital Projects–Building Fund is a capital improvement fund to account for the major capital outlays for district facilities funded by the voter-approved 2019 general obligation bonds.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. An exception to this general rule is that inter-fund services provided and used are not eliminated in order to avoid distortion of direct costs and program revenues.

Amounts reported as program revenues include charges for services and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all state formula aid and local property taxes.

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

### **D. Assets, Liabilities, and Net Position or Equity**

#### **1. Deposits and Investments**

In order to facilitate the recording of cash transactions and maximize earnings on investments, the district has combined the cash resources of its funds and maintains accountability for each fund's equity in the pooled cash and investments reported at net asset value, amortized cost, or categorized by level within GASB Statement No. 72.

#### **2. Receivables**

Property taxes levied in 2019 but not yet collected in 2020 are identified as property taxes receivable in the governmental funds balance sheet at June 30, 2020, and are presented net of an allowance for uncollectible taxes. Intergovernmental receivables include amounts due from grantors for specific program grants.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

**3. Inventories, Deposits, and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased. The district deposited an amount with an insurance provider, which is termed deposits.

Expenditures for insurance and similar services extending over more than one accounting period are not allocated between or among accounting periods in the governmental funds and are instead accounted for as expenditures in the period of acquisition (purchase method).

**4. Restricted Assets**

As required by state law, a third party custodian administers the district's Debt Service Fund. The trust department of a commercial bank serves as custodian, receiving property taxes collections directly from the county treasurer, investing money, and making debt service payments. The balance in the bank account is reported as a restricted investment. The Capital Projects–Building Fund has a balance related to general obligation bonds for capital improvements. The balance of this fund is reported as restricted.

**5. Capital Assets**

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

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	20–50
Equipment	5–20
Vehicles	8–15

**6. Compensated Absences**

District policy allows unlimited accumulation of vacation leave and unused sick days. Accrued vacation is paid to eligible employees upon termination of employment, limited to two years accrual. Payment for unused sick days is made upon an employee's retirement as defined by the district, for unused sick time over 45 days, and not exceeding annual contract days, times a factor approximating the daily pay rate of a substitute teacher. Each fund liquidates the accrued vacation and sick leave for its respective liabilities.

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item that qualifies for reporting in this category is the deferred charge on refunding reported in the government-

# ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

## Notes to Basic Financial Statements

wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note III D for deferred pension outflows of resources and Note III E for deferred OPEB outflows of resources.

In addition to liabilities, the district's financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. One type of item that qualifies for reporting in this category is property tax revenue, which is considered a deferred inflow of resources in the year the taxes are levied and measurable and is recognized as an inflow of resources in the period they are collected. See Note III D for deferred pension inflows of resources and Note III E for deferred OPEB inflows of resources.

### **8. On-Behalf Payments**

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the state of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the district by the state of Colorado has been recorded in the fund financial statements. Due to the current budget restraints of the state of Colorado, the direct on-behalf payment for July 1, 2020, was withheld.

### **9. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs are reported as debt service expenditures.

### **10. Property Taxes**

Property taxes are levied by the Board. The levy is based on assessed valuations determined by the county assessor. The levy is set by December 15 by certification to the county commissioners to levy the individual properties as of January 1 of the following year. The county treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or, if in equal installments, at the taxpayers' election on February 28 and June 15. Delinquent taxpayers are notified in August and tax sales of the liens on delinquent properties are held in November. The county treasurer remits taxes collected to the district monthly.

# ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

## Notes to Basic Financial Statements

In the fund financial statements, property taxes are recorded initially as a receivable, net of allowance for doubtful collections and as a deferred inflow of resources in the year they represent an enforceable lien and are measurable. The deferred inflow of resources is recorded as revenue in the year they are available.

### 11. State Equalization Aid

State equalization aid is revenue received from the state of Colorado computed in accordance with a funding formula as defined by state statute. The funding formula considers such factors as pupil enrollment and other revenue sources.

### 12. Net Position/Fund Balance

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned.

**Nonspendable Fund Balance**—amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact, i.e., inventories and prepaids.

**Restricted Fund Balance**—amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable, i.e., Taxpayer's Bill of Rights (TABOR).

**Committed Fund Balance**—amounts that can only be used for specific purposes pursuant to constraints imposed by the Board by resolution. The committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

**Assigned Fund Balance**—amounts that are constrained by the district's intent to be used for specific purposes but are neither restricted nor committed. Per Board policy, authority is delegated to the superintendent, or the superintendent's designee, to assign fund balance.

**Unassigned Fund Balance**—the remaining fund balance, after amounts are set aside for other classifications. The Board assigns the superintendent or designee the responsibility of accumulating and maintaining a minimum General Fund unassigned fund balance of five percent of the district's adopted General Fund revenue budget of the current fiscal year.

The district has established a policy for its use of restricted and unrestricted fund balances. When expenditures are incurred, the district uses restricted fund balances first if the expenditure is for a restricted purpose. Unrestricted expenditures are applied to committed, assigned, and unassigned fund balances in that order.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

**II. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

Cash and investments as of June 30, 2020, consist of the following:

Cash on hand	\$ 26,626
Deposits with financial institutions	2,757,205
Investments	<u>421,235,656</u>
Total cash and investments	<u><u>\$ 424,019,487</u></u>

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

Statement of net position:

Equity in pooled cash and investments, primary government	\$ 47,207,683
Restricted investments, primary government	371,928,215
Equity in pooled cash and investments, component units	<u>4,883,589</u>
Total cash and investments	<u><u>\$ 424,019,487</u></u>

**Deposits with Financial Institutions**

The district's cash and deposit policies are approved by the Board of Education and governed by Colorado statutes. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102.0 percent of the uninsured deposits.

**Investments**

Investment policies of the district and the component units, which comply with state statutes, permit investments in:

- U.S. Treasury obligations
- Federal instrumentality securities
- Repurchase agreements with a termination date of 180 days or less
- Time certificates of deposit
- Local government investment pools
- Money market mutual funds
- Commercial paper
- Municipal notes or bonds
- Any other investment which is authorized by state statutes

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

Investments of June 30, 2020, consist of the following:

<u>Investments</u>	<u>12 months or less</u>	<u>1 to 5 years</u>	<u>Total Investment</u>
Local government investment pools	\$ 132,122,619	\$ -	\$ 132,122,619
U.S. agencies	-	62,698,841	62,698,841
Corporate notes	5,891,031	2,998,078	8,889,109
U.S. Treasury notes	30,212,109	67,165,415	97,377,524
Certificate of deposit	40,027,233	-	40,027,233
Commercial paper	26,360,383	-	26,360,383
Mutual fund	53,759,947	-	53,759,947
Total	<u>\$ 288,373,322</u>	<u>\$ 132,862,334</u>	<u>\$ 421,235,656</u>

*Interest rate risk* is the extent to which changes in interest rates will adversely affect the fair value of an investment. The district's investment policy limits investment maturities to less than five years as a means of managing its exposure to interest rate risk. The district investments have a maturity of less than twelve months.

Investments as of June 30, 2020, consist of the following by Standard & Poor's Rating:

<u>Investments</u>	<u>A-1</u>	<u>A-1+</u>	<u>A+</u>	<u>AA</u>	<u>AA+</u>	<u>AAAm</u>	<u>Total</u>
Local government investment pools	\$ -	\$ -	\$ -	\$ -	\$ -	\$132,122,619	\$132,122,619
U.S. agencies	-	-	-	-	62,698,841	-	62,698,841
Corporate notes	-	-	2,957,710	2,933,321	2,998,078	-	8,889,109
U.S. Treasury notes	-	-	-	-	97,377,524	-	97,377,524
Certificates of deposit	27,689,683	12,337,550	-	-	-	-	40,027,233
Commercial paper	24,935,709	1,424,674	-	-	-	-	26,360,383
Mutual fund	-	-	-	-	-	53,759,947	53,759,947
Total	<u>\$52,625,392</u>	<u>\$13,762,224</u>	<u>\$2,957,710</u>	<u>\$2,933,321</u>	<u>\$163,074,443</u>	<u>\$185,882,566</u>	<u>\$421,235,656</u>

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments for school districts to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings 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 organized according to Federal Investment Company Act 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 institutions have assets in excess of \$1 billion or the highest credit rating from at least one nationally recognized rating agency.

*Concentration of credit risk*—State statutes generally do not limit the amount the district may invest in one issuer. The investments of Federal Home Loan Bank for \$26,159,000 and Federal National Mortgage Association for \$30,628,056 individually garner greater than five percent of total investments.

*Fair value measurement*—The district categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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 significant other observable inputs; Level 3 inputs are significant unobservable inputs.

## ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

### Notes to Basic Financial Statements

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

- U.S. agencies' securities of \$62.7 million are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury securities of \$97.4 million are valued using quoted market prices (Level 1 inputs)
- Corporate notes of \$8.9 million are valued using quoted market prices (Level 1 inputs)
- Commercial paper of \$26.4 million are valued using quoted market prices (Level 1 inputs)
- Mutual funds of \$53.8 million are valued using quoted market prices (Level 1 inputs)
- Local government investment pool (CSIP Term) of \$132.1 million is valued using net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is a seven-day redemption period.

The district does not hold any investments that meet the definition of Level 3 inputs.

As of June 30, 2020, the district invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund, and each share is equal in value to \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest-rated commercial paper, and any security allowed under C.R.S. 24-75-601. A designated custodial bank serves as custodian for COLOTRUST's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the COLOTRUST's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records investments at fair value, and the district records investments in COLOTRUST at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of June 30, 2020, the district invested in the Colorado Surplus Asset Fund Trust (CSAFE) Colorado CORE, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE operates similarly to a money market fund, and each share is equal in value to \$2.00. CSAFE is rated AAAM by Standard & Poor's and is valued at fair value basis. CSAFE records investments at fair value, and the district records investments in CSAFE at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is a one-day redemption notice period.

As of June 30, 2020, the district invested in the Colorado Statewide Investment Program (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing CSIP. CSIP operates similarly to a money market fund, and each share is equal in value to \$1.00. CSIP Liquid Portfolio is rated AAAM by Standard & Poor's and is valued at amortized cost. CSIP Term is rated AAAM by Standard & Poor's, and records investments at fair value, and the district records investments in CSIP Term at net asset value. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

**Component Units**

The district's two charter schools' restricted investments at June 30, 2020, consist of the following:

<u>Investments</u>	<u>Total Investments</u>	<u>Standard &amp; Poor's Rating</u>
Littleton Academy Charter School:		
COLOTRUST Plus+ Fund (government investment pool)	\$ 605,839	AAAm
Littleton Preparatory Charter School:		
Government Liquidity Fund #8352	765,070	AAAm
Total	<u>\$1,370,909</u>	

*Interest rate risk* is the extent to which changes in interest rates will adversely affect the fair value of an investment. The charter schools do not have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorized the investment for a period in excess of five years. The charter schools' investments have a maturity of less than twelve months.

*Credit risk* for the charter schools is the same as the district's. The charter schools' investments as of June 30, 2020, were rated AAAM by Standard & Poor's.

*Concentration of credit risk*—State statutes generally do not limit the amount the charter schools may invest in one issuer.

**B. Inter-Fund Receivables, Payables, and Transfers**

Inter-fund transfers in/out for the fiscal year ended June 30, 2020, are shown below.

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Funds</u>			
	<u>General Fund</u>	<u>Nutrition Services Fund</u>	<u>Student Athletic and Activities Fund</u>	<u>Capital Projects Fund</u>	
<b>General Fund</b>	\$ -	\$ 54,944	\$ 2,151,623	\$ 2,390,772	\$ 4,597,339

Annually, the district subsidizes the Student Athletic and Activities Fund and the Capital Projects Fund by a transfer from the General Fund. In the current fiscal year, due to the impact of schools being closed due to COVID-19, donations for Nutrition Services were received in the General Fund and then transferred into Nutrition Services. District practice has been to make an annual transfer from the Extended Day Care Program Fund to the General Fund for overhead; however, due to the current budget restraints and the shuttering of schools in March, no transfer for the current fiscal year was made.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020, is shown below.

	<u>Balance July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 5,857,507	\$ -	\$ -	\$ 5,857,507
Construction in progress	4,521,275	29,223,618	(2,623,602)	31,121,291
Total capital assets not being depreciated	<u>10,378,782</u>	<u>29,223,618</u>	<u>(2,623,602)</u>	<u>36,978,798</u>
Capital assets being depreciated:				
Land improvements	13,928,616	7,015,349	(80,185)	20,863,780
Buildings	276,358,760	838,417	(263,373)	276,933,804
Equipment	6,339,050	867,896	(214,535)	6,992,411
Vehicles	8,518,647	655,413	-	9,174,060
Total capital assets being depreciated	<u>305,145,073</u>	<u>9,377,075</u>	<u>(558,093)</u>	<u>313,964,055</u>
Less accumulated depreciation for:				
Land improvements	(10,131,208)	(1,107,974)	80,185	(11,158,997)
Buildings	(161,850,455)	(7,468,638)	226,283	(169,092,810)
Equipment	(4,436,636)	(504,148)	125,840	(4,814,944)
Vehicles	(6,033,552)	(561,794)	-	(6,595,346)
Total accumulated depreciation	<u>(182,451,851)</u>	<u>(9,642,554)</u>	<u>432,308</u>	<u>(191,662,097)</u>
Total capital assets being depreciated—net	<u>122,693,222</u>	<u>(265,479)</u>	<u>(125,785)</u>	<u>122,301,958</u>
Governmental activities capital assets—net	<u>\$ 133,072,004</u>	<u>\$ 28,958,139</u>	<u>\$ (2,749,387)</u>	<u>\$ 159,280,756</u>

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

	<u>Governmental Activities</u>
Instruction	\$ 8,293,652
Support services	1,348,902
Total depreciation expense—governmental activities	<u>\$ 9,642,554</u>

	<u>Balance July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>
<b>Component units:</b>				
Capital assets not being depreciated:				
Land	\$ 1,889,806	\$ -	\$ -	\$ 1,889,806
Construction in progress	375,248	73,008	(432,372)	15,964
Total capital assets not being depreciated	<u>2,265,054</u>	<u>78,008</u>	<u>(432,372)</u>	<u>1,905,770</u>
Capital assets being depreciated:				
Land improvements	286,101	-	-	286,101
Building and improvements	12,482,115	504,972	-	12,987,087
Equipment	73,318	15,997	-	89,315
Total capital assets being depreciated	<u>12,841,534</u>	<u>520,969</u>	<u>-</u>	<u>13,362,503</u>
Less accumulated depreciation for:				
Land improvements	(171,814)	(14,305)	-	(186,119)
Building and improvements	(2,620,723)	(358,505)	-	(2,979,228)
Equipment	(32,989)	(5,100)	-	(38,089)
Total accumulated depreciation	<u>(2,825,526)</u>	<u>(377,910)</u>	<u>-</u>	<u>(3,203,436)</u>
Total capital assets being depreciated—net	<u>10,016,008</u>	<u>143,059</u>	<u>-</u>	<u>10,159,067</u>
Component units capital assets—net	<u>\$ 12,281,062</u>	<u>\$ 216,147</u>	<u>\$ (432,372)</u>	<u>\$ 12,064,837</u>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

**D. Accrued Compensation**

Accrued compensation relates to salaries and benefits of certain contractually employed personnel, which are paid over a 12-month period from August to July, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid at June 30, 2020, are estimated to be \$8,167,843.

**E. Long-Term Debt**

**General Obligation Bonds.** The district has issued general obligation (G.O.) bonds to provide funds for major improvement projects to existing facilities. These bond issues were primarily for governmental activities. The issued amount of the 2010 G.O. bonds was \$80,575,000 for G.O. refunding bonds issued September 2010 to refund a portion of the outstanding G.O. bonds, Series 2002, on an advance refunding basis. The issued amounts of the 2013 G.O. bonds, the 2014 G.O. bonds, and the 2015 G.O. bonds are \$50,000,000; \$17,000,000; and \$12,998,580 (with additional 'B' interest certificates of \$2,627,615), respectively, as part of the November 2013 voter-approved \$80,000,000 capital improvement projects. The district issued the 2019 G.O. bonds for \$298,870,000 as part of the November 2018 voter-approved capital improvement projects.

Premiums on bonds were received with the 2010 G.O. refunding bonds issue as additional proceeds of \$9,845,145; the 2013 G.O. bonds issue as additional proceeds of \$2,336,062; the 2014 general obligation bonds issue as additional proceeds of \$1,115,552; the 2015 G.O. bonds issue as additional proceeds of \$2,262,339; and the 2019 G.O. bonds issue as additional proceeds of \$60,756,343. For full accrual accounting purposes, the premium is combined with the debt and amortized over the life of the bonds.

G.O. bonds are direct obligations and pledge the full faith and credit of the district. General property taxes provide the revenue for payments of principal and interest on the bonds; voters in the district approved the increase in property taxes for the debt service costs in general elections. The bonds are generally issued as 20-year serial bonds with semi-annual payments of either principal, interest, or both. G.O. bonds outstanding at June 30, 2020, are shown below.

<u>Bond Issue</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
2010 G.O. refunding bonds	General government	1.75%–5.0%	Dec. 1, 2024	\$ 35,255,000
2013 G.O. bonds	General government	4.5%–5.0%	Dec. 1, 2037	\$ 50,000,000
2014 G.O. bonds	General government	3.0%–4.0%	Dec. 1, 2038	\$ 17,000,000
2015 G.O. bonds	General government	2.9%–5.0%	Dec. 1, 2038	\$ 15,626,195
2019 G.O. bonds	General government	5.0%–5.5%	Dec. 1, 2043	\$298,870,000

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

Annual debt service requirements to maturity for G.O. bonds are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2021	\$ 16,710,000	\$ 20,870,125	\$ 37,580,125
2022	17,515,000	20,028,500	37,543,500
2023	18,390,000	19,130,875	37,520,875
2024	19,310,000	18,188,375	37,498,375
2025	20,275,000	17,198,750	37,473,750
2026–2030	101,072,615	71,677,197	172,749,812
2030–2035	63,825,000	50,863,513	114,688,513
2036–2040	78,078,580	36,319,645	114,398,225
2041–2044	81,575,000	9,273,413	90,848,413
Totals	<u>\$ 416,751,195</u>	<u>\$ 263,550,393</u>	<u>\$ 680,301,588</u>

**Changes in Long-Term Debt.** The changes in long-term liabilities for the primary government for the fiscal year ended June 30, 2020, were as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental activities:					
G.O. bonds payable	\$ 422,981,195	\$ -	\$ (6,230,000)	\$ 416,751,195	\$ 16,710,000
Premium on bonds	66,766,957	-	(5,221,558)	61,545,399	-
Accreted interest on bonds	945,305	257,767	-	1,203,072	-
Compensated absences	2,382,870	1,336,460	(1,379,112)	2,340,218	1,375,000
Totals	<u>\$ 493,076,327</u>	<u>\$ 1,594,227</u>	<u>\$ (12,830,670)</u>	<u>\$ 481,839,884</u>	<u>\$ 18,085,000</u>

Payment of G.O. bonds debt service, including bonds principal, is made from the Debt Service Fund. The General Fund typically liquidates compensated absences.

**Component Unit Mortgage Loan.** On December 19, 2006, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$5,235,000 of Charter School Revenue Refunding Bonds, Series 2006, to advance refund CECFA’s outstanding Series 2001 bonds on behalf of Littleton Academy Building Foundation (Foundation). Proceeds of the Series 2001 bonds were used by the Foundation to acquire and remodel the school building for Littleton Academy Charter School.

Littleton Academy Charter School is obligated under a lease agreement to make monthly lease payments to the Foundation for using the building. The Foundation is required to make semi-annual loan payments to the trustee for payment of the bonds. Bond interest payments are due semi-annually on January 15 and July 15, with interest accruing at rates ranging from 3.75 percent to 4.38 percent. Principal payments are due annually on January 15 through 2036.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

Annual debt service requirements to maturity for the mortgage loan are as follows:

Fiscal Year Ending June 30	Mortgage Loan		
	Principal	Interest	Total
2021	\$ 170,000	\$ 163,223	\$ 333,223
2022	175,000	155,913	330,913
2023	180,000	148,388	328,388
2024	190,000	140,648	330,648
2025	200,000	132,478	332,478
2026–2030	1,125,000	525,940	1,650,940
2031–2035	1,395,000	257,469	1,652,469
2036	315,000	13,781	328,781
Totals	\$ 3,750,000	\$ 1,537,840	\$ 5,287,840

On January 31, 2013, Littleton Preparatory Charter School Building Corporation (Corporation) borrowed \$7.34 million to acquire and remodel a building for the Littleton Preparatory Charter School. The loan was obtained through a mortgage loan agreement with CECFA, which sold \$7.34 million of Charter School Revenue Bonds, Series 2013, on behalf of the Corporation.

The Corporation and CECFA entered into a mortgage loan agreement. Littleton Preparatory Charter School is obligated under a lease agreement to make monthly lease payments to the Corporation for use of the building. The Corporation is required to make semi-annual loan payments to the trustee for payment of the bonds. Bond interest payments are due semi-annually on June 1 and December 1, with interest accruing at 5.0 percent. Principal payments are due annually on December 1, beginning in 2014 through 2043.

Annual debt service requirements to maturity for the mortgage loan are as follows:

Fiscal Year Ending June 30	Mortgage Loan		
	Principal	Interest	Total
2021	\$ 145,000	\$ 326,625	\$ 471,625
2022	155,000	319,125	474,125
2023	160,000	311,250	471,250
2024	170,000	303,000	473,000
2025	180,000	294,250	474,250
2026–2030	1,050,000	1,322,500	2,372,500
2031–2035	1,330,000	1,026,250	2,356,250
2036–2040	1,695,000	650,625	2,345,625
2041–2043	1,720,000	155,500	1,875,500
Totals	\$ 6,605,000	\$ 4,709,125	\$ 11,314,125

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

**Component Unit Changes in Long-Term Debt.** The changes in long-term debt for Littleton Academy Charter School for the fiscal year ended June 30, 2020, were as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Mortgage loan payable	\$ 3,910,000	\$ -	\$ 160,000	\$ 3,750,000	\$ 170,000
Discount on loan	(36,427)	-	(2,092)	(34,335)	(2,092)
Loss on refunding	(283,237)	-	(23,768)	(259,469)	-
Totals	<u>\$ 3,590,336</u>	<u>\$ -</u>	<u>\$ 134,140</u>	<u>\$ 3,456,196</u>	<u>\$ 167,908</u>

The changes in long-term debt for Littleton Preparatory Charter School for the fiscal year ended June 30, 2020, were as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Mortgage loan payable	\$ 6,745,000	\$ -	\$ 140,000	\$ 6,605,000	\$ 145,000
Premium on loan	116,696	-	5,074	111,622	5,074
Totals	<u>\$ 6,861,696</u>	<u>\$ -</u>	<u>\$ 145,074</u>	<u>\$ 6,716,622</u>	<u>\$ 150,074</u>

### III. OTHER INFORMATION

#### A. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Liability and property.** The district has a self-insured retention on its general liability, errors and omissions, and auto claims up to \$150,000 per occurrence. For claims in excess of \$150,000 up to \$5,000,000, the district is a member of the Excess-of-Loss Self-Insurance Pool (ELSIP), a public entity risk pool. ELSIP operates risk management and insurance programs for three participating member school districts. The district pays an annual premium for its coverage. ELSIP may require additional contributions if it determines the financial condition, including cash flow availability, so necessitates additional contributions. Additionally, the district purchases cyber liability coverage through American International Group (AIG). The district self-insures the first \$25,000 for each property claim and insures through Travelers additional losses up to approximately \$394.1 million. The district purchases other insurance policies for crime and fiduciary with varying deductibles and limits. Both charter schools participate with the district for all coverages.

**Employee health care.** All employee health care benefit plans of the district and the component units are commercially insured.

**Workers' compensation.** In 1986, the district joined with other school districts in the state of Colorado to form the Joint School Districts' Workers' Compensation Self-Insurance Pool (Joint Pool), a public entity risk pool currently operating as a common risk management and insurance program with four participating members. The district pays an annual premium to the Joint Pool for its workers' compensation coverage. The Joint Pool may require additional contributions if it determines the financial condition, including cash flow availability, so necessitates additional contributions. Each member of the Joint Pool is responsible for \$100,000 of each loss. Losses between \$100,000 and \$500,000 are pooled between the member districts, and losses in excess of \$500,000 are reinsured for up to statutory limits. The component units participate with the district in the Joint Pool.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

**B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the district expects such amounts, if any, to be immaterial.

The district is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the district's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the district.

**C. Constitutional TABOR Amendment**

In the November 1992 general election, Colorado voters approved an amendment to the Colorado Constitution commonly known as TABOR. This amendment limits the ability of the state and local governments, such as the district, to increase revenues, debt, and spending. In addition, TABOR requires that the state and local governments obtain voter approval to create any multiple fiscal year direct or indirect debt or other financial obligations without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.

In the November 1998 general election, the district's electorate authorized the district to collect, retain, and expend all revenues and other funds collected during fiscal year 1999 and each subsequent year from any source, notwithstanding the TABOR limitations. The district remains subject to TABOR with respect to general mill levy increase restrictions and to the issuance of any new debt without taxpayers' approval. The TABOR amendment is subject to many interpretations, but the district believes it is in compliance. TABOR requires that an emergency reserve be established. Net position and fund balances of \$5,060,000 have been restricted for this emergency reserve at June 30, 2020.

**D. Public Employees' Retirement Association of Colorado (PERA)**

**Summary of Significant Accounting Policies**

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

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.

# ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

## Notes to Basic Financial Statements

### General Information about the Pension Plan

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

**Benefits provided.** PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, benefit structure under which the member retires, 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 cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

As of December 31, 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 (AI) in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of one percent based on the parameters specified in C.R.S. 24-51-413.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

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

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

**Contributions.** Eligible employees and the district, Littleton Academy, and Littleton Preparatory are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. and 24-51-413. Eligible employees are required to contribute eight point seventy-five percent (8.75%) of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. The employer contribution requirements are summarized in the table below.

	<u>January 1, 2019 Through June 30, 2019</u>	<u>July 1, 2019 Through June 30, 2020</u>
Employer contribution rate*	10.15%	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f) *	<u>(1.02)</u>	<u>(1.02)</u>
Amount Apportioned to the SCHDTF*	9.13	9.38
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411 *	4.50	4.50
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411 *	<u>5.50</u>	<u>5.50</u>
Total Employer Contribution Rate to the SCHDTF*	<u>19.13%</u>	<u>19.38%</u>

\*Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

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

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 20, 2020. This

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

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, Littleton Academy, and Littleton Preparatory are statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district, Littleton Academy, and Littleton Preparatory were \$20,518,906; \$425,404; and \$572,735, respectively 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’s proportion of the net pension liability was based on the district’s contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the state to the SCHDTF.

At June 30, 2020, the district, Littleton Academy, and Littleton Preparatory reported a liability for its proportionate share of the net pension liability that reflected a reduction for support from the state pension support provided to the district and the two charter schools under the direct distribution provision to allocate funds from the state of Colorado budget to PERA on an annual basis beginning in July 2018. The amount recognized by the district, Littleton Academy, and Littleton Preparatory as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability associated with the district, Littleton Academy, and Littleton Preparatory were as follows:

	<b>District</b>	<b>Littleton Academy</b>	<b>Littleton Preparatory</b>
Proportionate share of the net pension liability	\$ 267,994,602	\$ 5,445,219	\$ 7,269,648
State’s proportionate share of the net pension liability associated with the district	33,991,707	690,657	922,062
Total	<u>\$ 331,986,309</u>	<u>\$ 6,135,876</u>	<u>\$ 8,191,710</u>

At December 31, 2019, the district’s and the two charter schools’ proportion was 1.879 percent, which was a decrease of 0.026 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the district, Littleton Academy, and Littleton Preparatory recognized net pension income of \$50,757,011; \$571,625; and \$1,626,367, respectively. For the year ended June 30, 2020, the district, Littleton Academy, and Littleton Preparatory recognized pension expense of \$1,075,205; \$21,846; and \$29,166, respectively. At June 30, 2020, the district, Littleton Academy, and Littleton Preparatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown on following page.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

	District		Littleton Academy		Littleton Preparatory	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,605,882	\$ -	\$ 296,768	\$ -	\$ 396,201	\$ -
Changes of assumptions or other inputs	7,650,837	121,559,182	155,453	2,469,900	207,537	3,297,444
Net difference between projected and actual earnings on pension plan investments	-	31,746,628	-	645,040	-	861,162
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	34,734,144	-	705,742	-	942,202
Contributions subsequent to the measurement date	10,164,879	-	219,242	-	291,174	-
<b>Total</b>	<b>\$ 32,421,598</b>	<b>\$188,040,584</b>	<b>\$ 671,463</b>	<b>\$3,820,682</b>	<b>\$ 894,912</b>	<b>\$5,100,808</b>

The \$10,164,879; \$219,242; and \$291,174 from the district, Littleton Academy, and Littleton Preparatory, respectively, are reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date and 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.

<u>Year Ended:</u>	<u>District</u>	<u>Littleton Academy</u>	<u>Littleton Preparatory</u>
2021	\$ (91,587,197)	\$ (1,860,905)	\$ (2,484,403)
2022	(63,151,261)	(1,283,132)	(1,713,047)
2023	(246,144)	(5,001)	(6,677)
2024	( 10,799,263)	( 219,424)	(292,942)
<b>Total</b>	<b>\$ (165,783,865)</b>	<b>\$ (3,368,462)</b>	<b>\$ (4,497,069)</b>

**Actuarial assumptions.** The December 31, 2018, actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases—including wage inflation	3.50–9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007	1.25 percent compounded annually
PERA benefit structure hired after December 31, 2006 (ad hoc, substantively automatic) <sup>1</sup>	Financed by the Annual Increase Reserve

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

## ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

### Notes to Basic Financial Statements

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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 PERA's Board during their meeting on November 18, 2016.

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

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

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

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

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

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 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 included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the state of Colorado, as a nonemployer contributing entity, will provide an annual direct distribution of \$225,000,000, commencing July 1, 2018, and is proportioned between the state, district, judicial, and DPS division trust funds based upon covered payroll of each division. The annual direct distribution ceases when all division trust funds are fully funded.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. 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 GASB Statement No. 67 projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount 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's, Littleton Academy's, and Littleton Preparatory's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
District's proportionate share of the net pension liability	\$355,418,222	\$267,994,602	\$194,594,855
Littleton Academy's proportionate share of the net pension liability	7,221,527	5,445,219	3,953,854
Littleton Preparatory's proportionate share of the net pension liability	9,641,110	7,269,648	5,278,599

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

# ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

## Notes to Basic Financial Statements

### E. Postemployment Benefits Other Than Pensions (OPEB)

#### Summary of Significant Accounting Policies

The district, Littleton Academy, and Littleton Preparatory participate in the Health Care Trust Fund (HCTF), a cost-sharing, multiple-employer defined benefit OPEB fund administered by 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, Littleton Academy, and Littleton Preparatory are provided with OPEB through the HCTF—a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by Colorado PERA. The HCTF is established under Title 24, Article 51, Part 12 of the 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. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

Enrollment in PERACare is voluntary and is available to benefit recipients and their eligible dependents, 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

## ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

### Notes to Basic Financial Statements

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 five percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

**Contributions.** Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the state, district, 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, Littleton Academy, and Littleton Preparatory are statutorily committed to pay the contributions. Employer contributions recognized by the HCTF were \$1,079,950; \$22,384; and \$30,144, respectively 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, Littleton Academy, and Littleton Preparatory reported a liability of \$13,176,536; \$267,726; and \$357,428, respectively for their proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2019. The district's and the two charter schools' proportion of the net OPEB liability was based on total 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's, Littleton Academy's, and Littleton Preparatory's total proportion was 1.228 percent, which was a decrease of 0.010 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the district and Littleton Preparatory recognized OPEB income of \$329,230 and \$8,567, respectively, and Littleton Academy recognized OPEB expense of \$8,682. At June 30, 2020, the district, Littleton Academy, and Littleton Preparatory reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown on the next page.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

	District		Littleton Academy		Littleton Preparatory	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 43,726	\$2,214,143	\$ 888	\$ 44,988	\$ 1,186	\$ 60,061
Changes of assumptions or other inputs	109,316	-	2,221	-	2,965	-
Net difference between projected and actual earnings on OPEB plan investments	-	219,933	-	4,469	-	5,966
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	244,248	-	4,963	-	6,626
Contributions subsequent to the measurement date	535,002	-	11,534	-	16,226	-
<b>Total</b>	<b>\$ 688,044</b>	<b>\$ 2,678,324</b>	<b>\$ 14,643</b>	<b>\$ 54,420</b>	<b>\$ 20,377</b>	<b>\$ 72,653</b>

The \$535,002; \$11,534; and \$16,226 from the district, Littleton Academy, and Littleton Preparatory, respectively, are reported as deferred outflows of resources related to OPEB resulting from the district, Littleton Academy, and Littleton Preparatory contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	District	Littleton Academy	Littleton Preparatory
2021	\$ (528,547)	\$ (10,739)	\$ (14,337)
2022	(528,523)	(10,739)	(14,337)
2023	(464,844)	(9,445)	(12,609)
2024	(524,495)	(10,657)	(14,227)
2025	(451,780)	(9,179)	(12,255)
Thereafter	(27,092)	(550)	(735)
<b>Total</b>	<b>\$ (2,525,281)</b>	<b>\$ (513,309)</b>	<b>\$ (68,500)</b>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising 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 costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during their meeting on November 18, 2016. 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 65 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:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>	<u>Premiums for Members Without Medicare Part A</u>
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 65 or older and who are not eligible for premium-free Medicare Part A, the chart on the following page details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
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 and 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.

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
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, district, 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.

## ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

### Notes to Basic Financial Statements

Healthy, post-retirement mortality assumptions for the state and local government divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

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

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

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 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 table on the following page:

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

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

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

**Sensitivity of the District’s, Littleton Academy’s, and Littleton Preparatory’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the district’s, Littleton Academy’s, and Littleton Preparatory’s 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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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
District’s proportionate share of the net OBEB liability	\$12,863,534	\$13,176,536	\$13,538,235
Littleton Academy’s proportionate share of the net OPEB liability	261,366	267,726	275,075
Littleton Preparatory’s proportionate share of the net OPEB liability	348,938	357,428	367,240

**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.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

**Sensitivity of the District’s, Littleton Academy’s, and Littleton Preparatory’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

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

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
District’s proportionate share of the next OPEB liability	\$14,898,727	\$13,176,536	\$11,703,704
Littleton Academy’s proportionate share of the next OPEB liability	302,718	267,726	237,800
Littleton Preparatory’s proportionate share of the next OPEB liability	404,144	357,428	317,476

**OPEB Plan Fiduciary Net Position**

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

**F. Restatement of Net Position**

For the year ended June 30, 2020, the district adopted the provisions of GASB Statement No. 84, *Fiduciary Activities* (GASB no. 84). GASB No. 84 revises and establishes new financial reporting requirements for fiduciary funds. For the district, the fiduciary fund previously reported no longer qualified as a fiduciary fund and was consolidated into the beginning fund balance of the Student Athletic and Activities fund. As of July 1, 2019 the fiduciary fund is presented as part of the renamed special revenue fund of Student Athletic, Activities and Clubs.

The restatement of the prior period fund balance for the Student Athletic and Activities fund relating to implementation of the new standard and consolidation of the special revenue fund is shown on the next page.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Basic Financial Statements**

Fund Balance, June 30, 2019, as Previously Reported	\$ 683,482
Cumulative Effect of Application of GASB No. 84, Fiduciary Activities	<u>300,759</u>
Fund Balance, June 30, 2019, as Restated	<u>\$ 984,241</u>

The restatement of prior period net position for governmental activities relating to implementation of the new standard is shown below.

Net Position, June 30, 2019, as Previously Reported	\$ (428,044,745)
Cumulative Effect of Application of GASB No. 84, Fiduciary Activities	<u>300,759</u>
Net Position, June 30, 2019, as Restated	<u>\$ (427,743,986)</u>

# Required Supplementary Information



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**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget- Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 74,456,711	\$ 74,456,711	\$ 78,585,341	\$ 4,128,630
Specific ownership taxes	6,859,375	6,859,375	7,946,959	1,087,584
Intergovernmental revenue:				
Federal grants	325,000	325,000	342,095	17,095
State equalization aid	71,937,311	71,937,311	67,591,718	(4,345,593)
State education of students with disabilities	3,184,745	3,184,745	3,383,803	199,058
Other state entitlements	2,415,190	2,415,190	2,793,744	378,554
Investment earnings	641,995	641,995	351,352	(290,643)
Other	4,396,124	4,396,124	3,867,472	(528,652)
Total revenues	<u>164,216,451</u>	<u>164,216,451</u>	<u>164,862,484</u>	<u>646,033</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	103,940,426	105,642,911	97,414,480	8,228,431
Support services:				
Pupil services	8,867,330	9,553,095	9,276,355	276,740
Instructional staff services	9,821,530	10,532,984	9,252,174	1,280,810
General administration	2,049,776	2,195,824	2,118,376	77,448
School administration	10,392,470	10,756,485	10,355,295	401,190
Financial administration	1,842,267	2,258,831	1,485,835	772,996
Operations administration	13,269,234	13,406,660	13,105,490	301,170
Transportation	6,532,636	6,555,700	6,488,375	67,325
Central administration	7,325,000	7,367,555	6,872,522	495,033
Community services	163,698	163,698	125,620	38,078
Contingency reserve	21,629,914	17,345,594	-	17,345,594
Total expenditures	<u>185,834,281</u>	<u>185,779,337</u>	<u>156,494,522</u>	<u>29,284,815</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(21,617,830)</u>	<u>(21,562,886)</u>	<u>8,367,962</u>	<u>29,930,848</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	226,606	226,606	-	(226,606)
Transfers out	<u>(7,035,302)</u>	<u>(7,090,246)</u>	<u>(7,369,246)</u>	<u>(279,000)</u>
Total other financing sources (uses)	<u>(6,808,696)</u>	<u>(6,863,640)</u>	<u>(7,369,246)</u>	<u>(505,606)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(28,426,526)	(28,426,526)	998,716	29,425,242
<b>FUND BALANCE—BEGINNING</b>	<u>28,426,526</u>	<u>28,426,526</u>	<u>27,722,855</u>	<u>(703,671)</u>
<b>FUND BALANCE—ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,721,571</u>	<u>\$ 28,721,571</u>
<b>RECONCILIATION to GAAP Basis:</b>				
Total Revenue and Transfers In Above			\$ 164,862,484	
On-Behalf Contribution to PERA Retirement Plan			2,574,546	
Total Revenue, GAAP Basis			<u>167,437,030</u>	
Total Expenditures and Transfers Out Above			163,863,768	
On-Behalf Contribution to PERA Retirement Plan			2,574,546	
Total Expenditures, GAAP Basis			<u>166,438,314</u>	
Change in Fund Balance, GAAP Basis			998,716	
<b>FUND BALANCE—BEGINNING, GAAP Basis</b>			<u>27,722,855</u>	
<b>FUND BALANCE—ENDING, GAAP Basis</b>			<u>\$ 28,721,571</u>	

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Risk Management Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Insurance reimbursements and other	\$ 116,450	\$ 116,450	\$ 121,239	\$ 4,789
Total revenues	<u>116,450</u>	<u>116,450</u>	<u>121,239</u>	<u>4,789</u>
<b>EXPENDITURES</b>				
Current:				
Risk management	2,920,677	2,920,677	2,601,720	318,957
Contingency reserve	<u>1,389,045</u>	<u>1,389,045</u>	<u>-</u>	<u>1,389,045</u>
Total expenditures	<u>4,309,722</u>	<u>4,309,722</u>	<u>2,601,720</u>	<u>1,708,002</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,193,272)</u>	<u>(4,193,272)</u>	<u>(2,480,481)</u>	<u>1,712,791</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>2,771,907</u>	<u>2,771,907</u>	<u>2,771,907</u>	<u>-</u>
Total other financing sources	<u>2,771,907</u>	<u>2,771,907</u>	<u>2,771,907</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,421,365)	(1,421,365)	291,426	1,712,791
<b>FUND BALANCE—BEGINNING</b>	<u>1,421,365</u>	<u>1,421,365</u>	<u>1,160,542</u>	<u>(260,823)</u>
<b>FUND BALANCE—ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,451,968</u></u>	<u><u>\$ 1,451,968</u></u>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Notes to Required Supplementary Information**  
**June 30, 2020**

**NOTE 1: Budgetary Information**

- a. The District prepares budgets for all funds. During May, the superintendent of schools submits to the Board of Education a proposed budget for all funds for the fiscal year commencing July 1. The budget includes proposed expenditures and the means for financing them.
- b. Notice is provided to taxpayers of the availability for inspection of the proposed budget. Prior to June 30, the budget is adopted by formal resolution of the Board of Education. C.R.S. 22-44-110 (5) allows the Board of Education to review and change the Adopted Budget, with respect to both revenues and expenditures, at any time prior to January 31.
- c. 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 within any fund rests with the superintendent of schools. Revisions that alter the total expenditures 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.
- d. Budgets are adopted on a basis consistent with GAAP, with the exception of the no-behalf payments for retirement benefits to Colorado PERA paid by the state of Colorado.
- e. The budgets reported in the accompanying financial statements and schedules as adopted by the Board of Education were done so as authorized.
- f. Appropriations for all funds lapse at the fiscal year end.
- g. The Risk Management Fund is a sub-fund of the General Fund, and its budget is approved by the Board of Education annually. The Statement of Revenues, Expenditures, and Changes in Fund Balances combines the actual revenues and expenditures of the General Fund and the Risk Management Fund. A budgetary comparison schedule is provided separately for both the General Fund and the Risk Management Fund. The following is a reconciliation of the General Fund actual revenues and expenditures as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

	<b>General Fund</b>	<b>Risk Management Fund</b>	<b>Total</b>
Revenue, GAAP Basis	\$ 167,437,030	\$ 2,893,146	\$ 170,330,176
Expenditures, GAAP Basis	(166,438,314)	(2,601,720)	(169,040,034)
Change in Fund Balances, GAAP Basis	998,716	291,426	1,290,142
Fund Balance—Beginning, GAAP Basis	27,722,855	1,160,542	28,883,397
Fund Balance—Ending, GAAP Basis	<u>\$ 28,721,571</u>	<u>\$ 1,451,968</u>	<u>\$ 30,173,539</u>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Schedules of Required Supplementary Information**  
**June 30, 2020**

**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**PERA Pension Plan**  
**Last Ten Fiscal Years\***  
**(Dollar amounts in thousands)**

	2013	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability (asset)	2.27%	2.25%	2.22%	2.21%	2.19%	1.82%	1.79%
District's proportionate share of the net pension liability (asset)	\$ 277,142	\$ 291,875	\$ 325,723	\$ 629,668	\$ 676,856	\$ 322,173	\$ 267,995
State's proportionate share of the net pension liability associated with the district **	-	-	-	-	-	44,053	33,992
Total	<u>\$ 277,142</u>	<u>\$ 291,875</u>	<u>\$ 325,723</u>	<u>\$ 629,668</u>	<u>\$ 676,856</u>	<u>\$ 366,226</u>	<u>\$ 301,987</u>
District's employee covered payroll	\$ 90,007	\$ 90,761	\$ 93,180	\$ 94,917	\$ 96,531	\$ 100,073	\$ 104,900
District's proportionate share of the net pension liability (asset) as a percentage of its employee covered payroll	307.91%	321.59%	349.56%	663.39%	701.18%	321.94%	255.48%
Plan fiduciary net position as a percentage of the total pension liability	64.06%	62.80%	59.20%	43.10%	43.96%	57.01%	64.52%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

\* Information for 2010 to 2012 is not available.

\*\* 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.

**Schedule of the District Contributions**  
**PERA Pension Plan**  
**Last Ten Fiscal Years\***  
**(Dollar amounts in thousands)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 12,046	\$ 13,039	\$ 14,260	\$ 15,327	\$ 16,843	\$ 17,498	\$ 18,436	\$ 19,631	\$ 20,519
Contributions in relation to the contractually required contribution	(12,046)	(13,039)	(14,260)	(15,327)	(16,843)	(17,498)	(18,436)	(19,631)	(20,519)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's employee covered payroll	\$ 88,496	\$ 90,415	\$ 89,784	\$ 91,217	\$ 94,995	\$ 95,196	\$ 97,621	\$ 102,612	\$ 105,877
Contributions as a percentage of employee covered payroll	13.61%	14.42%	15.88%	16.80%	17.73%	18.38%	18.89%	19.13%	19.38%

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

\* Information for 2011 is not available.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Schedules of Required Supplementary Information**  
**June 30, 2020**

**Schedule of the District's Proportionate Share of the OPEB Liability**  
**Last Ten Fiscal Years\***  
**(Dollar amounts in thousands)**

	2016	2017	2018	2019
District's proportion of the net OPEB liability (asset)	1.25%	1.24%	1.18%	1.17%
District's proportionate share of the net OPEB liability (asset)	\$ 15,585	\$ 15,456	\$ 16,099	\$ 13,177
District's employee covered payroll	\$ 94,917	\$ 96,531	\$ 100,073	\$ 109,871
District's proportionate share of the net OPEB liability (asset) as a percentage of its employee covered payroll	16.42%	16.01%	16.09%	11.99%
Plan fiduciary net position as a percentage of the total OPEB liability	16.72%	17.53%	17.03%	24.49%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

\* Information for 2010 to 2015 is not available.

**Schedule of the District Contributions**  
**PERA OPEB Plan**  
**Last Ten Fiscal Years\***  
**(Dollar amounts in thousands)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 903	\$ 921	\$ 916	\$ 930	\$ 968	\$ 971	\$ 996	\$ 1,047	\$ 1,080
Contributions in relation to the contractually required contribution	(903)	(921)	(916)	(930)	(968)	(971)	(996)	(1,047)	(1,080)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's employee covered payroll	\$ 88,496	\$ 90,415	\$ 89,784	\$ 91,217	\$ 94,995	\$ 95,196	\$ 97,621	\$ 102,612	\$ 105,877
Contributions as a percentage of employee covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

\* Information for 2011 is not available.

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# Combining and Individual Fund Statements and Schedules



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# ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

## Nonmajor Governmental Funds

The first statements and schedules in this supplementary information are those of the nonmajor governmental funds. Special revenue funds are used to account for specific revenues that are restricted or committed to expenditures for particular purposes.

**Designated Purpose Grants Fund.** This fund is used to account for federal, state, and local grants which are restricted as to the type of expenditures for the grants may be used.

**Nutrition Services Fund.** This fund is used to account for the operation of breakfast, lunch, and summer feeding programs.

**Extended Day Care Fund.** This fund is used to account for preschool, full-day kindergarten, and before- and after- school day care programs.

**Student Athletic, Activities and Clubs Fund.** This fund accounts for extracurricular activities at the elementary, middle, and high school levels; intramural athletic programs at the middle level; varsity athletics programs; district-sponsored activities at the high school level and clubs at all levels.

**Capital Projects Fund.** This fund is used to account for the acquisition of land, construction of new facilities, alterations and improvements to existing structures, and the acquisition of school buses and/or other equipment.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Designated Purpose Grants Fund	Nutrition Services Fund	Extended Day Care Program Fund
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 1,695,947	\$ 1,364,459	\$ 2,073,367
Restricted investments	-	3,840	-
Due from other governments	570,945	110,490	-
Total assets	\$ 2,266,892	\$ 1,478,789	\$ 2,073,367
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts and contracts payable	\$ 41,891	\$ 2,674	\$ 12,619
Accrued compensation	200,162	64,988	121,054
Unearned revenue	2,024,839	258,230	169,015
Total liabilities	2,266,892	325,892	302,688
 Fund balances:			
Restricted for:			
Nutrition services	-	1,152,897	-
Capital projects	-	-	-
Committed for:			
Capital projects	-	-	-
Student care services	-	-	1,770,679
Pupil activities	-	-	-
Assigned for:			
Beverage sponsorship for student needs	-	-	-
Total fund balances	-	1,152,897	1,770,679
Total liabilities and fund balances	\$ 2,266,892	\$ 1,478,789	\$ 2,073,367

\*Restated beginning fund balance due to GASB 84, including fiduciary fund as described in Note F.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	<u>Student Athletic, Activities and Clubs Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 1,000,170	\$ 4,338,633	\$ 10,472,576
Restricted investments	-	-	-
Due from other governments	-	-	681,435
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u><u>\$ 1,000,170</u></u>	<u><u>\$ 4,338,633</u></u>	<u><u>\$ 11,154,011</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts and contracts payable	\$ 211,320	\$ 843,692	\$ 1,112,196
Accrued compensation	29,450	-	415,654
Unearned revenue	1,562	-	2,453,646
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>242,332</u>	<u>843,692</u>	<u>3,981,496</u>
 Fund balances:			
Restricted for:			
Nutrition services	-	-	1,152,897
Capital projects	-	-	-
Committed for:			
Capital projects	-	3,494,941	3,494,941
Student care services	-	-	1,770,679
Pupil activities	756,879	-	756,879
Assigned for:			
Beverage sponsorship for student needs	959	-	959
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>757,838</u> *	<u>3,494,941</u>	<u>7,176,355</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u><u>\$ 1,000,170</u></u>	<u><u>\$ 4,338,633</u></u>	<u><u>\$ 11,157,851</u></u>

\*Restated beginning fund balance due to GASB 84, including fiduciary fund as described in Note F.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	Designated Purpose Grants Fund	Nutrition Services Fund	Extended Day Care Program Fund
<b>REVENUES</b>			
Intergovernmental revenue:			
Federal grants	\$ 9,787,738	\$ 1,338,931	\$ -
Donated commodities	-	249,062	-
State grants	2,131,568	54,102	-
Food sales	-	1,954,564	-
Pupil activities	-	-	-
Student care	-	-	3,142,991
Investment earnings	-	-	-
Other	9,001	1,680	6,151
Total revenues	<u>11,928,307</u>	<u>3,598,339</u>	<u>3,149,142</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	4,090,544	-	-
Support services	7,837,763	3,701,795	4,157,077
Capital outlay	-	-	-
Total expenditures	<u>11,928,307</u>	<u>3,701,795</u>	<u>4,157,077</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	-	(103,456)	(1,007,935)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	54,944	-
Transfers out	-	-	-
Total other financing sources	<u>-</u>	<u>54,944</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(48,512)	(1,007,935)
<b>FUND BALANCE—BEGINNING—RESTATED</b>	<u>-</u>	<u>1,201,409</u>	<u>2,778,614</u>
<b>FUND BALANCES—ENDING</b>	<u>\$ -</u>	<u>\$ 1,152,897</u>	<u>\$ 1,770,679</u>

\*Restated beginning fund balance due to GASB 84, including fiduciary fund as described in Note F.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	Student Athletic, Activities and Clubs Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental revenue:			
Federal grants	\$ -	\$ -	\$ 11,126,669
Donated commodities	-	-	249,062
State grants	-	-	2,185,670
Food sales	-	-	1,954,564
Pupil activities	2,309,779	-	2,309,779
Student care	-	-	3,142,991
Investment earnings	8,997	-	8,997
Other	-	521,853	538,685
	<u>2,318,776</u>	<u>521,853</u>	<u>21,516,417</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Instruction	-	-	4,090,544
Support services	4,609,402	-	20,306,037
Capital outlay	87,400	3,938,989	4,026,389
	<u>4,696,802</u>	<u>3,938,989</u>	<u>28,422,970</u>
Total expenditures			
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	(2,378,026)	(3,417,136)	(6,906,553)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	2,151,623	2,390,772	4,597,339
Transfers out	-	-	-
	<u>2,151,623</u>	<u>2,390,772</u>	<u>4,597,339</u>
Total other financing sources			
<b>NET CHANGE IN FUND BALANCE</b>	(226,403)	(1,026,364)	(2,309,214)
<b>FUND BALANCE—BEGINNING—RESTATED</b>	<u>984,241</u> *	<u>4,521,305</u>	<u>9,485,569</u>
<b>FUND BALANCES—ENDING</b>	<u>\$ 757,838</u>	<u>\$ 3,494,941</u>	<u>\$ 7,176,355</u>

\*Restated beginning fund balance due to GASB 84, including fiduciary fund as described in Note F.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Designated Purpose Grants Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Revised</u>		<u>Final Budget-</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenue:				
Federal grants	\$ 5,971,314	\$ 12,657,206	\$ 9,787,738	\$ (2,869,468)
State grants	1,311,167	1,311,167	2,131,568	820,401
Other	11,699	11,699	9,001	(2,698)
Total revenues	<u>7,294,180</u>	<u>13,980,072</u>	<u>11,928,307</u>	<u>(2,051,765)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	4,850,630	9,296,748	4,090,544	5,206,204
Support services	2,443,550	4,683,324	7,837,763	(3,154,439)
Total expenditures	<u>7,294,180</u>	<u>13,980,072</u>	<u>11,928,307</u>	<u>2,051,765</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE—BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE—ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**

**Nutrition Services Fund**

**Budgetary Comparison Schedule**

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

	Budget		Actual	Variance With
	Original	Final		Final Budget- Positive (Negative)
<b>REVENUES</b>				
Food sales	\$ 2,535,000	\$ 2,535,000	\$ 1,954,564	\$ (580,436)
Federal aid:				
Federal government programs reimbursements	1,361,000	1,361,000	1,338,931	(22,069)
Donated commodities	248,060	248,060	249,062	1,002
State programs reimbursement	59,000	59,000	54,102	(4,898)
Other	12,000	12,000	1,680	(10,320)
<b>Total revenues</b>	<b>4,215,060</b>	<b>4,215,060</b>	<b>3,598,339</b>	<b>(616,721)</b>
<b>EXPENDITURES</b>				
Salaries and employee benefits	2,154,496	2,154,496	1,982,212	172,284
Purchased services	187,837	187,837	168,013	19,824
Supplies	46,500	46,500	13,168	33,332
Food costs:				
Purchased food	1,406,538	1,406,538	1,275,921	130,617
Donated commodities	248,060	248,060	249,062	(1,002)
Equipment	163,229	163,229	6,408	156,821
Other	8,400	8,400	7,011	1,389
Contingency reserve	1,174,527	1,174,527	-	1,174,527
<b>Total expenditures</b>	<b>5,389,587</b>	<b>5,389,587</b>	<b>3,701,795</b>	<b>1,687,792</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,174,527)</b>	<b>(1,174,527)</b>	<b>(103,456)</b>	<b>1,071,071</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	54,944	(54,944)
Total other financing sources	-	-	54,944	(54,944)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,174,527)</b>	<b>(1,174,527)</b>	<b>(48,512)</b>	<b>1,126,015</b>
<b>FUND BALANCE—BEGINNING</b>	<b>1,174,527</b>	<b>1,174,527</b>	<b>1,201,409</b>	<b>26,882</b>
<b>FUND BALANCE—ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,152,897</b>	<b>\$ 1,152,897</b>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Extended Day Care Program Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Student care fees	\$ 4,681,370	\$ 4,681,370	\$ 3,142,991	\$ (1,538,379)
Contributions	47,366	47,366	6,151	(41,215)
Total revenues	<u>4,728,736</u>	<u>4,728,736</u>	<u>3,149,142</u>	<u>(1,579,594)</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits	3,820,643	3,840,633	3,655,681	184,952
Purchased services	245,108	266,732	202,561	64,171
Supplies	309,153	328,231	198,181	130,050
Equipment	13,487	14,204	65,224	(51,020)
Other	113,739	114,943	35,430	79,513
Transfers out	226,606	226,606	-	226,606
Contingency reserve	2,764,538	2,701,925	-	2,701,925
Total expenditures	<u>7,493,274</u>	<u>7,493,274</u>	<u>4,157,077</u>	<u>3,336,197</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,764,538)	(2,764,538)	(1,007,935)	1,756,603
<b>FUND BALANCE—BEGINNING</b>	<u>2,764,538</u>	<u>2,764,538</u>	<u>2,778,614</u>	<u>14,076</u>
<b>FUND BALANCE—ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,770,679</u>	<u>\$ 1,770,679</u>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Student Athletic, Activities and Clubs Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Pupil activities	\$ 2,783,000	\$ 2,783,000	\$ 2,309,779	\$ (473,221)
Investment earnings	17,500	17,500	8,997	(8,503)
Other	14,000	14,000	-	(14,000)
Total revenues	<u>2,814,500</u>	<u>2,814,500</u>	<u>2,318,776</u>	<u>(495,724)</u>
<b>EXPENDITURES</b>				
Current:				
Support services	4,687,123	5,569,707	4,696,802	872,905
Contingency reserve	882,584	-	-	-
Total expenditures	<u>5,569,707</u>	<u>5,569,707</u>	<u>4,696,802</u>	<u>872,905</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,755,207)	(2,755,207)	(2,378,026)	377,181
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,872,623	1,872,623	2,151,623	279,000
Total other financing sources	<u>1,872,623</u>	<u>1,872,623</u>	<u>2,151,623</u>	<u>279,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(882,584)	(882,584)	(226,403)	656,181
<b>FUND BALANCE—BEGINNING—RESTATED</b>	<u>882,584</u>	<u>882,584</u>	<u>984,241</u> *	<u>101,657</u>
<b>FUND BALANCE—ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 757,838</u>	<u>\$ 757,838</u>

\*Restated beginning fund balance due to GASB 84, including fiduciary fund as described in Note F.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Gifts to school and other revenue	\$ 566,000	\$ 566,000	\$ 521,853	\$ (44,147)
Total revenues	<u>566,000</u>	<u>566,000</u>	<u>521,853</u>	<u>(44,147)</u>
<b>EXPENDITURES</b>				
Capital outlay	2,578,518	3,787,572	3,938,989	(151,417)
Contingency reserve	5,162,436	3,953,382	-	3,953,382
Total expenditures	<u>7,740,954</u>	<u>7,740,954</u>	<u>3,938,989</u>	<u>3,801,965</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(7,174,954)	(7,174,954)	(3,417,136)	3,757,818
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>2,390,772</u>	<u>2,390,772</u>	<u>2,390,772</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,784,182)	(4,784,182)	(1,026,364)	3,757,818
<b>FUND BALANCE—BEGINNING</b>	<u>4,784,182</u>	<u>4,784,182</u>	<u>4,521,305</u>	<u>(262,877)</u>
<b>FUND BALANCE—ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,494,941</u>	<u>\$ 3,494,941</u>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Capital Projects—Building Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 6,000,000	\$ 6,000,000	\$ 10,462,029	\$ 4,462,029
Total revenues	6,000,000	6,000,000	10,462,029	4,462,029
<b>EXPENDITURES</b>				
Capital projects:				
Building and improvements	81,741,044	81,741,044	40,822,852	40,918,192
Contingency reserve	266,945,872	266,945,872	-	266,945,872
Total expenditures	348,686,916	348,686,916	40,822,852	307,864,064
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(342,686,916)</u>	<u>(342,686,916)</u>	<u>(30,360,823)</u>	<u>312,326,093</u>
<b>NET CHANGE IN FUND BALANCE</b>	(342,686,916)	(342,686,916)	(30,360,823)	312,326,093
<b>FUND BALANCE—BEGINNING</b>	<u>342,686,916</u>	<u>342,686,916</u>	<u>358,894,702</u>	<u>16,207,786</u>
<b>FUND BALANCE—ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,533,879</u>	<u>\$ 328,533,879</u>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 37,174,209	\$ 37,174,209	\$ 37,243,580	\$ 69,371
Investment earnings	225,000	225,000	315,562	90,562
Total revenues	<u>37,399,209</u>	<u>37,399,209</u>	<u>37,559,142</u>	<u>159,933</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	6,230,000	6,230,000	6,230,000	-
Interest and fiscal charges	21,361,938	21,361,938	21,378,211	(16,273)
Contingency reserve	<u>35,155,429</u>	<u>35,155,429</u>	-	<u>35,155,429</u>
Total expenditures	<u>62,747,367</u>	<u>62,747,367</u>	<u>27,608,211</u>	<u>35,139,156</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(25,348,158)</u>	<u>(25,348,158)</u>	<u>9,950,931</u>	<u>35,299,089</u>
<b>NET CHANGE IN FUND BALANCE</b>	(25,348,158)	(25,348,158)	9,950,931	35,299,089
<b>FUND BALANCE—BEGINNING</b>	<u>25,348,158</u>	<u>25,348,158</u>	<u>22,669,254</u>	<u>(2,678,904)</u>
<b>FUND BALANCE—ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,620,185</u></u>	<u><u>\$ 32,620,185</u></u>

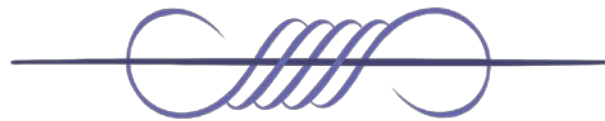
**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Combining Statement of Net Position**  
**Component Units**  
**June 30, 2020**

	Littleton Academy Charter School	Littleton Preparatory Charter School	Total Component Units
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 2,667,378	\$ 2,216,211	\$ 4,883,589
Restricted cash and investments	605,839	765,070	1,370,909
Account Receivable	-	17,974	17,974
Capital assets—net of accumulated depreciation			
Land	1,019,806	870,000	1,889,806
Land improvements	99,983	-	99,983
Building and leasehold improvements	4,062,714	5,945,144	10,007,858
Equipment	21,400	29,826	51,226
Construction in progress	15,964	-	15,964
Total assets	<u>8,493,084</u>	<u>9,844,225</u>	<u>18,337,309</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	259,469	-	259,469
Deferred OPEB outflows of resources	14,643	20,377	35,020
Deferred pension outflows of resources	671,463	894,912	1,566,375
Total deferred outflows	<u>945,575</u>	<u>915,289</u>	<u>1,860,864</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	34,378	31,752	66,130
Accrued compensation	246,196	285,073	531,269
Accrued interest	74,810	27,521	102,331
Unearned revenue	218,758	235,626	454,384
Noncurrent liabilities:			
Due within one year	167,908	150,074	317,982
Due in more than one year	3,547,757	6,566,548	10,114,305
Net OPEB liability	267,726	357,428	625,154
Net pension liability	5,445,219	7,269,648	12,714,867
Total liabilities	<u>10,002,752</u>	<u>14,923,670</u>	<u>24,926,422</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred OPEB inflows of resources	54,420	72,653	127,073
Deferred pension inflows of resources	3,820,682	5,100,808	8,921,490
Total deferred inflows	<u>3,875,102</u>	<u>5,173,461</u>	<u>9,048,563</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,096,894	608,597	2,705,491
Restricted for:			
Debt service	97,806	97,300	195,106
Emergency reserve under TABOR	138,900	172,500	311,400
Repair and replacement	100,411	160,000	260,411
Working capital	-	-	-
Unrestricted	(6,873,206)	(10,376,014)	(17,249,220)
Total net position	<u>\$ (4,439,195)</u>	<u>\$ (9,337,617)</u>	<u>\$ (13,776,812)</u>

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Combining Statement of Activities**  
**Component Units**  
**For the Fiscal Year Ended June 30, 2020**

	Littleton Academy Charter School	Littleton Preparatory Charter School	Total Component Units
<b>REVENUES</b>			
Intergovernmental revenue:			
State equalization aid	\$ 3,787,085	\$ 4,523,236	\$ 8,310,321
Supplemental funding from District	501,850	608,071	1,109,921
Fees for services	63,337	189,435	252,772
Investment earnings	49,919	39,270	89,189
Capital grants and contributions	145,072	211,328	356,400
Operating grants and contributions	129,827	163,160	292,987
Other	62,022	183,093	245,115
	<u>4,739,112</u>	<u>5,917,593</u>	<u>10,656,705</u>
<b>EXPENSES</b>			
Current:			
Instruction	2,794,001	2,528,270	5,322,271
Support services	1,065,002	1,086,678	2,151,680
Debt service:			
Interest charges	192,549	328,093	520,642
	<u>4,051,552</u>	<u>3,943,041</u>	<u>7,994,593</u>
<b>EXCESS OF REVENUE OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>687,560</u>	<u>1,974,552</u>	<u>2,662,112</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	331,723	475,916	807,639
Transfers out	<u>(331,723)</u>	<u>(475,916)</u>	<u>(807,639)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	687,560	1,974,552	2,662,112
<b>NET POSITION—BEGINNING</b>	<u>(5,126,755)</u>	<u>(11,312,169)</u>	<u>(16,438,924)</u>
<b>NET POSITION—END OF THE YEAR</b>	<u>\$ (4,439,195)</u>	<u>\$ (9,337,617)</u>	<u>\$ (13,776,812)</u>

# STATISTICAL SECTION





**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Statistical Section**  
**(Unaudited)**

This part of the Arapahoe County School District Number Six's (the district) 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.

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.	79–86
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	87–91
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current level of outstanding debt and the district's ability to issue additional debt in the future.	92–95
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment in which the district's financial activities take place.	96–98
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the educational services provided and the activities performed.	99–101

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

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2011	2012	2013	2014	2015 (a)
Governmental activities:					
Net investment in capital assets	\$ 15,424,322	\$ 15,993,324	\$ 16,784,912	\$ 17,125,693	\$ 14,567,407
Restricted	10,769,180	11,538,069	13,518,897	12,961,494	14,416,693
Unrestricted	31,709,176	37,861,152	38,273,133	39,579,060	(238,088,742)
Total governmental activities net position	<u>57,902,678</u>	<u>65,392,545</u>	<u>68,576,942</u>	<u>69,666,247</u>	<u>(209,104,642)</u>
Business-type activities:					
Net investment in capital assets	1,599,267	684,349	590,080	485,840	-
Unrestricted	2,327,981	2,272,209	2,230,341	2,480,355	-
Total business-type activities net position	<u>3,927,248</u>	<u>2,956,558</u>	<u>2,820,421</u>	<u>2,966,195</u>	<u>-</u>
Primary government:					
Net investment in capital assets	17,023,589	16,677,673	17,374,992	17,611,533	14,567,407
Restricted	10,769,180	11,538,069	13,518,897	12,961,494	14,416,693
Unrestricted	34,037,157	40,133,361	40,503,474	42,059,415	(238,088,742)
Total primary government net position	<u>\$ 61,829,926</u>	<u>\$ 68,349,103</u>	<u>\$ 71,397,363</u>	<u>\$ 72,632,442</u>	<u>\$ (209,104,642)</u>

(a) GASB 68 was adopted in Fiscal Year 2015; see accompanying Notes to Basic Financial Statements. Additionally, beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

(b) GASB 75 was adopted in Fiscal Year 2018; see accompanying Notes to Basic Financial Statements.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2016	2017	2018 (b)	2019	2020
Governmental activities:					
Net investment in capital assets	\$ 12,428,571	\$ 5,825,329	\$ 1,847,800	\$ 1,147,396	\$ 8,672,164
Restricted	15,789,139	16,869,202	19,679,141	26,722,644	36,968,173
Unrestricted	(251,710,052)	(352,808,225)	(491,135,868)	(455,914,785)	(405,141,221)
Total governmental activities net position	<u>(223,492,342)</u>	<u>(330,113,694)</u>	<u>(469,608,927)</u>	<u>(428,044,745)</u>	<u>(359,500,884)</u>
Business-type activities:					
Net investment in capital assets	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary government:					
Net investment in capital assets	12,428,571	5,825,329	1,847,800	1,147,396	8,672,164
Restricted	15,789,139	16,869,202	19,679,141	26,722,644	36,968,173
Unrestricted	(251,710,052)	(352,808,225)	(491,135,868)	(455,914,785)	(405,141,221)
Total primary government net position	<u>\$ (223,492,342)</u>	<u>\$ (330,113,694)</u>	<u>\$ (469,608,927)</u>	<u>\$ (428,044,745)</u>	<u>\$ (359,500,884)</u>

(a) GASB 68 was adopted in Fiscal Year 2015; see accompanying Notes to Basic Financial Statements. Additionally, beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

(b) GASB 75 was adopted in Fiscal Year 2018; see accompanying Notes to Basic Financial Statements.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2011	2012	2013	2014	2015 (a)
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 88,502,483	\$ 88,858,394	\$ 91,006,798	\$ 94,047,589	\$ 103,545,270
Support services	50,731,776	52,512,328	55,463,678	58,352,705	74,121,159
Interest expense	2,615,800	3,491,373	3,130,818	3,947,566	5,136,295
Total governmental activities expenses	<u>141,850,059</u>	<u>144,862,095</u>	<u>149,601,294</u>	<u>156,347,860</u>	<u>182,802,724</u>
Business-type activities:					
Nutrition services	4,055,026	4,326,269	4,328,968	4,370,253	-
Extended day care	3,647,186	3,829,475	4,111,643	4,230,932	-
Total business-type activities expenses	<u>7,702,212</u>	<u>8,155,744</u>	<u>8,440,611</u>	<u>8,601,185</u>	<u>-</u>
Total primary government expenses	<u>149,552,271</u>	<u>153,017,839</u>	<u>158,041,905</u>	<u>164,949,045</u>	<u>182,802,724</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Direct instruction	906,655	841,942	1,022,049	1,152,943	1,260,425
Support services	3,160,481	3,263,591	3,390,229	3,357,085	10,328,932
Operating grants and contributions:					
Direct instruction	15,522,034	9,472,083	9,822,212	10,662,617	10,578,555
Support services	873,883	1,291,065	940,261	944,094	3,181,197
Total governmental activities program revenues	<u>20,463,053</u>	<u>14,868,681</u>	<u>15,174,751</u>	<u>16,116,739</u>	<u>25,349,109</u>
Business-type activities:					
Charges for services:					
Nutrition services	2,348,588	2,395,991	2,379,229	2,407,863	-
Extended day care	3,922,751	4,036,077	4,337,682	4,719,822	-
Operating grants and contributions:					
Nutrition services	1,654,068	1,726,855	1,778,437	1,775,706	-
Extended day care	12,210	43,558	18,925	13,234	-
Total business-type activities program revenues	<u>7,937,617</u>	<u>8,202,481</u>	<u>8,514,273</u>	<u>8,916,625</u>	<u>-</u>
Total primary government revenues	<u>28,400,670</u>	<u>23,071,162</u>	<u>23,689,024</u>	<u>25,033,364</u>	<u>25,349,109</u>
<b>Net (Expenses) Revenue</b>					
Governmental activities	(121,387,006)	(129,993,414)	(134,426,543)	(140,231,121)	(157,453,615)
Business-type activities	235,405	46,737	73,662	315,440	-
Total primary government net expense	<u>\$ (121,151,601)</u>	<u>\$ (129,946,677)</u>	<u>\$ (134,352,881)</u>	<u>\$ (139,915,681)</u>	<u>\$ (157,453,615)</u>

(a) Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 109,313,858	\$ 169,532,622	\$ 185,027,246	\$ 84,903,900	\$ 78,646,819
Support services	77,014,745	109,440,454	118,896,968	72,312,065	75,402,286
Interest expense	5,637,212	5,682,433	5,501,741	10,735,526	16,924,527
Total governmental activities expenses	<u>191,965,815</u>	<u>284,655,509</u>	<u>309,425,955</u>	<u>167,951,491</u>	<u>170,973,632</u>
Business-type activities:					
Nutrition services	-	-	-	-	-
Extended day care	-	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>191,965,815</u>	<u>284,655,509</u>	<u>309,425,955</u>	<u>167,951,491</u>	<u>170,973,632</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Direct instruction	1,308,087	1,238,727	1,244,972	1,201,349	969,777
Support services	10,585,801	11,059,436	10,840,527	11,581,916	8,087,886
Operating grants and contributions:					
Direct instruction	10,162,428	9,437,377	10,415,285	11,037,389	20,838,810
Support services	2,732,523	2,714,781	2,642,877	2,711,678	3,927,003
Total governmental activities program revenues	<u>24,788,839</u>	<u>24,450,321</u>	<u>25,143,661</u>	<u>26,532,332</u>	<u>33,823,476</u>
Business-type activities:					
Charges for services:					
Nutrition services	-	-	-	-	-
Extended day care	-	-	-	-	-
Operating grants and contributions:					
Nutrition services	-	-	-	-	-
Extended day care	-	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government revenues	<u>24,788,839</u>	<u>24,450,321</u>	<u>25,143,661</u>	<u>26,532,332</u>	<u>33,823,476</u>
<b>Net (Expenses) Revenue</b>					
Governmental activities	(167,176,976)	(260,205,188)	(284,282,294)	(141,419,159)	(137,150,156)
Business-type activities	-	-	-	-	-
Total primary government net expense	<u>\$ (167,176,976)</u>	<u>\$ (260,205,188)</u>	<u>\$ (284,282,294)</u>	<u>\$ (141,419,159)</u>	<u>\$ (137,150,156)</u>

(a) Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**General Revenues and Total Change in Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2011	2012	2013	2014	2015 (a)
<b>Net (Expenses) Revenue</b>					
Governmental activities	\$ (121,387,006)	\$ (129,993,414)	\$ (134,426,543)	\$ (140,231,121)	\$ (157,453,615)
Business-type activities	235,405	46,737	73,662	315,440	-
Total primary government net expense	<u>(121,151,601)</u>	<u>(129,946,677)</u>	<u>(134,352,881)</u>	<u>(139,915,681)</u>	<u>(157,453,615)</u>
 <b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes:					
Property taxes levied for general purposes	62,687,915	60,839,693	61,187,557	62,352,507	61,600,095
Property taxes levied for debt service	10,180,222	10,168,244	10,734,463	10,927,873	10,882,156
Specific ownership taxes	4,213,487	4,605,805	4,953,385	5,254,030	5,675,945
Intergovernmental revenue—unrestricted					
State equalization aid	58,533,506	59,015,556	58,137,361	59,798,784	64,807,999
Investment earnings	33,880	50,898	69,676	84,479	197,283
Other	1,415,363	1,781,401	1,767,344	2,729,875	2,387,705
Total governmental activities	<u>137,064,373</u>	<u>136,461,597</u>	<u>136,849,786</u>	<u>141,147,548</u>	<u>145,551,183</u>
Business-type activities:					
Investment earnings	7,247	4,257	4,509	3,212	-
	<u>7,247</u>	<u>4,257</u>	<u>4,509</u>	<u>3,212</u>	<u>-</u>
 <b>Transfers In/(Out)</b>					
Governmental activities	149,786	1,021,684	214,308	172,878	-
Business-type activities	(149,786)	(1,021,684)	(214,308)	(172,878)	-
Net transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Change in Net Position</b>					
Governmental activities	15,827,153	7,489,867	2,637,551	1,089,305	(11,902,432)
Business-type activities	92,866	(970,690)	(136,137)	145,774	-
Total primary government change in net position	<u>15,920,019</u>	<u>6,519,177</u>	<u>2,501,414</u>	<u>1,235,079</u>	<u>(11,902,432)</u>

(a) Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**General Revenues and Total Change in Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Net (Expenses) Revenue</b>					
Governmental activities	\$ (167,176,976)	\$ (260,205,188)	\$ (284,282,294)	\$ (141,419,159)	\$ (137,150,156)
Business-type activities	-	-	-	-	-
Total primary government net expense	(167,176,976)	(260,205,188)	(284,282,294)	(141,419,159)	\$ (137,150,156)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes:					
Property taxes levied for general purposes	68,066,334	67,201,560	72,777,313	72,355,611	79,153,711
Property taxes levied for debt service	12,871,720	12,823,760	14,435,952	25,078,617	37,720,882
Specific ownership taxes	6,049,245	6,445,006	7,012,770	6,957,456	7,946,959
Intergovernmental revenue—unrestricted					
State equalization aid	62,961,971	63,606,020	62,030,988	67,076,082	67,591,718
Investment earnings	532,626	372,214	624,135	8,260,069	11,137,940
Other	2,307,380	3,135,276	3,003,408	3,255,506	1,842,048
Total governmental activities	152,789,276	153,583,836	159,884,566	182,983,341	205,393,258
Business-type activities:					
Investment earnings	-	-	-	-	-
<b>Transfers In/(Out)</b>					
Governmental activities	-	-	-	-	-
Business-type activities	-	-	-	-	-
Net transfers	-	-	-	-	-
<b>Change in Net Position</b>					
Governmental activities	(14,387,700)	(106,621,352)	(124,397,728)	41,564,182	68,243,102
Business-type activities	-	-	-	-	-
Total primary government change in net position	(14,387,700)	(106,621,352)	(124,397,728)	41,564,182	68,243,102

(a) Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Governmental Funds, Fund Balances**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2011 (a)	2012	2013	2014 (b)	2015 (c)
General Fund					
Nonspendable	\$ 678,758	\$ 572,739	\$ 456,306	\$ 443,498	\$ 427,218
Restricted	3,270,000	4,050,000	4,080,000	4,210,000	4,350,000
Committed	-	1,510,984	1,307,024	881,852	1,144,012
Assigned	18,818,804	15,638,543	15,661,018	13,648,357	11,532,298
Unassigned—unrestricted	7,909,800	15,291,760	18,511,203	21,512,079	23,464,550
Total general fund	<u>\$ 30,677,362</u>	<u>\$ 37,064,026</u>	<u>\$ 40,015,551</u>	<u>\$ 40,695,786</u>	<u>\$ 40,918,078</u>
All Other Governmental Funds					
Restricted	\$ 7,485,060	\$ 7,477,587	\$ 9,458,686	\$ 57,237,608	\$ 57,224,602
Committed	-	3,460,591	2,482,956	3,457,585	5,204,909
Assigned	3,240,554	623,329	41,051	57,281	53,164
Total all other governmental funds	<u>\$ 10,725,614</u>	<u>\$ 11,561,507</u>	<u>\$ 11,982,693</u>	<u>\$ 60,752,474</u>	<u>\$ 62,518,675</u>

	Fiscal Year				
	2016 (d)	2017	2018	2019 (e)	2020
General Fund					
Nonspendable	\$ 446,501	\$ 382,179	\$ 499,955	\$ 573,831	\$ 695,188
Restricted	4,490,000	4,520,000	4,630,000	4,950,000	5,060,000
Committed	1,278,391	1,544,826	1,637,643	1,085,875	1,377,301
Assigned	10,060,820	20,503,140	17,067,247	14,327,086	7,460,324
Unassigned—unrestricted	23,837,029	12,554,636	11,363,610	7,946,605	15,580,726
Total general fund	<u>\$ 40,112,741</u>	<u>\$ 39,504,781</u>	<u>\$ 35,198,455</u>	<u>\$ 28,883,397</u>	<u>\$ 30,173,539</u>
All Other Governmental Funds					
Restricted	\$ 39,731,290	\$ 20,846,953	\$ 17,980,183	\$ 382,765,365	\$ 362,306,961
Committed	6,006,081	6,492,454	7,065,975	7,982,713	6,022,499
Assigned	45,772	38,448	44,442	688	959
Total all other governmental funds	<u>\$ 45,783,143</u>	<u>\$ 27,377,855</u>	<u>\$ 25,090,600</u>	<u>\$ 390,748,766</u>	<u>\$ 368,330,419</u>

(a) Fiscal year 2011 GASB 54 was implemented with new fund balance classifications.

(b) Fiscal year 2014 the district sold \$50 million in G.O. bonds.

(c) Fiscal year 2015 the district sold \$17 million in G.O. bonds.

(d) Fiscal year 2016 the district sold \$13 million in G.O. bonds.

(e) Fiscal year 2019 the district sold \$298.9 million in G.O. bonds.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Governmental Funds, Revenues, Expenditures, and Debt Service Ratio**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Property taxes	\$ 73,331,965	\$ 71,229,303	\$ 72,329,790	\$ 73,352,585	\$ 72,747,131	\$ 80,262,499	\$ 80,365,923	\$ 85,532,502	\$ 98,536,032	\$ 115,828,921
Specific ownership taxes	4,213,487	4,605,805	4,953,385	5,254,030	5,675,945	6,049,245	6,445,006	7,012,770	6,957,456	7,946,959
Federal grants	11,378,368	6,651,337	5,608,361	5,815,636	6,872,388	6,399,597	6,725,781	6,525,588	6,538,924	11,468,764
State equalization aid	58,533,506	59,015,556	58,137,361	59,798,784	64,807,999	62,961,971	63,606,020	62,030,988	67,076,082	67,591,718
State education of students with disabilities	2,386,480	2,359,541	2,203,301	2,660,109	2,521,840	2,584,084	2,540,651	2,665,689	2,836,346	3,383,803
Other state entitlements and state grants	1,366,971	1,260,317	1,750,487	1,962,229	2,386,031	2,484,178	2,417,971	3,187,712	3,131,816	4,979,414
Food Sales	-	-	-	-	1,999,699	2,013,244	2,116,018	2,295,622	2,443,505	1,954,564
Donated Commodities	-	-	-	-	233,715	246,190	265,199	255,520	257,196	249,062
Student Care	-	-	-	-	4,936,787	5,149,373	5,476,593	5,694,761	6,177,021	3,142,991
Pupil activities	2,176,936	2,225,653	2,276,984	2,152,485	2,181,150	2,178,587	2,160,240	2,248,088	2,332,383	2,309,779
Investment earnings	33,880	50,898	69,676	84,479	197,283	532,626	372,214	624,135	8,260,069	11,137,940
State contributions	-	-	-	-	-	-	-	-	2,616,432	2,574,546
Other	4,491,787	4,826,419	5,102,963	6,256,155	6,119,286	6,032,967	5,883,144	5,274,089	5,844,331	4,527,396
Total revenues	157,913,380	152,224,829	152,432,308	157,336,492	170,679,254	176,894,561	178,374,760	183,347,464	213,007,593	237,095,857
<b>Expenditures</b>										
Instruction	81,303,127	82,334,769	84,062,986	87,143,475	90,180,055	92,505,891	93,727,094	96,231,804	104,784,725	104,079,570
Support services	48,167,507	50,048,640	52,299,833	55,286,415	65,630,762	68,491,757	69,224,107	73,567,884	78,889,400	81,863,051
Capital outlay	3,245,170	1,829,509	3,975,267	6,151,478	22,598,771	39,776,526	22,835,777	8,540,912	10,793,740	44,973,989
Debt service:										
Principal	7,081,540	6,756,041	5,639,530	7,340,000	5,210,000	5,475,000	5,680,000	5,860,000	6,045,000	6,230,000
Interest and fiscal charges	2,767,022	3,572,251	3,296,289	4,110,054	5,492,555	5,922,169	5,921,030	5,740,445	11,195,343	21,378,211
Bond issuance costs	521,935	-	-	363,993	174,525	152,621	-	-	1,582,620	-
Total expenditures	143,086,301	144,541,210	149,273,905	160,395,415	189,286,668	212,323,964	197,388,008	189,941,045	213,290,828	258,524,821
<b>Other Financing Sources (Uses)</b>										
Bonds issued	80,575,000	-	-	50,000,000	17,000,000	15,626,195	-	-	298,870,000	-
Premium	9,845,145	-	-	2,336,062	1,115,552	2,262,339	-	-	60,756,343	-
Payment to escrow agent	(89,893,721)	-	-	-	-	-	-	-	-	-
Transfers in	4,431,256	4,572,578	4,981,338	4,516,637	4,707,814	4,446,532	4,434,529	4,572,462	4,145,905	4,597,339
Transfers out	(4,281,470)	(4,360,456)	(4,767,030)	(4,343,759)	(4,707,814)	(4,446,532)	(4,434,529)	(4,572,462)	(4,145,905)	(4,597,339)
Total other financing sources (uses)	676,210	212,122	214,308	52,508,940	18,115,552	17,888,534	-	-	359,626,343	-
Net change in fund balances	\$ 15,503,289	\$ 7,895,741	\$ 3,372,711	\$ 49,450,017	\$ (491,862)	\$ (17,540,869)	\$ (19,013,248)	\$ (6,593,581)	\$ 359,343,108	\$ (21,428,964)
Debt service as a percentage of noncapital expenditures	6.9%	7.1%	6.0%	7.4%	6.2%	6.5%	6.5%	6.3%	8.3%	12.4%

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Assessed Value (a)				Total Direct Tax Rate
	Residential Property	Commercial Property	Other Property (b)	Total Assessed Value	
2011	\$ 872,161,890	\$ 381,632,950	\$ 76,268,960	\$ 1,330,063,800	55.389
2012	819,038,730	366,325,340	74,199,570	1,259,563,640	57.530
2013	821,790,000	358,479,420	95,083,650	1,275,353,070	56.935
2014	832,105,700	363,033,982	100,413,100	1,295,552,782	56.984
2015	833,309,337	358,475,451	97,954,968	1,289,739,756	56.601
2016	1,012,764,913	404,052,769	95,202,784	1,512,020,466	53.424
2017	1,017,276,107	406,455,233	96,243,256	1,519,974,596	53.030
2018	1,119,903,286	482,579,061	95,028,781	1,697,511,128	51.166
2019	1,128,771,195	501,536,998	93,577,496	1,723,885,689	56.945
2020	1,315,201,040	548,739,037	111,348,772	1,975,288,849	59.266

The assessment rate, expressed as a percent of estimated actual value for all taxable property in Colorado, follows:

Year	Residential	Commercial	Base Year
2011	7.96 %	29.00 %	2010
2012	7.96	29.00	2011
2013	7.96	29.00	2012
2014	7.96	29.00	2013
2015	7.96	29.00	2014
2016	7.96	29.00	2015
2017	7.96	29.00	2016
2018	7.20	29.00	2017
2019	7.20	29.00	2018
2020	7.15	29.00	2019

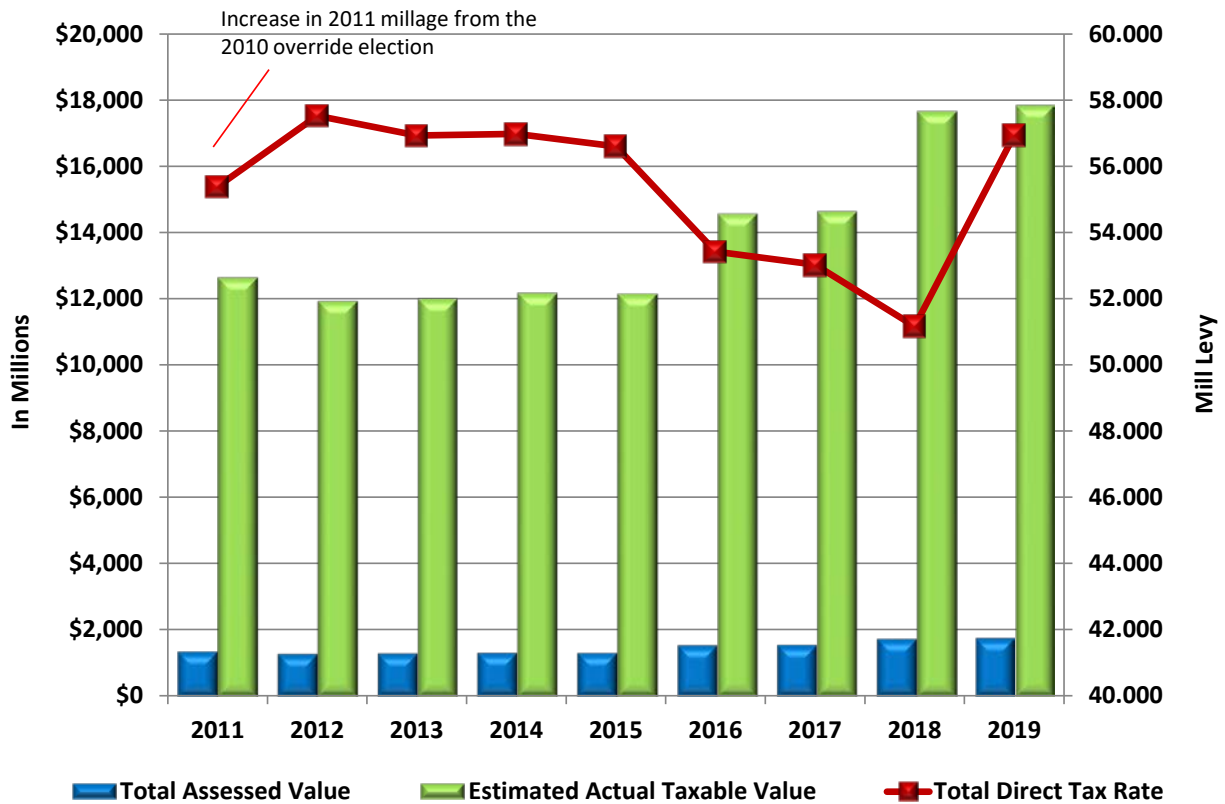
- (a) Assessed and estimated actual taxable values are per the Arapahoe County Assessor's Office.
- (b) Other property includes vacant land, industrial, agricultural, state assessed, and oil and gas property.

Source: Arapahoe County Assessor's Office

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Estimated Actual Taxable Value (a)	Assessed Value as a Percent of Actual Taxable Value
2011	\$ 12,648,458,823	10.52 %
2012	11,935,264,707	10.55
2013	12,014,618,242	10.62
2014	12,182,666,828	10.63
2015	12,155,370,401	10.61
2016	14,582,623,716	10.37
2017	14,647,201,908	10.38
2018	17,668,425,091	9.61
2019	17,849,401,924	9.66
2020	20,802,560,159	9.50

**Historical Assessed Value and Estimated Actual Value of Taxable Property**



- (a) Assessed and estimated actual taxable values are per the Arapahoe County Assessor's Office.
- (b) Other property includes vacant land, industrial, agricultural, state assessed, and oil and gas property.

Source: Arapahoe County Assessor's Office

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Collection Year	Arapahoe County School District Number Six			Overlapping Rates			Grand Totals (a)
	General Fund Millage	Bond Redemption Fund Millage	Total School District	Total Cities Millage	Total County Millage	Total Special Districts Millage	
2011	47.619 (b)	7.770	55.389	47.321	15.949	147.729	266.388
2012	49.286	8.244	57.530	48.643	17.316	149.824	273.313
2013	48.438	8.497	56.935	49.339	17.150	148.546	271.970
2014	48.487	8.497	56.984	50.986	17.130	134.853	259.953
2015	48.104	8.497	56.601	57.438	16.950	135.957	266.946
2016	44.927	8.497	53.424	54.599	14.856	128.855	251.734
2017	44.533	8.497	53.030	59.590	15.039	128.112	255.771
2018	42.669	8.497	51.166	58.851	13.817	108.716	232.550
2019	42.303	14.642 (c)	56.945	59.200	14.301	108.115	238.561
2020	40.132	19.134	59.266	51.051	12.685	213.397 (d)	336.399

(a) The grand total represents the gross millage of all taxing entities within the district boundaries. It is not representative of the mill levy assessed to an individual taxpayer.

(b) Increase in 2011 millage results from the 2010 override election.

(c) Increase in 2019 bond millage results from the 2018 election.

(d) Inclusion of Littleton Village MDs #2 & #3

Source: Arapahoe County Assessor's Office

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

2020

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation of \$1,975,288,849
Public Service Co. of Colorado	\$ 37,663,360	1.91 %
Comcast Cable Communications	23,425,317	1.19
Aspen Grove Lifestyle Center	19,594,140	0.99
Qwest Corp.	18,589,445	0.94
Renco Southbridge LLC	10,032,307	0.51
NBC Facilities	9,145,747	0.46
Southglenn Property Holdings LLC	8,115,940	0.41
Century Link Comm FKA Qwest Comm	7,797,030	0.39
Cherry Hills Marketplace LLC	6,891,270	0.35
RHI 1 5151 Downtown Littleton LLC	6,506,500	0.33
Totals	<u>\$ 147,761,056</u>	<u>7.48 %</u>

2011

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation of \$1,330,063,800
National Digital Television	\$ 21,199,210	1.59 %
Qwest Corp.	19,524,200	1.47
AW Southglenn LLC	18,480,620	1.39
Public Service Co. of Colorado	12,655,550	0.95
Cherry Hills Marketplace LLC	8,682,600	0.65
Aspen Grove Lifestyle	5,631,800	0.42
Renco Southbridge LLC	4,579,100	0.34
LMC Properties LLC	4,352,770	0.33
Sprint Nextel Corp.	4,098,610	0.31
WPC South West LLC	4,092,480	0.31
Totals	<u>\$ 103,296,940</u>	<u>7.77 %</u>

Source: Arapahoe County Assessor's Office

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Property Tax Levies and Collections**  
**Last Ten Calendar Years**  
**(Unaudited)**

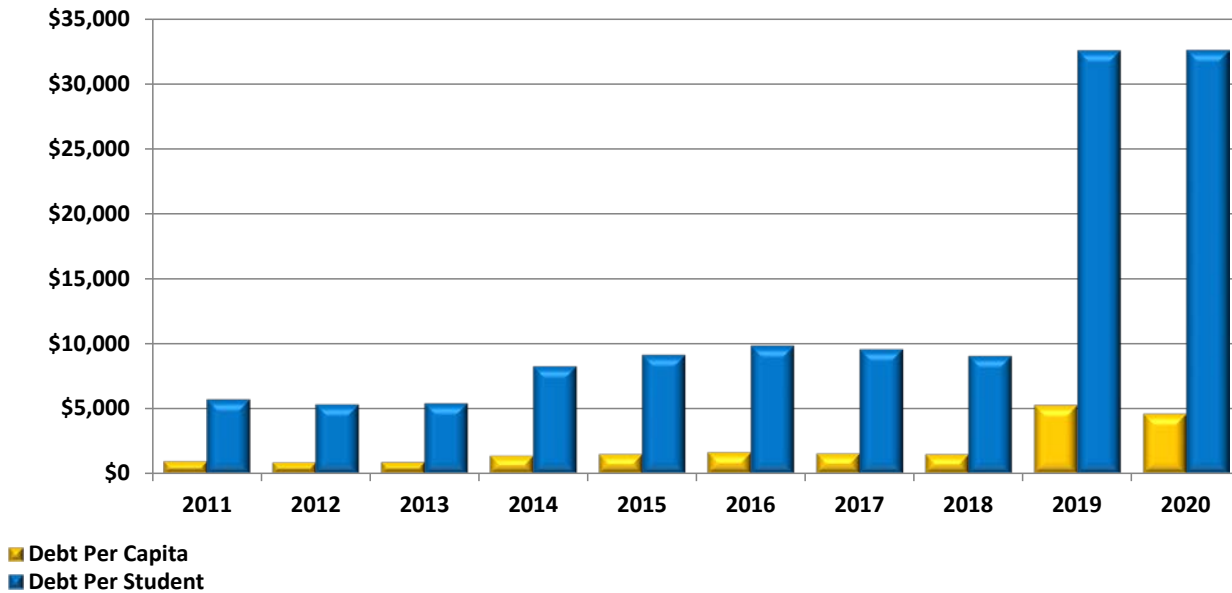
Calendar Year	Taxes Levied for the Calendar Year	Collected Within the Fiscal Year of the Levy		Collections Subsequent to Fiscal Year End	Total Collections to Date	
		Amount (a)	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 73,670,904	\$ 71,241,218	96.70 %	\$ 816,258	\$ 72,057,476	97.81 %
2012	72,462,697	69,817,937	96.35	1,272,924	71,090,861	98.11
2013	72,612,227	70,455,869	97.03	1,103,038	71,558,907	98.55
2014	73,827,075	71,732,754	97.16	1,252,617	72,985,371	98.86
2015	73,000,560	71,358,349	97.75	1,094,819	72,453,168	99.25
2016	80,778,181	78,786,108	97.53	1,213,133	79,999,241	99.04
2017	80,604,253	78,743,438	97.69	1,159,582	79,903,020	99.13
2018	86,854,854	83,497,350	96.13	2,508,503	86,005,853	99.02
2019	98,166,671	95,578,192	97.36	1,495,025	97,073,217	98.89
2020	117,067,469	113,482,752	96.94	2,185,311 (b)	115,668,063	98.80

- (a) Property tax collection amounts are for current taxes only. In the financial statements, property tax revenue also includes delinquent taxes and interest on current and delinquent taxes. Amounts reported on this schedule yield true percentages of levy.
- (b) Only July–August 2020 subsequent collections are known at this time.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of Debt to Actual Value (a)	Percentage of Personal Income (b)	Debt Per Capita (c)	Per Student (d)
	General Obligation Bonds	Capital Leases					
2011	\$ 89,245,000	\$ 245,571	\$ 89,490,571	7.10 %	1.97 %	\$ 973	\$ 5,771
2012	82,610,000	124,530	82,734,530	6.57	1.76	899	5,398
2013	84,668,188 (e)	-	84,668,188	6.64	1.75	919	5,482
2014	128,805,363	-	128,805,363	9.94	2.48	1,396	8,348
2015	140,803,526	-	140,803,526	10.92	2.90	1,525	9,222
2016	152,383,312 (g)	-	152,383,312	10.07	3.03	1,647	9,914
2017	145,955,327	-	145,955,327	9.60	2.78	1,575	9,646
2018	139,347,343	-	139,347,343	8.21	2.49	1,499	9,129
2019	490,693,458 (h)	-	490,693,458	28.46	- (f)	5,263	32,628
2020	479,499,666	-	479,499,666	24.27	- (f)	4,600	32,639

**Historical Outstanding Debt by Type**



- (a) See schedule on page 86 for assessed property value data.
- (b) See schedule on page 95 for personal income data.
- (c) See schedule on page 95 for estimated population data.
- (d) See schedule on page 95 for October 1 School Enrollment data.
- (e) Beginning in 2013, premium on bond sales is included in the General Obligation Bond amounts.
- (f) Personal income data for Arapahoe County is not yet available from Bureau of Economic Analysis (BEA).
- (g) Beginning in 2016, accreted interest on bond sales is included in the General Obligation Bond amounts.
- (h) Fiscal year 2019 the district sold \$298.9 million in G.O. bonds.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Governmental Activities		Less Debt Service Funds Available	Net Bonded Debt	Percentage of Estimated Actual Value of Taxable Property (a)	Percentage of Personal Income (b)	Debt Per Capita (c)	Per Student (d)
	General Obligation Bonds	Capital Leases						
2011	\$ 89,245,000	\$ 245,571	\$ -	\$ 89,490,571	0.71 %	1.97 %	\$ 973	\$ 5,771
2012	82,610,000	124,530	-	82,734,530	0.69	1.76	899	5,398
2013	84,668,188 (e)	-	7,340,000 (f)	77,328,188	0.64	1.60	839	5,007
2014	128,805,363	-	5,210,000	123,595,363	1.01	2.38	1,340	8,011
2015	140,803,526	-	5,475,000	135,328,526	1.11	2.79	1,466	8,863
2016	152,383,312 (h)	-	5,680,000	146,703,312	1.01	2.91	1,587	9,555
2017	145,955,327	-	5,860,000	140,095,327	0.96	2.67	1,511	9,259
2018	139,347,343	-	6,045,000	133,302,343	0.75	2.38	1,434	8,733
2019	490,693,458 (i)	-	6,230,000	484,463,458	2.71	- (g)	5,196	32,214
2020	479,499,666	-	16,710,000	462,789,666	2.22	- (g)	4,439	31,502

- (a) See schedule on page 87 for estimated actual taxable property value data.
- (b) See schedule on page 95 for personal income data.
- (c) See schedule on page 95 for estimated population data.
- (d) See schedule on page 95 for October 1 School Enrollment data.
- (e) Beginning in 2013, premium on bond sales is included in the General Obligation Bond amounts.
- (f) Beginning in 2013, debt service funds available are included to calculate the net debt for primary government.
- (g) Personal income data for Arapahoe County is not yet available from Bureau of Economic Analysis (BEA).
- (h) Beginning in 2016, accreted interest on bond sales is included in the General Obligation Bond amounts.
- (i) Fiscal year 2019 the district sold \$298.9 million in G.O. bonds.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2020**  
**(Unaudited)**

<u>Name of Governmental Entity</u>	<u>Debt Amount Outstanding</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Overlapping Debt:			
Aspen Grove Business Improvement District	\$ 4,855,000	99.0 %	\$ 4,806,656
Centennial Downs Metropolitan District	5,705,000	95.7	5,459,044
City of Englewood	38,610,000	5.5	2,122,115
Heritage Greens Metropolitan District	2,780,000	98.6	2,740,400
Highline Business Improvement District	1,926,000	81.3	1,565,953
Littleton Village Metro District #2	20,760,000	97.7	20,288,253
Polo Reserve Metropolitan District	350,000	99.4	347,805
South Suburban Metro Park & Recreation District	40,285,000	45.8	18,441,551
Southglenn Metropolitan District	71,530,000	97.9	69,992,626
Total overlapping debt	<u>186,801,000</u>		<u>125,764,405</u>
Direct Debt:			
Arapahoe County School District Number Six	<u>479,499,666</u>	100 %	<u>479,499,666</u>
Totals	<u><u>\$ 666,300,666</u></u>		<u><u>\$ 605,264,071</u></u>

Note: Overlapping Debt is the proportionate share of the debts of local jurisdictions located wholly or in part within the boundaries of Littleton Public Schools. The amount of debt applicable to Littleton Public Schools is computed by:

- 1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the district, and
- 2) applying this percentage to the total general obligation debt of the overlapping jurisdiction.

Source: Arapahoe County Assessor's Office, Arapahoe County Finance Office, City of Centennial Finance Office, and City of Littleton Finance Office

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 266,012,760	\$ 251,912,728	\$ 255,070,614	\$ 259,110,556	\$ 257,947,951	\$ 302,404,093	\$ 303,994,919	\$ 339,502,226	\$ 1,216,608,411	\$ 1,248,153,610
Total net debt applicable to limit	89,245,000	82,610,000	77,095,000	128,805,363	140,803,526	152,211,308	145,955,327	139,347,343	490,693,458	479,499,666
Legal debt margin	\$ 176,767,760	\$ 169,302,728	\$ 177,975,614	\$ 130,305,193	\$ 117,144,425	\$ 150,192,785	\$ 158,039,592	\$ 200,154,883	\$ 725,914,953	\$ 768,653,944
Total net debt applicable to the limit as a percentage of debt limit	33.55%	32.79%	30.22%	49.71%	54.59%	50.33%	48.01%	41.04%	40.33%	38.42%

Legal Debt Margin	
Calculation for Fiscal Year 2020	
Actual value	\$ 20,802,560,159 (a)
Debt limit (6% of actual value)	1,248,153,610
Debt applicable to limit	479,499,666
Legal debt margin	\$ 768,653,944

Note: In accordance with Colorado Revised Statute (C.R.S.) 22-42-104, two calculation options are available for determining the legal debt limit available to the district. The district is allowed to use whichever calculation is greater.  
Option 1: Utilized in all years prior to and including 2018 -- 20.0 percent of the latest valuation for assessment of the taxable property in the district, as certified by the county assessor to the board of county commissioners. Using this 20.0 percent calculation, the legal debt margin for fiscal year 2018 was \$200,154,883.  
Option 2: Utilized in 2019 -- 6.0 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.

(a) Arapahoe County Assessor's Office 2020 Certification Report Actual

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Estimated Population (a)</u>	<u>Per Capita Personal Income (b)</u>	<u>Total Personal Income (thousands of \$)</u>	<u>October 1 School Enrollment</u>	<u>October 1 Official Pupil Count (c)</u>	<u>Unemployment Rate (d)</u>
2011	91,962	\$ 49,299	\$ 4,533,635	15,506	15,055	8.5
2012	92,056	51,163	4,709,861	15,328	14,928	7.8
2013	92,151	52,437	4,832,122	15,445	14,882	6.5
2014	92,244	56,294	5,192,784	15,429	14,858	4.9
2015	92,338	52,545	4,851,900	15,269	14,800	3.6
2016	92,432	54,452	5,033,107	15,353	14,785	3.0
2017	92,699	56,642	5,250,657	15,131	14,735	2.6
2018	92,967	60,180	5,594,754	15,264	14,704	3.0
2019	93,235	- (f)	- (f)	15,039	14,643	2.6
2020	104,247	- (f)	- (f)	14,691	14,673	- (g)

Sources:

- (a) Population data from DRCOG.
- (b) Bureau of Economic Analysis (BEA), U.S. Department of Commerce, reporting Arapahoe County, CO.
- (c) Average funded pupil count is determined from the number of full-time equivalents of pupil enrollment averaged over the last five years.
- (d) Bureau of Labor Statistics (BLS) for Arapahoe County, Colorado.
- (e) Data presented from fiscal year 2010 uses a new calculation of Estimated Population supported by Denver Regional Council of Governments (DRCOG).
- (f) Personal income data is not yet available from BEA.
- (g) Unemployment data not available from BLS.

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

	2020			2011		
	Rank	Employees (a)	Percentage of Employment (b)	Rank	Employees (a)	Percentage of Employment (b)
Century Link (formerly Qwest)	1	2,100	8.07 %	1	1,663	7.82 %
Littleton Public Schools	2	1,671 (c)	6.42	3	1,487 (c)	6.99
Dish Network (EchoStar)	3	1,543	5.93	2	1,543	7.26
Littleton Adventist Hospital	4	1,242	4.77	4	967	4.55
Arapahoe Community College	5	706	2.71	5	632	2.97
Republic National Distributing	6	540	2.07	-	-	0.00
Arapahoe County	7	522	2.01	6	522	2.46
McDonald Automotive Group	8	360	1.38	-	-	-
Center Point	9	320	1.23	-	-	-
City of Littleton	10	277	1.06	7	396	-
Norgren	-	-	-	8	268	1.26
Life Care Center of Littleton	-	-	-	10	280	1.32
Lockhead Martin Space Systems	-	-	-	9	300	1.41

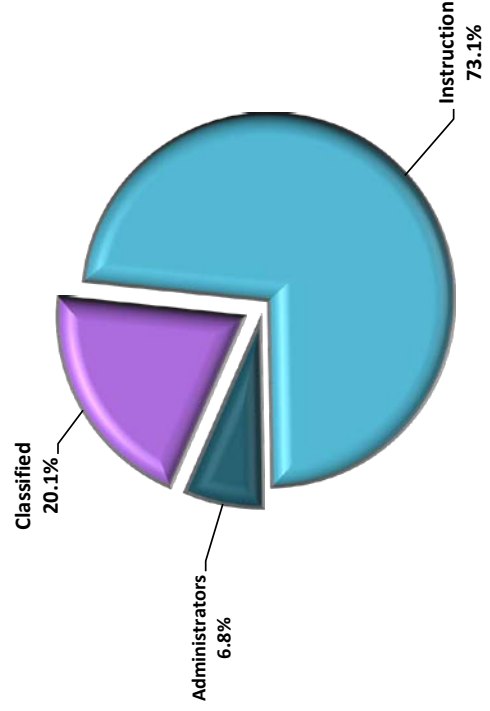
Note: Total employment for the City of Littleton in 2019 was 26,033 and for 2011 was 21,259 per the Bureau of Labor Statics Data.

Source:

- (a) City of Littleton 2018 Comprehensive Annual Financial Report
- (b) Bureau of Labor statistics data
- (c) Littleton Public Schools-provided employee data

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Full-Time Equivalent District General Fund Employees by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Instruction</b>										
Teachers	885.0	861.5	864.3	873.6	888.5	900.6	894.3	889.5	905.4	920.4
Paraprofessionals	183.8	241.4	251.6	265.3	260.9	256.3	259.8	261.8	274.1	300.5
Total instruction	1,068.8	1,102.9	1,115.9	1,138.9	1,149.4	1,156.9	1,154.1	1,151.3	1,179.5	1,220.9
<b>Administrators</b>	64.4	59.4	59.2	61.6	61.0	61.7	62.3	63.7	68.3	69.7
Professional/Technical support	30.4	33.0	34.7	35.4	37.9	38.3	40.8	38.9	40.1	43.9
Bus drivers	48.5	51.5	51.5	53.0	53.5	53.0	54.0	54.0	54.0	81.7
Clerical/Other classified	141.0	117.8	113.6	111.7	121.9	125.9	126.9	125.5	128.4	121.9
Custodians	84.2	88.5	90.8	90.4	90.7	90.6	90.6	87.1	88.3	86.7
Maintenance	37.6	36.5	36.5	36.5	36.0	35.5	35.5	45.2	45.3	45.9
Total support services	406.1	386.7	386.3	388.6	401.0	405.0	410.1	414.4	424.4	449.7
<b>Grand total</b>	1,474.9	1,489.6	1,502.2	1,527.5	1,550.4	1,561.9	1,564.2	1,565.7	1,603.9	1,670.6



Source: Budget data

**ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Enrollment	Operating Expenditures	Cost		Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			Per Pupil	Per Pupil						
2011	15,506	\$129,470,634	8,350	\$ 9,148	\$141,850,059	\$ 9,148	(4.65) %	885.0	18	21.5 %
2012	15,328	131,351,767	8,569	9,448	144,817,541	9,448	2.63	867.2	18	23.3
2013	15,445	136,362,819	8,829	9,686	149,601,294	9,686	3.03	871.0	18	23.5
2014	15,429	142,429,890	9,231	10,133	156,347,860	10,133	4.56	873.6	18	24.2
2015	15,269	155,810,817	10,204	11,972	182,802,724	11,972	10.54	888.5	17	20.5
2016	15,353	160,997,648	10,486	12,503	191,965,815	12,503	2.76	900.6	17	19.3
2017	15,131	162,951,201	10,769	18,813	284,655,509	18,813	2.70	894.3	17	19.2
2018	15,264	169,799,688	11,124	20,272	309,425,955	20,272	3.29	889.5	17	18.0
2019	15,039	183,674,125	12,213	11,168 (a)	167,951,491	11,168	9.79	905.4	17	16.4
2020	14,691	185,942,621	12,657	11,638	170,973,632	11,638	3.63	920.4	16	16.6

(a) Decrease in expenses due to decrease in pension liability

Source: district student records and payroll and budget data

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Schedule of Insurance

June 30, 2020

(Unaudited)

Coverage Description	Carrier or Pool	Coverage Limit	Deductible
General liability and School Leaders Errors and Omissions	Excess-of-Loss Self-Insurance Pool (ELSIP)	\$5,000,000 each occurrence \$5,000,000 aggregate limit	\$150,000
Property:	Travelers Insurance		
inland marine		\$360,255,084	\$25,000
boiler and machinery		\$50,000,000	\$25,000
flood and earthquake		\$25,000,000	\$100,000
automobile physical damage		\$8,002,397	\$25,000
Automobile liability	Excess-of-Loss Self-Insurance Pool (ELSIP)	\$5,000,000 each occurrence \$5,000,000 aggregate limit	\$150,000
Crime	Travelers Insurance	\$1,000,000	\$25,000
Fiduciary liability	Travelers Insurance	\$1,000,000	\$10,000
Worker's Compensation	Joint School Districts' Worker's Compensation Pool	\$1,000,000	\$500,000
Cyber liability	AIG	\$1,000,000	\$50,000

# ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

## Facilities Statistics

June 30, 2020

(Unaudited)

### Schools

#### Elementary & Preschool

Buildings	14
Square feet	699,489
Capacity	6,332
Enrollment	5,592

#### Middle

Buildings	4
Square feet	518,950
Capacity	3,252
Enrollment	2,955

#### High

Buildings	4
Square feet	841,766
Capacity	5,968
Enrollment	5,128

### Administration/Other

Buildings	2
Square feet	130,401

### Transportation

Buildings	1
Square feet	23,385

### Athletics

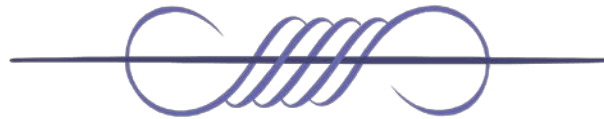
Athletics stadium	1
Football fields	5
Soccer fields	4
Running tracks	6
Swimming pools	3
Playgrounds	17

Note: Statistical section schedules normally present ten years of data.

Only one year of statistics is presented here because the number of facilities, size and capacity are essentially unchanged over that period.

Source: Review of capacity and utilization conducted by Littleton Public Schools Operations/Maintenance Department and Finance Department, together with with fiscal year 2020 actual enrollments and insurance square footage applicable to the school buildings listed. Charter schools' enrollment sums are excluded.

# COMPLIANCE SECTION







**Colorado Department of  
Education**

**Auditors Integrity Report**

District: 0140 - Littleton 6  
Fiscal Year 2019-20  
Colorado School District/BOCES

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

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources Uses	1000-0999 Total Expenditures & Other	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+	-	=	
<b>Governmental</b>				
10 General Fund	27,722,855	150,830,092	149,831,376	28,721,571
18 Risk Mgmt Sub-Fund of General Fund	1,160,542	2,893,146	2,601,720	1,451,968
19 Colorado Preschool Program Fund	0	927,371	927,371	0
<b>Sub- Total</b>	<b>28,883,396</b>	<b>154,650,610</b>	<b>153,360,467</b>	<b>30,173,539</b>
11 Charter School Fund	4,866,718	10,532,605	10,178,634	5,220,689
20,26-29 Special Revenue Fund	2,778,614	3,149,142	4,157,076	1,770,679
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	1,201,409	3,653,283	3,701,796	1,152,897
22 Govt Designated Purpose Grants Fund	0	11,928,307	11,928,307	0
23 Pupil Activity Special Revenue Fund	984,242	4,470,399	4,696,802	757,839
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	22,669,254	37,559,142	27,608,211	32,620,185
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	358,894,702	10,462,029	40,822,851	328,533,879
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	4,521,305	2,912,625	3,938,990	3,494,941
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>424,799,639</b>	<b>239,318,143</b>	<b>260,393,135</b>	<b>403,724,648</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34/Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL

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