



Adams 12
Five Star Schools

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

Adams 12 Five Star Schools

1500 East 128th Avenue
Thornton, Colorado 80241

www.adams12.org

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

Prepared by:

Department of Financial Services

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INTRODUCTORY SECTION

BOARD OF EDUCATION FISCAL YEAR 2020-2021



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

CABINET FOR FISCAL YEAR 2020-2021

Christopher Gdowski

Superintendent of Schools

Priscilla Straughn

Deputy Superintendent

Beau Foubert

Chief Academic Officer

Joe Ferdani

Chief Communications Officer

Pat Hamilton

Chief Operating Officer

Myla Shepard

Chief Human Resource Officer

Ashish Mahajan

Chief Information Technology Officer

Suzanne DeYoung

Chief Financial Officer

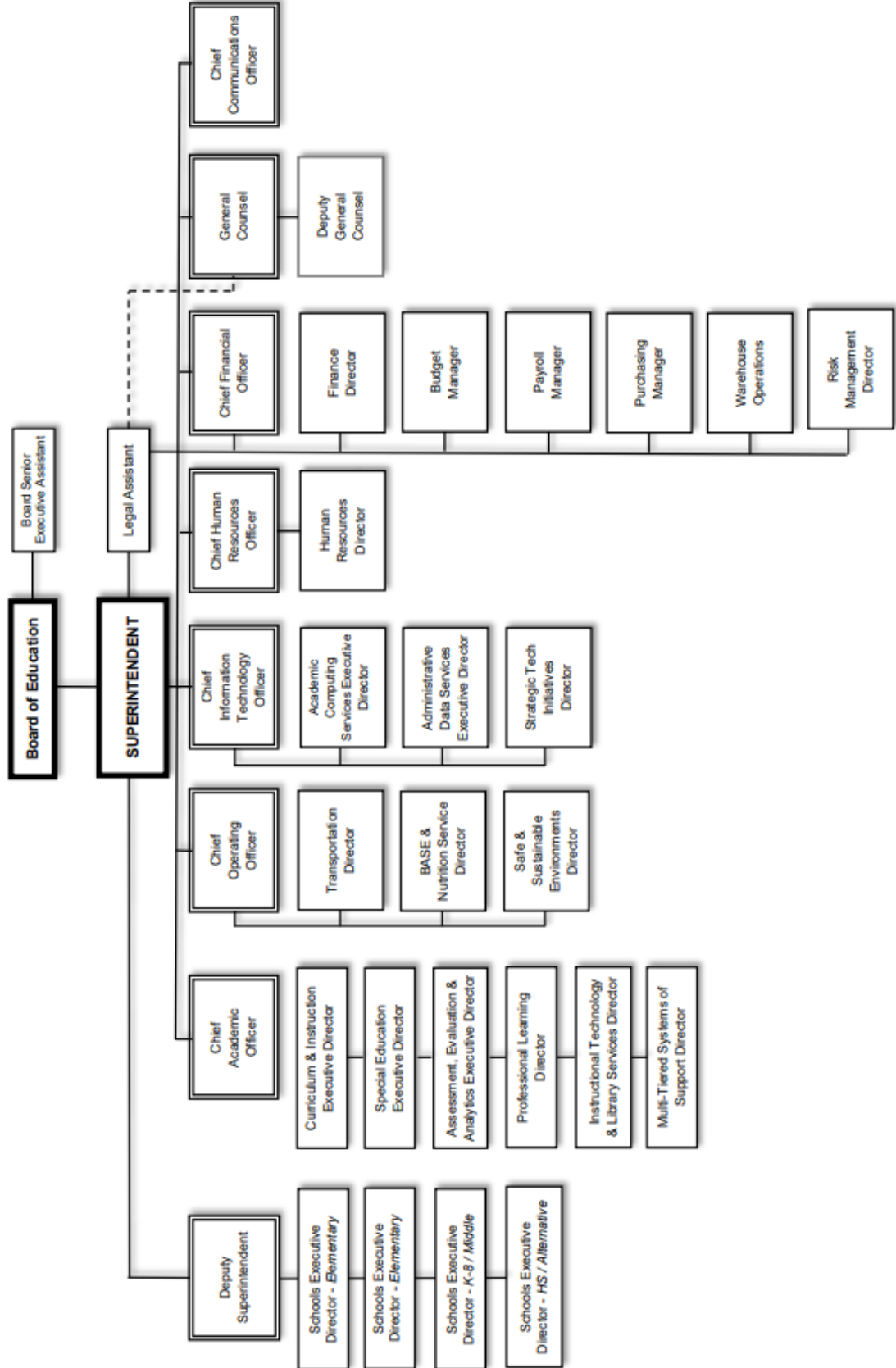
Philip Spare

General Counsel

ORGANIZATIONAL CHART



District Organizational Chart



LETTER OF TRANSMITTAL

January 25, 2022

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

The Annual Comprehensive Financial Report (ACFR) of Adams 12 Five Star Schools, (“district”), for the Fiscal Year June 30, 2021, is hereby submitted. The ACFR has been prepared in conformity with Statement No. 34 of the Governmental Accounting Standards Board. Statement No. 34 is titled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities into a single total column for government-wide activities.

The district’s Financial Services department prepared this report which contains management’s representations concerning the finances of the district. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects, reported in a manner to present fairly the financial position and results of operations of the district’s funds. Disclosures necessary to enable the reader to gain an understanding of such financial operations have been included. Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The district’s MD&A can be found immediately following the report of the independent auditor in the Financial Section on pages 21-35.

The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements and publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This ACFR is published to fulfill that requirement of the fiscal year ended June 30, 2021.

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

CliftonLarsonAllen LLP, Certified Public Accountants have issued an unmodified opinion on the district’s financial statements for the year ended June 30, 2021. The independent auditors’ report is located at the front of the financial section of this report and the independent auditor’s report on Internal Control over Financial Reporting is located at the front of the single audit section of this report.

Profile of the Adams 12 Five Star Schools

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

The district provides a full range of educational programs and services authorized by Colorado state statutes to approximately 36,654 students via 51 different schools. Included are basic kindergarten through twelfth-grade (K-12) education, as well as special education for students with disabilities, career/technical education, English-as-a-second-language education, preschool, and numerous other programs. There were four charter schools authorized by the district's Board of Education during the 2020-2021 school year that were legally separate entities. While charter schools are funded under the School Finance Act of Colorado and are under the general supervision of the Board of Education, the charter schools meet the requirement to be presented as discrete component units.

Economic Condition and Outlook

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

On December 17, 2021, the Colorado Legislative Council Staff issued the quarterly issue of the Economic and Revenue Forecast, which can be found at leg.colorado.gov/economicforecasts. The following excerpts provide an overview of the economic information relevant to the district.

While the U.S. and Colorado economies continue to expand, growth remains constrained by the COVID-19 pandemic. The economic activity will continue to be shaped by the pandemic which is contributing to labor shortages and supply chain disruptions, in turn placing constraints on job growth and economic activity and resulting in an upward pressure on inflation.

Prior to the pandemic-induced recession, Colorado enjoyed more than a decade of strong economic growth in employment, personal income, and gross domestic product which outpaced most other states in the nation. Coming off these strong levels of growth, Colorado will see slower near-term growth as the state is growing from a higher relative economic base. The labor market supply and demand mismatch will lend to a slower unemployment decline as employment levels are not expected to regain pre-pandemic levels until 2023. Colorado nonfarm employment is expected to slightly outpace national trends by growing 2.8 percent and 3.4 percent in 2021 and 2022, respectively. The Colorado unemployment rate is expected to decline from 7.3 percent in 2020 to 5.9 percent in 2021 and to 4.1 percent in 2022. Personal income in Colorado grew 6.6 percent in 2021 as a result of Government transfer payments associated with stimulus payments, however, personal income is expected to slow considerably in 2022 when total personal income is expected to grow at rates of 0.8 percent. On a positive note, wage and salary income has recovered vigorously from pandemic lows, growing 7.8 percent in 2021 and expected to outpace inflation, adding 5.7 percent in 2022 and 5.2 percent in 2023.

Inflation risk is unusually high, in recent months, pandemic-induced supply chain disruptions have spiked

inflation rates to highs not experienced in decades. The impacts of supply chain disruptions on goods prices are expected to continue into 2022. This forecast projects that the Denver-Aurora-Lakewood consumer price index will rise 3.7 percent in 2021 and 3.4 percent in 2022, before easing to 1.8 percent in 2023. Real U.S. GDP is expected to grow 5.7 percent in 2021 and to rise an additional 3.8 percent in 2022, before returning to slower trend levels of activity, growing by 2.4 percent, in 2023. As inflationary pressures mount, the Federal Reserve is expected to increase interest rates in 2022. In Colorado, this will challenge many households and will shape net migration into and within the state as families seek more affordable housing options.

The seven-county Metro Denver region consisting of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties is Colorado's largest regional economy. The COVID-19 pandemic continues to impact the region which holds the largest share of the state's population and represents more than 60 percent of the state's workforce. The impacts of the pandemic related recession continue to influence the region's labor market as nonfarm employment remains 44,900 jobs below pre-pandemic levels with leisure and hospitality industries being impacted the most. Unemployment remains elevated, averaging 5.8 percent, however there are healthy signs of ongoing improvements in the region's labor market with increased numbers of those employed and seeking employment.

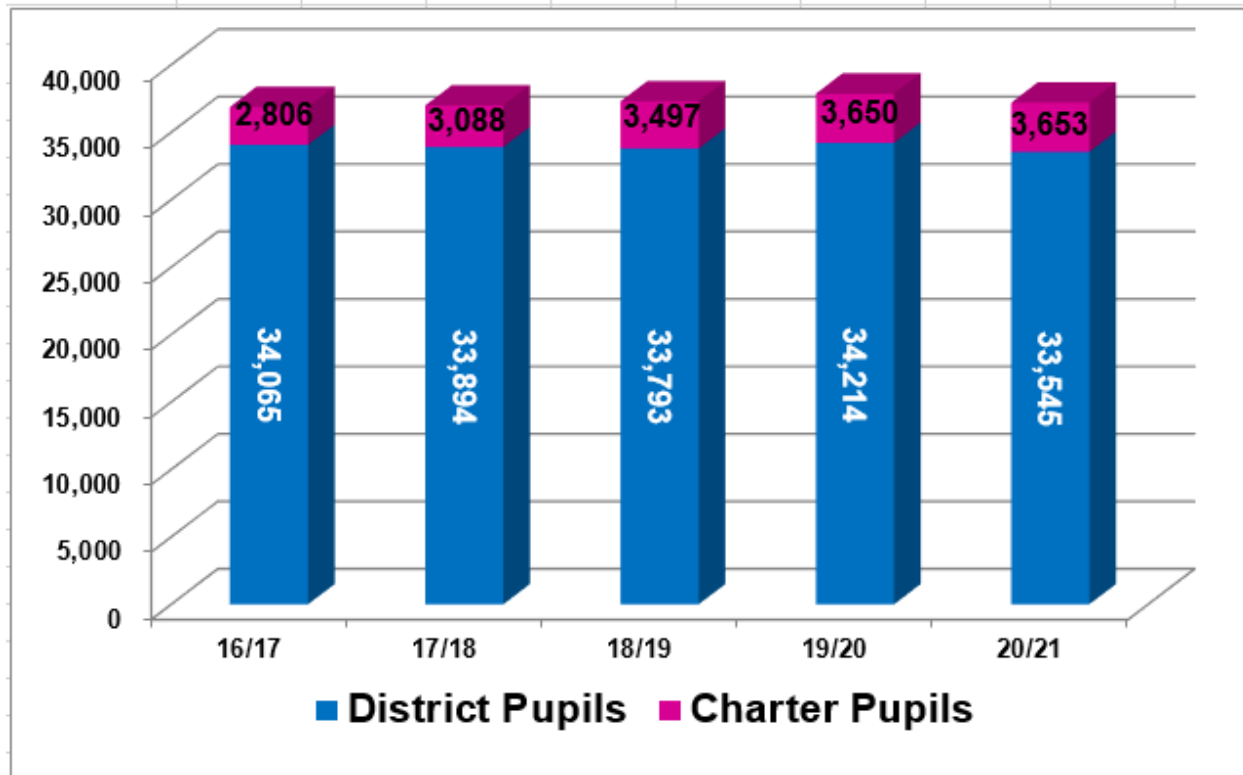
Enrollment

Adams 12 Five Star Schools' enrollment (headcount) decreased by 2,053 students compared to the prior school year to put the district at 36,654 students for the 2020-2021 school year. The breakdown of those students includes 13,808 in kindergarten - 5th grade; 7,705 in grades 6 - 8; 10,609 in grades 9 - 12; 3,695 in the district's charter schools; and 837 preschool students.

While district schools have experienced a decrease in enrollment, funded pupil count declined by only 669 pupils as compared to the prior year. This is due to Colorado Revised Statute (C.R.S.) 22-54-104 which provides for determining funding for school districts. Accordingly, in effort to soften funding reduction when districts experience fluctuation in enrollment, averaging is performed on two, three, four or five years in order to reduce variances a district would see when pupil count results lessen. The district's fiscal year 2021-2022 enrollment has decreased by 461 pupils and can be attributed to the decline in birth rates and net migration seeking more affordable housing costs.

Charter schools experienced a growth of 3 funded pupils in the fiscal year 2020-2021 over the prior school year, as a result of working towards obtaining enrollment goals to meet school facility capacity.

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



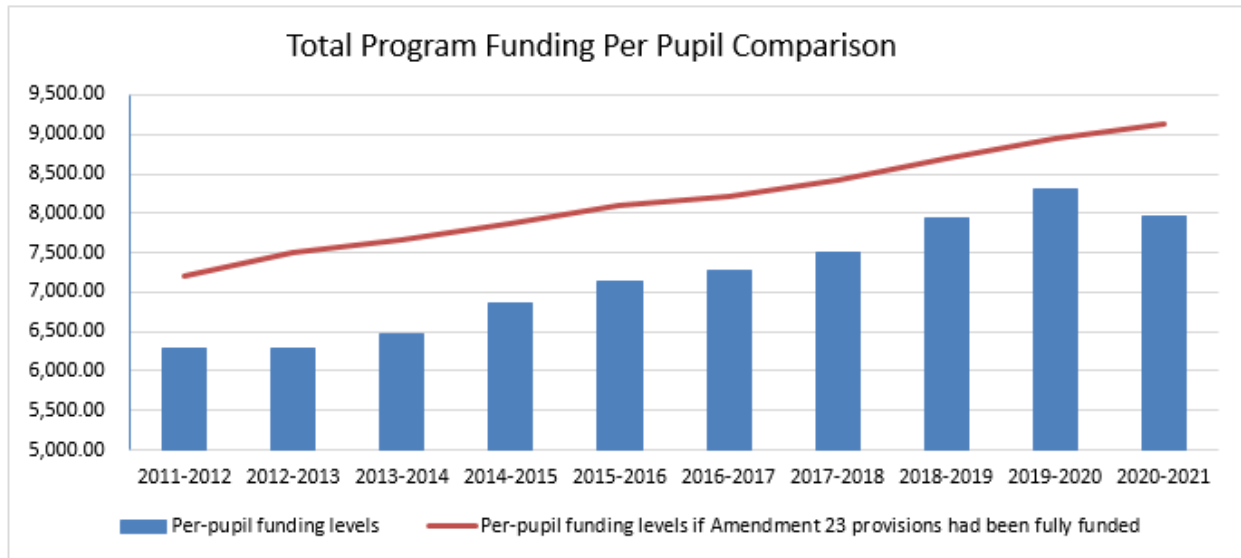
School Finance Issues

The primary revenue sources for the district are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes including voter-approved mill levy budget overrides of \$63.7 million, specific ownership taxes from vehicle registration, and state equalization aid is approximately 95.8 percent of the district's General Fund revenues for the Fiscal Year 2020-2021.

Voters approved Amendment 23 to the Colorado Constitution in November 2000, which provided for funding increases per student of at least the Denver-Boulder-Greeley Consumer Price Index rate plus 1 percent through the 2010-2011 Fiscal Year. Amendment 23 was not fully implemented due to the economic downturn and Colorado's budget crisis. Beginning with the 2010-2011 school year, the legislature applied the "budget stabilization factor", as part of the School Finance Act which reduced K-12 statewide funding and eliminated the growth anticipated from Amendment 23. The net result of the budget stabilization factor was an approximate \$1.1 billion reduction of K-12 funding for the 2020-2021 school year across all 178 school districts in Colorado.

The per-pupil funding for the 2020-2021 school year was increased by the Consumer Price Index of 1.9 percent. However, due to the lack of available resources at the State level and the budget stabilization factor, the State continues to fund the district at a level significantly lower than what was anticipated under the Amendment 23 formula.

The following graph depicts the amount of per-pupil funding that the district has received over the past decade. Per-pupil funding has increased 10.0 percent in aggregate since fiscal 2011-2012 prior to the budget stabilization factor being implemented, while costs continue to increase at a greater rate for instructional programming, utilities, healthcare, and the State's retirement plan.



The continued impact of the State’s budget stabilization factor resulted in reduced funding to the district of approximately \$48.9 million in the Fiscal Year 2020-2021. As a result of the reduction in funding at the State level, the district planned for the use of General Fund reserves to mitigate this funding shortfall. The reserve was available as the result of positive budget variances and cost containment in prior fiscal years.

For the 2021-22 fiscal year, the legislature increased base per pupil funding by 2.0% for PK-12 public education as well as provided additional dollars for statewide student growth. The Budget Stabilization Factor reduced by \$481.4 million to \$571.2 million over the prior fiscal year. With lower than expected enrollment and increased expectations for property tax revenues the current economic forecast could allow for more flexibility in funding for K-12 education in 2021-2022 fiscal year and beyond allowing the potential for additional reductions to the budget stabilization factor.

Over the years, districts have been challenged in part by financial restrictions of two State constitutional amendments: TABOR and the Gallagher Amendment. The TABOR amendment limits the growth in both revenues and expenditures for the State, local governments and school districts. The annual percentage increase in state revenues and expenditures is limited by TABOR to the total of the inflation rate and the increase in the state population. If revenue exceeds this restricted level, the excess must be refunded to taxpayers.

Historically, the revisions to assessed property values required by the 1982 Gallagher Amendment would limit increases in the residential assessed values on which district taxes are levied, even though actual property values for most residential properties have increased substantially. The Amendment required that the residential property share of the total assessed value of real property in the State be stabilized at approximately 45% of the total. However, on November 3, 2020, Colorado voters passed Amendment B repealing the Gallagher Amendment, which effectively freezes the Residential Assessment Rate (RAR) at 7.15%. As a result, Colorado will avoid anticipated reductions to the RAR, and thus will avoid reduction to local property taxes, a major component of revenue within the School Finance Act.

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

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

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

Areas of Focus

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

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



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

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

- **Social-Emotional Well-being**
 - Know students by name, strength, and need

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

The Board of Education formally approved the plan in August 2018. The district budget is designed so that the district achieves, or makes substantial progress toward the achievement of the strategic plan as approved by the Board of Education. The budget plan for the Fiscal Year 2021-2022 supports our educational commitments of student learning, professional practice, and collective responsibility.

2016 Bond Program

In November 2016, the Five Star community made a significant investment in students and schools when it passed a \$350 million bond issue to improve every school in the district. This five-year plan is now nearing completion with a final round of construction work planned for Summer 2022. The bond continues to invest in aging school buildings, relieve overcrowding, address programming needs and ensure all students in the Five Star District learn in a safe, warm, and dry environment

Work that took place in Summer 2021 included:

- Completion of secured entrance improvements at each district school
- Completion of interior renovation work at each district school
- Ongoing roof replacement and restoration work at various district schools and facilities (this work will conclude in Summer 2022)
- Completion of playground replacement and renovation projects at various district schools
- Continued expansion of Early Childhood Education Space (Bright Horizons ECE Center at Horizon High School)
- Ongoing Five Star Stadium renovation project (scheduled for completion in Spring 2022)
- Completion of the district's new self-provisioned fiber network

Financial Information

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

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

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

amount) is established at the individual fund level.

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

Accounting Policies: Detailed descriptions of the district's accounting policies are contained in the Notes to Basic Financial Statements on pages 49-91 and are an integral part of this report. These policies describe the basis of accounting, funds, and accounts used, valuation policies for inventories and adjustments and other significant accounting information.

On October 19, 2021, The Governmental Accounting Standards Board (GASB) issued Statement No. 98 *The Annual Comprehensive Financial Report*, which changes the name of this extensive report from comprehensive annual financial report to the annual comprehensive financial report (ACFR). This statement eliminates the prior name and acronym. The district has implemented this change effectively with this report.

No additional accounting policies were adopted and the application of existing policies was not changed during 2021.

Other Information

Under the provisions of the Colorado statutes, an annual audit of the district's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of CliftonLarsonAllen LLP was selected to perform the audit for the fiscal year ended June 30, 2021. In addition to meeting the requirements of Colorado statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Independent Auditors' Report on the basic financial statements and schedules and supplementary information included in the financial section is on pages 16-18 of the Financial Section. The Independent Auditors' Report related specifically to the single audit is included in the Single Audit Reports Section.

Under Colorado Revised Statute (C.R.S) 29-1-606 School districts are required to have a completed audit submitted to the District's Board of Education (BOE) within five months after the close of the fiscal year. Due to delays in the issuance of the Addendum to the Compliance Supplement by the Office of Management and Budget (OMB) the district requested an extension from the District's BOE and the Colorado Office of the State Auditor (OSA) to postpone issuing the 2020-2021 ACFR. The district's request was approved by both the BOE and the OSA based on known factors of the delay and the district's desire to issue a complete audit to include both the financial and single audit as a combined report.

The OMB issued the Compliance Supplement which provides a road map that auditors must follow when performing a Single Audit over federal funds on December 3, 2021. The OSA granted a sixty-day extension and the district and audit firm will meet the revised time period by issuing this report on January 25, 2022.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its ACFR for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, the district published an

easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement program requirements and will submit it to GFOA to determine eligibility for another certificate.

The Association of School Business Officials (ASBO) awarded its Meritorious Budget Award to the district for the fiscal year 2020-2021 budget document. We believe the fiscal year 2021-2022 budget document continues to meet Meritorious Budget Award standards and has been submitted to ASBO.

Acknowledgment

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

Respectfully submitted,



Christopher E. Gdowski
Superintendent of Schools



Suzanne DeYoung
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Adams 12 Five Star Schools
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton were not audited in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Governmental Designated-Purpose Grants - Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 22-35 and pension and other postemployment benefits information on pages 93-97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

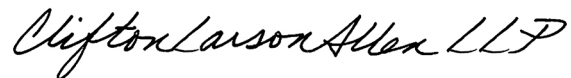
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the combining component unit statements, and the Auditors' Integrity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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Broomfield, Colorado
January 25, 2022



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MANAGEMENT'S DISCUSSION AND ANALYSIS



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Management's Discussion and Analysis

As of and For the Fiscal Year Ended June 30, 2021

As management of the Adams County School District No. 12, Adams County, Colorado ("district"), we offer readers of the district's Annual Comprehensive Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 4-12.

FINANCIAL HIGHLIGHTS

- As of June 30, 2021, the liabilities and deferred inflows of resources of the district exceed its assets and deferred outflows of resources by \$392.6 million (net position). The net position deficit is due primarily to a June 30, 2021 net pension and Other Postemployment Benefits (OPEB) liability of \$765.0 million and \$27.8 million respectively, related deferred inflows of resources of \$332.5 million, offset by related deferred outflows of resources of \$302.5 million, as required by GASB No. 68 and 75, which established reporting requirements for governments that provide their employees with pension and OPEB benefits. The district reports its proportionate share of participation in PERA, the state's cost-sharing multi-employer defined benefit pension plan and healthcare trust fund.
- Total net position increased by \$179.7 million during fiscal year 2021, due primarily to reductions to pension and OPEB related expenses, as required by GASB No. 68 and 75.
- At the end of the current fiscal year, the district's governmental funds reported a combined fund balance of \$299.9 million, a decrease of \$24.8 million over the prior year. This decrease is primarily attributed to spend down of the 2016 Bond Program.
- During the current year, the district's General Fund reported a decrease in fund balance of \$8.5 million resulting in an ending fund balance of \$77.4 million. The decrease is attributed to a decline in pupil enrollment resulting in a reduction to state funding, while district expenditures continue to grow.
- The district's capital assets increased \$18.0 million during fiscal year 2021 to \$700.6 million. This increase is due to a net \$44.5 million of additions and deletions as a result of progress made on projects outlined in the 2016 Bond Program, offset by \$26.7 million of depreciation expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the district's basic financial statements. This document also provides a comparison to the prior year's activity. The basic financial statements, presented on pages 38-91, are comprised of three components: 1.) government-wide financial statements, 2.) fund financial statements and 3.) notes to the basic financial statements. This Annual Comprehensive Financial Report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader of the district's Annual

Comprehensive Financial Report with a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

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

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

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

Also presented on the government-wide financial statements are component units, representing the district's four charter schools. While the charter schools have independent governing boards, they are financially dependent on the district for most of their funding. Accounting principles prescribe a discrete presentation of the component units, meaning separate presentation from their primary government. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices; please see page 35.

The government-wide financial statements can be found on pages 37-48.

FUND FINANCIAL STATEMENTS

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

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

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

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

is presented as other supplementary information in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

The basic governmental fund financial statements can be found on pages 37-48 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 49-91 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the district's obligation to provide pension and OPEB benefits to its employees which can be found on pages 93-100.

The combining statements referred to earlier in connection with non-major governmental and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 101-116 of this report.

The combining statements of component units are presented immediately following the district's supplementary information of combining and individual fund statements and schedules. Component unit combining statements can be found on pages 117-119 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenue and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2021-2022. Long-term liabilities such as long-term debt obligations and compensated absences will be

liquidated from resources that will become available after fiscal year 2021-2022.

A useful indicator of the district's financial position is the net position; and as previously noted, liabilities and deferred inflows of resources exceed assets and deferred outflows of resources resulting in a total net position of (\$392,591,457). Of the net position, \$11.0 million has been restricted to comply with the TABOR Amendment.

Current and other assets decreased \$45.5 million due to a reduction in cash and investments of \$60.8 million generally associated with payments tied to 2016 Bond Project work offset by an increase in receivables of \$14.9 million and prepaid items of \$0.5 million.

Capital assets net of depreciation increased \$18.0 million due to \$44.5 million construction in progress, building, and equipment additions as a result of progress made on projects outlined in the 2016 Bond Program. \$26.7 million of depreciation expense offset this increase.

Liabilities of \$33.4 million represent amounts due to staff for estimated accumulated leave payments and amounts due to retired staff for other post-termination benefits in accordance with negotiated agreements. *Under governmental fund accounting, long term compensated absences, which also include post-termination benefits for staff that meet contractual agreements and accept the terms upon retirement, are not recorded in governmental funds as a liability because they are not payable with current funds.*

Other liabilities decreased \$19.5 million primarily due to a decline of \$15.2 million in accounts payable and retainage related to construction work. In addition, unearned revenue and accounts payable associated to grants decreased \$4.4 million. This was offset by a net increase of \$0.1 million in other payables.

Noncurrent liabilities decreased \$24.6 million primarily as a result of paying down debt service principal of \$20.4 million on general obligation bonds and \$ 1.8 million for certificates of deposits, and recognizing \$6.3 million for amortized premiums. Offset by an increase in accrued leave payments of \$1.8 million and a new capital lease obligation of \$2.1 million.

Net pension liability increased \$148.4 million, deferred inflows related to pensions decreased \$103.1 million and deferred outflows of resources related to pensions increased \$209.1 million due to the application of GASB No. 68, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer defined benefit pension plan.

Net OPEB liability decreased \$2.5 million, deferred inflows related to OPEB increased \$3.1 million and outflows of resources related to OPEB increased \$1.9 million due to the implementation and application of GASB No. 75, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer healthcare trust fund.

**Comparative Summary of Net Position
June 30, 2021 and 2020**

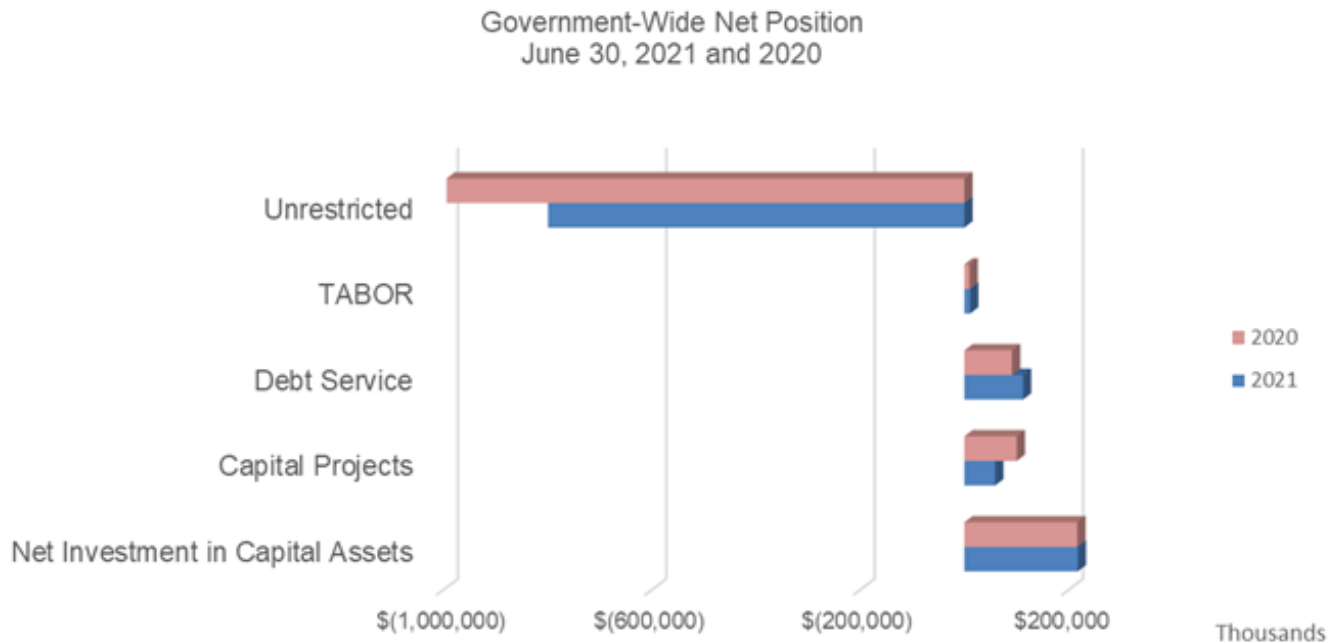
	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Assets:		
Current and Other Assets	\$ 362,948,398	\$ 408,401,461
Capital Assets Net of Depreciation	700,592,128	682,605,358
Total Assets	<u>1,063,540,526</u>	<u>1,091,006,819</u>
Deferred Outflows of Resources:		
Deferred Charges on Refunding	8,336,854	10,353,357
Deferred Outflows Related to Pensions	298,147,628	89,076,876
Deferred Outflows Related to OPEB	4,332,670	2,417,518
Total Deferred Outflows of Resources	<u>310,817,152</u>	<u>101,847,751</u>
Liabilities:		
Other Liabilities	58,047,326	77,573,274
Noncurrent Liabilities	583,592,238	608,213,273
Net Pension Liability	764,998,892	616,603,671
Net OPEB liability	27,831,619	30,315,215
Total Liabilities	<u>1,434,470,075</u>	<u>1,332,705,433</u>
Deferred Inflows of Resources:		
Deferred Revenues Related to Pensions	322,899,654	425,966,958
Deferred Revenues Related to OPEB	9,579,406	6,489,291
Total Deferred Inflows of Resources	<u>332,479,060</u>	<u>432,456,249</u>
Net Position:		
Net Investment in Capital Assets	217,662,648	216,718,472
Restricted		
Capital Projects	58,970,177	100,435,455
Debt Service	112,379,860	91,318,115
TABOR	11,011,444	9,973,038
Food Service	6,479,302	3,055,203
Unrestricted	<u>(799,094,888)</u>	<u>(993,807,395)</u>
Total Net Position	<u>\$ (392,591,457)</u>	<u>\$ (572,307,112)</u>

As of June 30, 2021, the net position of the district's governmental activities reports (\$392.6) million which includes \$217.7 million net investment in capital assets (land, buildings, equipment, and vehicles), less outstanding debt used to acquire these assets. This balance increased \$0.1 million primarily due to the progress and completion of projects as part of the voter-approved 2016 Bond and the pay-down of debt service requirements.

Restricted net position of \$188.8 million, which restricts spending for specific purposes related to outstanding bond projects, debt service payments, TABOR and food service operations decreased by \$15.9 million. This decrease is primarily due to the completion of bond projects \$41.5 million, offset by

an increase in property tax collections reserves of \$20.3 million, food services \$3.4 million, and TABOR reserves \$1.0 million, which are restricted for future debt service payments, student food service programming, and emergencies, respectively.

Unrestricted net position of \$(799.1) million increased over the prior year by \$194.7 million primarily due to the application of GASB 68 and 75 reporting for PERA's pension and healthcare trust fund.



GOVERNMENT-WIDE ACTIVITIES

Governmental activities total net position of the district increased by \$179.7 million from the prior year related to the following:

REVENUE:

Charges for services decreased \$11.6 million primarily because of school closures due to the pandemic, suspending student fees for courses, and from paid school lunches and breakfasts. In response to the COVID-19 pandemic, the district had limited in person learning between the months of August, 2020 and March 2021 which limited services for preschool and the Before, After, and Summer Enrichment Programs resulting in a decrease of approximately \$3.8 million. The U.S. Department of Agriculture enacted a temporary change in rules, under which the district is reimbursed for all meals served or distributed, regardless of eligibility requirements typically required for such distributions. Accordingly, the district did not charge any students for meals throughout fiscal year 2020-2021 resulting in \$2.9 million decline. Charges to students for courses and other optional fees declined \$2.7 million, local and one-time revenue sources such as local donations, cash-in-lieu for land, and purchasing card rebates declined by \$2.1 million.

Operating grants and contributions increased \$21.4 million primarily due to current year spending for responding to and mitigating of the COVID-19 pandemic. Coronavirus Relief Fund (CRF), awarded under the Coronavirus Aid, Relief, and Economic Securities (CARES) Act provided for \$15.8 million (an increase of \$0.6 over the prior year) under six separate awards passed through the Colorado Department of Education and Adams County. These funds were expended by December 30, 2020 to support teacher

salaries and benefits, in relation to increased instructional time when comparing the amount of instruction time received by students in Fall 2020 at the start of the pandemic to Spring 2020. A portion of funds were also used to cover personal protective equipment, cleaning supplies and technology purchases. The Elementary and Secondary School Emergency Relief (ESSER) Fund provided for three separate awards totaling \$14.3 million. Current year spending includes costs related to health aide para-educators, air purifiers, COVID-19 testing and vaccine clinics, hazard pay stipends, simultaneous live instruction, and summer school. The U.S. Department of Agriculture rule change provide for \$5.4 million in funding to support all student meals, regardless of eligibility status. \$1.1 million relates to special education and other grant sources.

Local property taxes decreased \$2.7 million primarily due to a combined decline in the required collection amount by .20 percent. As property values increase, the required mills assessed lowers, due to the bulk of property tax collections occurring between March and June annually delinquencies affect the overall collection rate at fiscal year-end. The district estimates a projected receivable based of the certified mills as compared to actual receipts.

Specific ownership taxes related to automobile registrations decreased \$0.7 million.

State Equalization funding decreased by \$19.2 million. Pupil funding decreased by \$348.44 per pupil over the prior year and funded pupils (after averaging) declined 669 pupils over the prior year.

Earnings on investment declined by \$8.1 million over the prior year. This is primarily due to spending down the required proceeds of the 2016 Bond Project Fund in combination with earning a lower interest rate due to the onset of the pandemic causing the Federal Reserve to lower interest rates.

EXPENSES:

Direct and Indirect Instruction expenditures decreased \$17.0 million primarily due to the net changes in pension and OPEB expenses related to GASB No. 68 and 75 of \$23.9 million and temporary leave balances of \$1.3 million. This change is offset by increases of a \$0.8 million in depreciable assets and \$7.4 million for expenditures related to mitigating lost learning for students due to the pandemic, such as improving technology resources and implementing a summer learning programming.

Other support programs decreased \$3.0 million over the prior year primarily due to the net change in pension and OPEB expenses related to GASB No. 68 and 75 of \$12.5 million and \$0.7 million is associated to the decline in year-over-year employee temp time. This change is offset by a net of \$10.2 million for one-time expenditure increases responding to and mitigating COVID-19 such as vaccine clinics, COVID testing, hazard pay, personal protective equipment and supplies, net against declines in spending for running the Before, After, and Summer Enrichment Program and pupil transportation services.

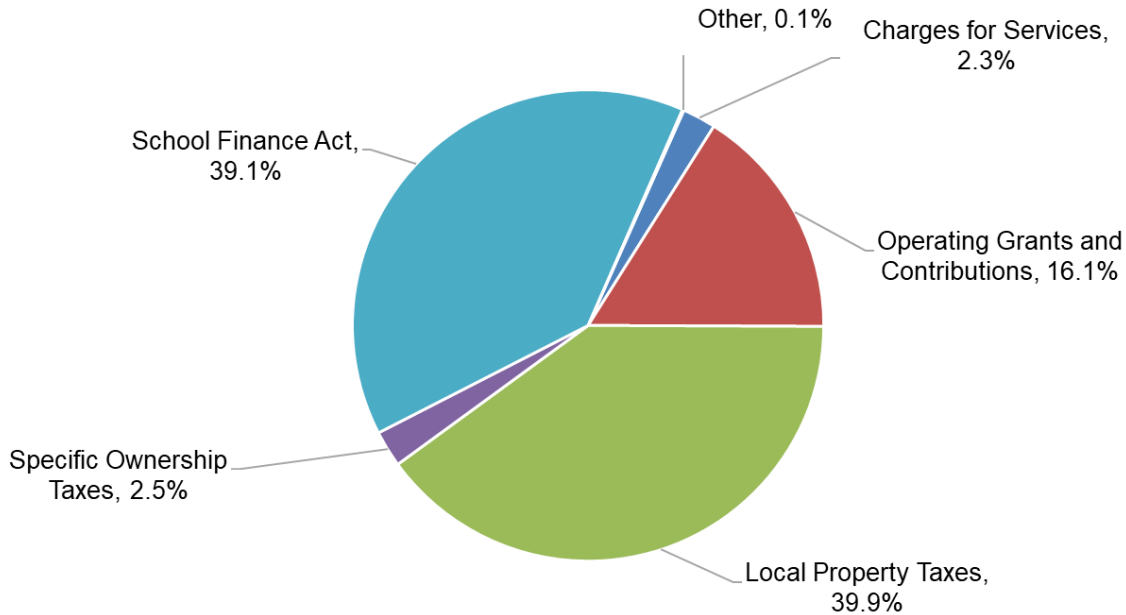
Charter school funding decreased \$1.1 million from the prior year due a decline in per pupil funding by \$348.44 per pupil over the prior year.

**Comparative Schedule of Change in Net Position
June 30, 2021 and 2020**

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 11,799,450	\$ 23,393,754
Operating Grants and Contributions	85,517,592	64,150,899
General Revenues:		
Taxes:		
Local Property Taxes	211,350,903	214,043,518
Specific Ownership Taxes	13,025,604	13,704,723
State Equalization	207,217,662	226,389,820
Earnings on Investments	557,281	8,636,001
All Other Revenues	154,936	789,794
Total Revenues	<u>529,623,428</u>	<u>551,108,509</u>
Expenses		
Governmental Activities:		
Direct Instruction	162,505,387	180,856,812
Indirect Instruction	78,091,543	76,762,268
Other Support Programs	54,184,925	57,209,135
Charter School Funding	34,423,655	35,487,122
Interest Expense, Unallocated	20,702,263	19,438,806
Total Expenses	<u>349,907,773</u>	<u>369,754,143</u>
Change in Net Position	179,715,655	181,354,366
Net Position, July 1	<u>(572,307,112)</u>	<u>(753,661,478)</u>
Net Position, June 30	<u>\$ (392,591,457)</u>	<u>\$ (572,307,112)</u>

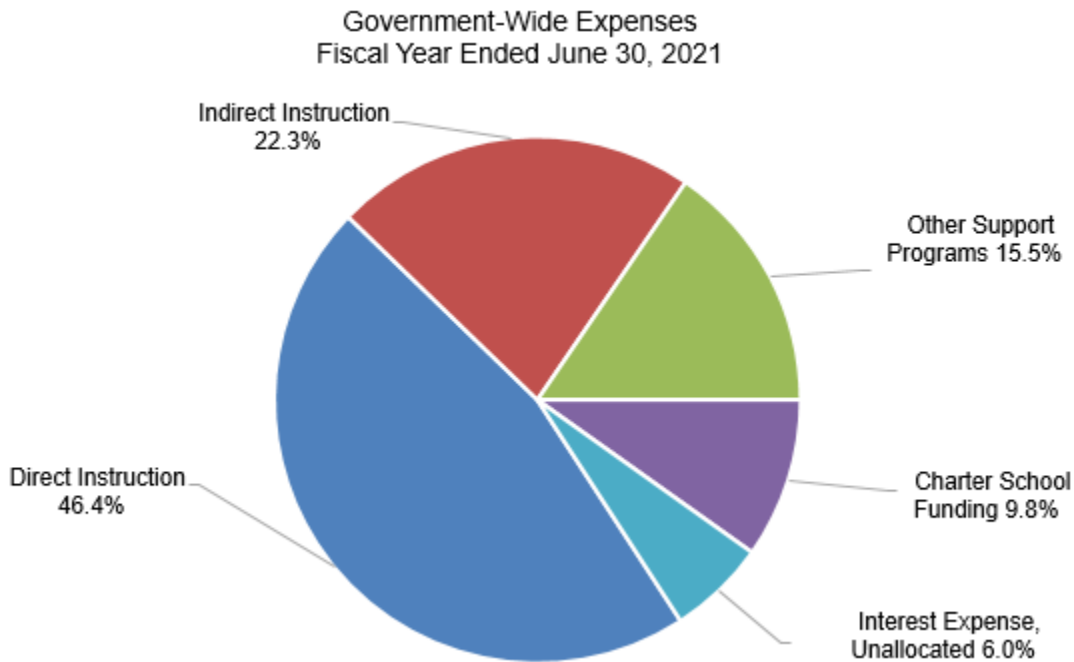
The Colorado Public School Finance Act (SFA) provides for the majority of the funding of local school districts based on a funded pupil count formula and a maximum property tax mill levy determined for each school district. Funding for the SFA comes from property taxes, specific ownership tax, and state equalization. For the district, state equalization provided 39.0% of the governmental revenue, which was a decrease of 2.0% from the prior year. Local property taxes provided 39.9% and specific ownership tax provided for 2.5% of the governmental revenue, an increase of 1.1% over the prior year. The district certified mill levies for fiscal year 2020-2021 were 69.785 and were comprised of 27.000 mills for school finance, 0.494 for abatement, 20.626 for override mills for an annual collection of \$63.7 million and 21.665 for debt service, which is restricted for future debt service payments. The remaining governmental revenue comes from charges for services of 2.3%, which includes revenue from sources related to before, after, and summer enrichment programs, food service programs, athletic activities, school activities, and building usage rentals. Operating grants and contributions, which is funding through federal, state and local grants provided 16.1% of government revenue while other revenue, which is local revenue that cannot be categorized as above, provided 0.1%.

Government-Wide Revenues
Fiscal Year ended June 30, 2021



Direct governmental instructional expenses make up 49.1% of the total government expenses. This category relates to direct instruction of students and costs associated with paying teaching staff and the purchase of supplies and materials. Indirect governmental instruction expenses are 23.6% of the total government expenses and these costs are associated with supporting staff and students, which includes school administration staff, instructional training and curriculum development. Other support governmental programs, which is 10.7% of expenses, include costs associated with district-wide staff that include staff in food services, before, after, and summer enrichment programs, transportation services, information technology, custodial, operations, and general administration. This category also includes the expenses associated with building, maintaining and repairing school buildings, district buildings, equipment, and vehicles. Debt service expenses account for 6.3% of total governmental expenses.

The district authorizes four Charter schools and is required to transfer funding based on funded pupil count for their operational needs. For fiscal year 2020-2021, the Charter count totaled 3,653 pupils and accounts for 10.4% of the government expenses.



FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the district's governmental funds reported a combined ending fund balance of \$299.9 million, a decrease of \$24.9 million in comparison with the prior year. Fund balance in the Building-Capital Projects Fund declined by \$41.5 million over the prior year as the 2016 Bond Project nears completion. This fund accounts for voter approved bond proceeds from which had two issuances, one in December of 2016 and one in 2018. As the 2016 issue progresses toward the five year mark, the district must complete project spending to ensure compliance. The General Fund experienced a decline in fund balance of \$8.5 million, which is primarily a result of a decline in funded pupils by 669 under the prior year and a reduction of 4.2% in per pupil funding.

The above fund balance declines were offset by increases to the Bond Redemption Fund, Capital Reserve-Capital Projects Fund and Other Governmental (Special Revenue Funds). The Bond Redemption Fund accounts for revenues generated from property tax collections as approved by voters to pay down general obligation bond expenditures. The current assessed mill is 21.665 per \$1,000 assessed valuation. The district experienced a 1% growth in assessed values increasing collections by \$0.9 million over the prior year. The reason the fund balance grew by \$21.4 million is due to the required debt service payments being lower than the current mill assessed rate. The Capital Reserve fund balance grew by \$2.4 million primarily due to proceeds received from a lease/purchase agreement to begin an energy project. Other Funds increased in fund balance by \$1.4 million net due mainly to funding received in the Food Service Fund due to the rule change issued by the U.S. Department of Agriculture offset by declines in student charges.

Fund balance percentages in total are either categorized as non-spendable which represents those assets held in inventory or for resources paid in advance for services accounts for 1.1% of total fund balance. Restricted, approximately 20.3% of the fund balance is restricted for Building-Capital Projects as approved by the 2016 Bond and an additional 46.7% is restricted for TABOR, multi-year commitments, future debt service payments, and food service. Committed fund balance accounts for 18.9% of the fund balance and assigned accounts for 9.9% of the fund balance. The remaining 3.1% (\$9.2 million) of the fund balance is considered unassigned fund balance, which is available for the district's discretionary spending.

The General Fund is the primary operating fund of the district with the majority of funding received from the School Finance Act in the form of per pupil revenue and property taxes. The ending fund balance of the General Fund decreased by \$8.5 million in fiscal year 2020-2021. The decrease can be attributed the decline in per pupil funding.

The Bond Redemption-Debt Service Fund has adequate resources accumulated to make the December 2021 principal and interest payments. The mill levy to accumulate resources for the June 2022 interest payment will be certified in December 2021. In compliance with Senate Bill 237, the district has contracted with a third party custodian to administer bond principal and interest payments. The ending fund balance of the Bond Redemption-Debt Service Fund increased by \$21.4 million in fiscal year 2020-2021.

The Building-Capital Projects Fund accounts for the major capital outlay for facilities and improvements funded by the proceeds of the general obligation bonds issued in December 2016 and in December 2018. As this fund is restricted for a specific purpose expenditures are expected to decline year-over-year until the original proceeds are fully spent. Fiscal year 2020-2021 marks the fifth year of project work and the wind-down of approved projects. The district anticipates a majority of the projects to be completed by the end of fiscal year 2022-2023. The fund balance decreased \$41.5 million from the prior year.

The Capital Reserve-Capital Projects Fund is funded by an annual allocation from the General Fund as well as building rental revenue. The funding is used to purchase equipment, maintain and renovate buildings and for debt service payments on certificates of participation. The fund balance increased \$2.4 million due to reserve planning in accordance with district policy.

The Governmental Designated-Purpose Grant Special Revenue Fund operates mainly on a reimbursement basis. Expenditures not reimbursed as of June 30, 2021 are recorded as receivable amounts. Revenue paid in advance, but not earned, is recorded as unearned revenue. Fund balance at year end is \$0, as expected.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The board of education adopted the 2020-2021 budget in June 2020 and approved the amended budget in January 2021. The total General Fund budget decreased by a net \$9.1 million to account for an increase in the beginning fund balance of \$13.8 million and a decrease in local funding of \$1.1 million, increased expenditures and transfers of \$21.8 million. In June of 2020 the district's Board of Education approve a contract change for certified staff, which resulted in a saving in the prior year of \$12.9 million

to the general fund. This was offset by a reduction in property tax valuations, specific ownership tax collections and outside agency billing. Assessed valuation results were lower than originally budgeted, therefore a \$1.0 million reduction was included, specific ownership was reduced by \$.5 million to align to run rate at that point in time, and outside billing was reduced by \$.2 million to account for transportation service shortages.

The General Fund expenditure budget was increased \$18.9 million to right size the general fund budget in order to reverse a negative contingency reserve. The original budget planned for an offset of funding to support the response to and mitigation of COVID-19. At amended budget, all expenditure budgets were moved to the Governmental Designated Purpose Grants Fund. An additional \$0.6 million increase to expenditures was added to recognize a change in the funding for charter schools and insurance costs. Transfers to other funds increased by \$2.3 million in order to provide necessary support to special revenue funds that saw large decline in funding sources due to the pandemic.

Revenue, as defined in the School Finance Act, includes property taxes, specific ownership taxes, and state equalization. For fiscal year 2020-2021, total program and mill levy override funding decreased by \$18.6 million, from \$385.3 million in fiscal year 2019-2020 to \$366.7 million in fiscal year 2020-2021. Expenditures in the General Fund decreased \$1.0 million, from \$374.1 million in fiscal year 2019-2020 to \$373.1 million in fiscal year 2020-2021, which can primarily be attributed to a reduction in the transfer to charter schools due to a reduction in per pupil funding.

As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. For fiscal year 2020-2021, expenditures came in under budget appropriations by \$13.7 million. The final budget totaled \$386.9 million and actual expenditures totaled \$373.1 million. Due to intermittent school closures, from August 2020 through March 2021, underspend occurred in many areas including purchased services, supplies and materials, utilities and risk management claims totaling \$10.9 million in savings. The remaining underspend of \$2.8 million can be attributed to salary and benefit savings due to a hold on program planning for implementation of a teacher leadership program and insurance savings.

Total fund balance represents 20.7 percent of General Fund expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The district's investment in capital assets for governmental activities as of June 30, 2021 is \$700.6 million (net of accumulated depreciation). Capital assets include land, buildings, vehicles, equipment, and construction projects in process.

Major capital events during the year include the following:

- Continued installation of the fiber network through the School Connectivity Project.
- Critical plumbing repairs at six older schools in the district (Malley Drive, Leroy, Hillcrest, McElwain and Rocky Mountain Elementary Schools, The Studio School and Hulstrom K-8).
- Completion of a two-year renovation of the district's original career and technical education campus, FutureForward at Bollman.
- Turf replacement at North Stadium and new artificial surfaces at Horizon and Mountain Range High Schools and Pathways Futures Center.
- Start of roof replacement/restoration project at Thornton Middle School.

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

**Capital Assets (net of accumulated depreciation)
As of and For the Fiscal Year ended June 30, 2021 and 2020**

	Governmental Activities	
	2021	2020
Land	\$ 34,922,561	\$ 34,721,536
Buildings and land improvements	538,136,863	453,146,593
Construction in progress	77,096,074	160,695,917
Equipment and vehicles	50,436,630	34,041,312
Total capital assets	\$ 700,592,128	\$ 682,605,358

As of June 30, 2021, the district had total bonded debt outstanding of \$482.7 million backed by the full faith and credit of the district. Additionally, the district has long-term debt obligations for capital leases and certificates of participation in the amount of \$16.9 million still outstanding at the end of the current fiscal year. These amounts do not include unamortized bond and COP premiums, discounts and other deferred charges.

During the current fiscal year, the district repaid \$20.5 million of principal on general obligation bonds, \$1.8 million of principal on certificates of participation and entered into a new capital lease purchase agreement for \$2.1 million.

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

**General Obligation Bonds, Capital Leases and Certificates of Participation
As of and For the Fiscal Year ended June 30, 2021 and 2020**

	Governmental Activities	
	2021	2020
General obligation bonds	\$ 482,680,000	\$ 503,130,000
Capital leases	2,097,692	-
Certificates of participation	14,775,000	16,605,000
Total	\$ 499,552,692	\$ 519,735,000

Additional information on the district's long-term obligations can be found in the notes on pages 65-71.

ECONOMIC FACTORS AND FISCAL YEAR 2021-2022 BUDGETS

Each year Adams 12 Five Star Schools prepares a budget plan with the focus on utilizing available

resources to best support educational success. The budget plan encompasses instruction at each school, transportation, food services, maintenance, administration and more.

The district follows a multi-step budget development process that involves receiving input on values and priorities from staff, parents and community members. District leadership prepares a budget plan that balances priorities of the community with federal, state and local mandates, desired academic outcomes, student safety and fiscal responsibility. The budget plan for fiscal year 2021-2022 supports the educational commitments of student learning, professional practice, and collective responsibility.

Due to the economic downturn and Colorado's associated budget crisis, the School Finance Act implemented a budget stabilization factor (formerly called the negative factor) for program funding in fiscal year 2010-2011. The impact of the budget stabilization factor for Adams 12 Five Star Schools has been substantial and has resulted in more than \$475.7 million decreased funding over the past twelve years.

After a number of years of reduced funding resulting in budget reductions for school districts across the state, the State of Colorado restored some funding for public education that had previously been cut. Current state economic assumptions show a rebound in general fund revenue and therefore the budget stabilization factor for fiscal year 2021-2022 is expected to decline from 12.8% to 6.7%, estimated to be \$26.7 million less in funding for the Adams 12 Five Star Schools.

For fiscal year 2021-2022, the statewide base per pupil funding was increased for inflation by 2.0%. The statewide average per pupil base funding for fiscal year 2021-2022 is 7,225; the Adams 12 Five Star Schools per pupil revenue is \$8,796, which equates to an increase of \$838 per pupil over fiscal year 2020-2021. This increase is partly in response to a change in legislation that changed the definition of at-risk pupils by adding those pupils eligible for reduced-price lunch under the federal school lunch program and removing the subset of English Language Learner (ELL) pupils and applying those students to a new ELL factor in total funding.

Planned budgetary expenditure increases for fiscal year 2021-2022 consist of compensation increases including a certified step and a step equivalent for administrators and classified staff and a 0.5 percent increase to the PERA contribution rate. Other expenditure increases include cost associated with an online school program to support those families who are not ready to return to in-person learning, health insurance premiums, and increased information technology costs such as licenses, cybersecurity and family tech support.

At June 30, 2021, total fund balance in the General Fund is \$77.4 million (including the reserve for Risk Management). The district budget for the 2021-2022 fiscal year anticipates the transfer of \$10.3 million of General Fund balance to other funds. The district continues its policy to maintain discretionary reserves at no less than 3% of General Fund revenues.

REQUESTS FOR INFORMATION

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

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



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BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2021

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Units</u> <u>Charter</u> <u>Schools</u>
Assets		
Cash and Investments - Unrestricted	\$ 150,977,694	\$ 13,785,496
Cash and Investments - Restricted	177,764,442	11,098,359
Accounts Receivable	766,683	543,765
Prepaid Expenses	1,641,893	317,507
Property Taxes Receivable	8,392,914	-
Accrued Interest Receivable	231,630	-
Due from Primary Government	-	1,097,725
Due from Component Units	13,844	-
Due from Other Governments	21,616,513	4,294
Inventories	1,542,785	-
Capital Assets, not being Depreciated:		
Land and Construction in Progress	112,018,635	11,081,767
Capital Assets, net of Accumulated Depreciation:		
Buildings	538,136,863	80,935,349
Equipment/Vehicles	50,436,630	507,988
Total Assets	<u>1,063,540,526</u>	<u>119,372,250</u>
Deferred Outflows of Resources		
Deferred Charges on Refunding	8,336,854	101,801
Deferred Outflows Related to Pensions	298,147,628	22,106,464
Deferred Outflows Related to OPEB	4,332,670	593,651
Total Deferred Outflows of Resources	<u>310,817,152</u>	<u>22,801,916</u>
Liabilities		
Accounts Payable	22,010,478	599,816
Retainages Payable	1,821,385	-
Payroll withholdings Payable	3,798,148	-
Accrued Expenses	-	9,350
Accrued Salaries and Benefits	21,870,291	2,425,462
Accrued Interest Payable	1,033,358	678,194
Due to Primary Government	-	13,844
Due to Component Units	1,097,725	-
Due to Other Governments	-	27,582
Unearned Revenue	6,415,941	105,979
Noncurrent Liabilities		
Due within One Year:		
Compensated Absences	11,094,115	137,238
Loans	-	6,877
General Obligation Bonds	42,187,446	-
Revenue Bonds	-	1,093,323
Certificates of Participation	2,170,738	-
Capital Leases	118,847	-
Due in more than One Year:		
Compensated Absences	22,261,612	-
General Obligation Bonds	489,342,095	-
Revenue Bonds	-	93,978,975
Certificates of Participation	14,438,540	-
Capital Leases	1,978,845	-
Net Pension Liability	764,998,892	51,015,710
Net OPEB Liability	27,831,619	1,853,032
Total Liabilities	<u>1,434,470,075</u>	<u>151,945,382</u>
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	322,899,654	20,275,376
Deferred Inflows Related to OPEB	9,579,406	593,880
Total Deferred Inflows of Resources	<u>332,479,060</u>	<u>20,869,256</u>
Net Position		
Net Investment in Capital Assets	219,760,340	(2,315,335)
Restricted for:		
Capital Projects	58,970,177	4,570,707
Debt Service	112,379,860	5,830,236
TABOR	11,011,444	1,122,315
Food Service	6,479,302	-
Special Education	-	600,000
Unrestricted	(801,192,580)	(40,448,395)
Total Net Position	<u>(392,591,457)</u>	<u>\$ (30,640,472)</u>
Total Liabilities and Net Position	<u>1,374,357,678</u>	<u>\$ 142,174,166</u>

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Charter Schools
					Governmental Activities	
Primary Government:						
Governmental Activities:						
Direct Instruction	\$ 162,505,387	\$ 4,960,479	\$ 39,112,465	\$ -	\$ (118,432,443)	\$ -
Indirect Instruction	78,091,543	-	12,532,681	-	(65,558,862)	-
Other Support Programs	54,184,925	5,713,807	33,872,446	-	(14,598,672)	-
Charter School Funding	34,423,655	1,125,164	-	-	(33,298,491)	-
Interest Expense	20,702,263	-	-	-	(20,702,263)	-
Total Governmental Activities	<u>\$ 349,907,773</u>	<u>\$ 11,799,450</u>	<u>\$ 85,517,592</u>	<u>\$ -</u>	<u>\$ (252,590,731)</u>	<u>\$ -</u>
Component Units-Charter Schools	<u>\$ 34,418,520</u>	<u>\$ 3,575,657</u>	<u>\$ 4,143,236</u>	<u>\$ 1,385,265</u>	<u>-</u>	<u>(25,314,362)</u>
General Revenues:						
Taxes:						
Local Property Taxes					211,350,903	-
Specific Ownership Taxes					13,025,604	5,020,938
State Equalization					207,217,662	29,390,858
Other Revenues					154,936	1,129,916
Gain (Loss) on Sale of Assets					-	1,960
Earnings on Investments					557,281	16,203
Total General Revenues and Transfers					<u>432,306,386</u>	<u>35,559,875</u>
Change in Net Position					179,715,655	10,245,513
Net Position July 1, 2020 , as previously stated					(572,307,112)	(38,945,398)
Restatement					-	(1,940,587)
Net Position July 1, 2020					<u>(572,307,112)</u>	<u>(40,885,985)</u>
Net Position June 30, 2021					<u>\$ (392,591,457)</u>	<u>\$ (30,640,472)</u>

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

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2021

	General	Bond Redemption - Debt Service
ASSETS		
Cash and Investments - Unrestricted	\$ 97,261,263	\$ -
Cash and Investments - Restricted	-	110,872,874
Accounts Receivable	152,302	-
Property Taxes Receivable	5,849,570	2,543,344
Accrued Interest Receivable	139,919	-
Due from Other Governments	2,207,457	-
Due from Other Funds	8,032,498	-
Due from Component Units	13,844	-
Inventories	1,414,237	-
Prepaid Items	1,172,818	-
Total Assets	\$ 116,243,908	\$ 113,416,218
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>		
LIABILITIES		
Accounts Payable	\$ 11,830,583	\$ 3,000
Retainage Payable	-	-
Payroll withholdings Payable	3,798,148	-
Accrued Salaries and Benefits	18,991,107	-
Due to Other Funds	-	-
Due to Component Units	170,890	-
Unearned Revenue-Other	147,694	-
Total Liabilities	34,938,422	3,000
 DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-Property Taxes	3,910,064	1,756,124
Unavailable Revenue-Long Term Receivable	-	-
Total Deferred Inflows of Resources	3,910,064	1,756,124
 FUND BALANCES		
Nonspendable:		
Inventory	1,414,237	-
Prepaid Items	1,172,818	-
Restricted for:		
Tabor 3% Emergency Reserve	10,126,932	-
Multi Year Obligations	10,975,952	-
Debt Service	-	111,657,094
Capital Projects	-	-
Food Service	-	-
Committed to:		
Contingency Reserve - 3% Per Board Policy	10,126,932	-
Capital Projects	-	-
Activity Special Revenue	-	-
Risk Management	4,820,568	-
Child Care	-	-
Athletics	-	-
Assigned to:		
Assigned	29,548,888	-
Unassigned:		
Unassigned	9,209,095	-
Total Fund Balances	77,395,422	111,657,094
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 116,243,908	\$ 113,416,218

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

BALANCE SHEET - GOVERNMENTAL FUNDS (CONT.)

June 30, 2021

Building - Capital Projects	Capital Reserve - Capital Projects	Governmental		Total
		Designated Purpose Grants Special Revenue	Other Governmental Funds	
\$ 2,335,994	\$ 27,678,470	\$ 173,403	\$ 23,528,564	\$ 150,977,694
64,793,789	2,097,779	-	-	177,764,442
-	350,064	-	264,317	766,683
-	-	-	-	8,392,914
91,711	-	-	-	231,630
-	-	17,446,712	1,962,344	21,616,513
-	-	-	-	8,032,498
-	-	-	-	13,844
-	-	-	128,548	1,542,785
-	5,082	-	463,993	1,641,893
<u>\$ 67,221,494</u>	<u>\$ 30,131,395</u>	<u>\$ 17,620,115</u>	<u>\$ 26,347,766</u>	<u>\$ 370,980,896</u>
\$ 6,470,124	\$ 997,625	\$ 972,925	\$ 1,736,221	\$ 22,010,478
1,774,254	26,414	20,117	600	1,821,385
-	-	-	-	3,798,148
6,939	8,091	1,871,777	992,377	21,870,291
-	-	8,032,498	-	8,032,498
-	-	926,835	-	1,097,725
-	90,508	5,795,963	381,776	6,415,941
<u>8,251,317</u>	<u>1,122,638</u>	<u>17,620,115</u>	<u>3,110,974</u>	<u>65,046,466</u>
-	-	-	-	5,666,188
-	350,063	-	-	350,063
<u>-</u>	<u>350,063</u>	<u>-</u>	<u>-</u>	<u>6,016,251</u>
-	-	-	128,548	1,542,785
-	5,082	-	463,993	1,641,893
-	326,114	-	558,398	11,011,444
-	-	-	-	10,975,952
-	-	-	-	111,657,094
58,970,177	2,097,692	-	-	61,067,869
-	-	-	6,479,302	6,479,302
-	-	-	-	10,126,932
-	26,229,806	-	-	26,229,806
-	-	-	14,384,455	14,384,455
-	-	-	-	4,820,568
-	-	-	913,644	913,644
-	-	-	308,452	308,452
-	-	-	-	29,548,888
-	-	-	-	9,209,095
<u>58,970,177</u>	<u>28,658,694</u>	<u>-</u>	<u>23,236,792</u>	<u>299,918,179</u>
<u>\$ 67,221,494</u>	<u>\$ 30,131,395</u>	<u>\$ 17,620,115</u>	<u>\$ 26,347,766</u>	<u>\$ 370,980,896</u>

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2021

Governmental funds total fund balances	\$	299,918,179
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.		1,104,599,140
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.		(404,007,012)
Deferred property taxes will be collected this year but are not available soon enough to pay for the current period's expenditures and, therefore, revenue is not recognized in the funds.		5,666,188
Long-term receivables are not collected in the period of availability and, therefore, are not reported in the funds.		350,063
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds payable	(531,529,541)	
Capital leases payable	(2,097,692)	
Certificates of participation	(16,609,278)	
Deferred Loss on refunding	8,336,854	
Compensated absences payable	<u>(33,355,727)</u>	
		(575,255,384)
Accrued interest payable is recognized in the statement of net position but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(1,033,358)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the funds.		
Net pension liability		(764,998,892)
Net OPEB liability		(27,831,619)
Deferred outflows and inflows of resources related to pensions are applicable in future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources	298,147,628	
Deferred inflows of resources	(322,899,654)	
Deferred outflows and inflows of resources related to OPEB are applicable in future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources	4,332,670	
Deferred inflows of resources	<u>(9,579,406)</u>	
		<u>(29,998,762)</u>
Governmental activities net position	\$	<u><u>(392,591,457)</u></u>

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



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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS**
For the Fiscal Year Ended June 30, 2021

	<u>General</u>	<u>Bond Redemption - Debt Service</u>	<u>Building - Capital Projects</u>
REVENUES			
Taxes:			
Property	\$ 145,933,740	\$ 65,694,904	\$ -
Ownership	13,025,604	-	-
Delinquent Taxes and Interest	557,655	256,320	-
Mineral Leases	14,176	-	-
State	220,312,858	-	-
Federal	-	-	-
Local	2,501,741	-	-
Investment Earnings	162,819	214,849	146,244
Miscellaneous	<u>366,555</u>	<u>-</u>	<u>1,920,972</u>
Total Revenues	<u>382,875,148</u>	<u>66,166,073</u>	<u>2,067,216</u>
EXPENDITURES			
Current:			
Direct Instruction	203,027,600	-	-
Indirect Instruction	70,936,400	-	-
Other Support Programs	64,754,097	-	-
Charter School Funding	34,423,655	-	-
Capital Outlay:			
Sites, Buildings, and Ground Improvements	-	-	26,949,322
School Additions, Improvements, and Repairs	-	-	6,641,211
Equipment/Vehicles/Operation Systems	-	-	9,941,961
Debt Service:			
Principal Retirement	-	20,450,000	-
Interest and Fiscal Charges	-	24,347,025	-
Bond Issuance and Other Costs	-	14,500	-
Total Expenditures	<u>373,141,752</u>	<u>44,811,525</u>	<u>43,532,494</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,733,396	21,354,548	(41,465,278)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(18,264,603)	-	-
Proceeds from lease purchase	-	-	-
Total Other Financing Sources (Uses)	<u>(18,264,603)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(8,531,207)	21,354,548	(41,465,278)
Fund Balances, July 1, 2020	<u>85,926,629</u>	<u>90,302,546</u>	<u>100,435,455</u>
Fund Balances, June 30, 2021	<u>\$ 77,395,422</u>	<u>\$ 111,657,094</u>	<u>\$ 58,970,177</u>

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

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

For the Fiscal Year Ended June 30, 2021

Capital Reserve - Capital Projects	Governmental Designated Purpose Grants Special Revenue	Other Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 211,628,644
-	-	-	13,025,604
-	-	-	813,975
-	-	-	14,176
-	7,372,249	104,091	227,789,198
-	49,614,340	13,415,195	63,029,535
1,763,631	-	7,066,155	11,331,527
26,991	5,249	1,129	557,281
178,718	-	58,959	2,525,204
<u>1,969,340</u>	<u>56,991,838</u>	<u>20,645,529</u>	<u>530,715,144</u>
-	27,375,934	12,691,237	243,094,771
-	12,532,681	565,307	84,034,388
-	17,083,223	17,489,080	99,326,400
-	-	-	34,423,655
3,973,143	-	-	30,922,465
9,386	-	-	6,650,597
14,858	-	-	9,956,819
1,994,222	-	-	22,444,222
2,473,600	-	-	26,820,625
-	-	-	14,500
<u>8,465,209</u>	<u>56,991,838</u>	<u>30,745,624</u>	<u>557,688,442</u>
(6,495,869)	-	(10,100,095)	(26,973,298)
6,803,436	-	11,461,167	18,264,603
-	-	-	(18,264,603)
2,097,692	-	-	2,097,692
<u>8,901,128</u>	<u>-</u>	<u>11,461,167</u>	<u>2,097,692</u>
2,405,259	-	1,361,072	(24,875,606)
<u>26,253,435</u>	<u>-</u>	<u>21,875,720</u>	<u>324,793,785</u>
<u>\$ 28,658,694</u>	<u>\$ -</u>	<u>\$ 23,236,792</u>	<u>\$ 299,918,179</u>

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

For the Fiscal Year Ended June 30, 2021

Governmental funds change in fund balances	\$	(24,875,606)
<p>Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period.</p>		
Capital outlay	44,667,222	
Depreciation expense, net	<u>(26,667,643)</u>	17,999,579
<p>Disposals of capital assets resulted in a loss that is reported in the statement of activities. The governmental funds only report the proceeds from the sale. The difference between the loss and the proceeds is the net book value of the assets disposed.</p>		
		(12,809)
<p>Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. This amount represents the change in unavailable property tax revenue.</p>		
		(1,091,716)
<p>Repayment of long term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
		22,280,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Amortization of bond premiums/discounts		6,256,879
Deferred gains/losses on refunding		<u>(2,016,503)</u>
<p>Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds. The change in the liability is recognized.</p>		
		40,207
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds - changes in long-term compensated absences payable.</p>		
		(1,818,152)
<p>Governmental funds report the issuance of debt, including premiums and discounts, as an other financial source. In the governmental activities, however, the issuance of debt is reflected as a liability instead.</p>		
		(2,097,692)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds- Net pension expense</p>		
Net OPEB expense		<u>163,742,835</u>
		<u>1,308,633</u>
Governmental activities change in net position	\$	<u>179,715,655</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS) – GENERAL FUND

For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes:				
Property	\$ 147,761,649	\$ 146,758,146	\$ 145,933,740	\$ (824,406)
Ownership	13,014,978	12,514,978	13,025,604	510,626
Delinquent Taxes and Interest	225,000	225,000	557,655	332,655
Mineral Leases	16,672	14,176	14,176	-
State:				
Equalization Entitlement	206,445,164	207,125,722	207,217,662	91,940
Education of the Handicapped	9,027,621	8,830,778	8,900,935	70,157
Vocational Education	986,662	1,222,224	1,323,064	100,840
Gifted & Talented Education	381,609	373,459	373,459	-
State Transportation	2,043,421	2,076,267	2,235,980	159,713
Other State	252,021	225,017	261,758	36,741
Local	2,454,461	2,172,453	2,501,741	329,288
Investment Earnings	520,885	520,885	22,617	(498,268)
Miscellaneous	295,900	295,900	366,555	70,655
Total Revenues	<u>383,426,043</u>	<u>382,355,005</u>	<u>382,734,946</u>	<u>379,941</u>
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	54,579,659	56,404,112	55,781,521	622,591
K-8 Education	13,253,349	13,279,603	13,038,671	240,932
Middle School Education	27,577,212	27,168,417	29,363,909	(2,195,492)
High School Education	42,611,746	40,202,334	46,394,079	(6,191,745)
Other Regular Education	27,245,793	22,439,455	21,998,944	440,511
Special Programs	36,684,418	36,974,093	36,450,476	523,617
Total Direct Instruction	<u>201,952,177</u>	<u>196,468,014</u>	<u>203,027,600</u>	<u>(6,559,586)</u>
Indirect Instruction:				
Pupil Support Services	21,054,476	21,827,244	21,193,107	634,137
Instructional Staff Services	22,975,104	23,648,810	21,664,450	1,984,360
School Administration	27,598,512	28,439,348	28,078,843	360,505
Total Indirect Instruction	<u>71,628,092</u>	<u>73,915,402</u>	<u>70,936,400</u>	<u>2,979,002</u>
Other Support Programs:				
General Administration	2,571,580	2,729,653	1,653,571	1,076,082
Business/Fiscal Services	2,797,817	2,867,717	398,633	2,469,084
Procurement and Warehouse	1,726,356	1,744,813	1,514,505	230,308
Printing, Publishing, and Duplicating	302,955	311,342	256,672	54,670
Operations and Maintenance	18,683,889	18,969,985	17,707,230	1,262,755
Pupil Transportation Services	12,273,788	12,436,562	9,385,593	3,050,969
Energy/Utilities	8,283,446	8,698,564	7,928,714	769,850
Safety Services	4,157,185	4,309,597	4,007,474	302,123
Communications Division	593,620	608,358	1,369,788	(761,430)
Staff Services	4,828,176	6,830,445	3,265,202	3,565,243
Information Technology	10,741,700	13,701,311	10,946,417	2,754,894
Other Support Services	(11,510,090)	4,115,929	2,005,211	2,110,718
Community Programs	108,465	94,254	229,055	(134,801)
Facilities: Planning & Development	268,828	474,092	491,385	(17,293)
Risk Management Services	3,890,723	4,202,240	3,594,647	607,593
Total Other Support Programs	<u>59,718,438</u>	<u>82,094,862</u>	<u>64,754,097</u>	<u>17,340,765</u>
Charter School Funding	<u>34,017,968</u>	<u>34,401,197</u>	<u>34,423,655</u>	<u>(22,458)</u>
Total Expenditures	<u>367,316,675</u>	<u>386,879,475</u>	<u>373,141,752</u>	<u>13,737,723</u>
Excess of revenues over expenditures	16,109,368	(4,524,470)	9,593,194	14,117,664
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(17,347,356)</u>	<u>(19,675,966)</u>	<u>(18,264,603)</u>	<u>1,411,363</u>
Total Other Financing Sources (Uses)	<u>(17,347,356)</u>	<u>(19,675,966)</u>	<u>(18,264,603)</u>	<u>1,411,363</u>
Net Change in Fund Balances	(1,237,988)	(24,200,436)	(8,671,409)	15,529,027
Fund Balances, July 1, 2020	72,110,370	85,926,629	86,205,765	279,136
Fund Balances, June 30, 2021	<u>\$ 70,872,382</u>	<u>\$ 61,726,193</u>	77,534,356	<u>\$ 15,808,163</u>
Less unearned revenues related to Forward Delivery Agreement at June 30, 2021			(138,934)	
Fund balance (GAAP Basis), June 30, 2021			<u>\$ 77,395,422</u>	

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL DESIGNATED PURPOSE GRANTS SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
State	\$ 9,777,995	\$ 11,631,698	\$ 7,372,249	\$ (4,259,449)
Federal	51,380,417	58,032,508	49,614,340	(8,418,168)
Investment Earnings	-	5,242	5,249	7
Total Revenues	<u>61,158,412</u>	<u>69,669,448</u>	<u>56,991,838</u>	<u>(12,677,610)</u>
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	3,819,162	21,503,782	5,978,635	15,525,147
Middle School Education	498,828	1,335,897	1,423,672	(87,775)
High School Education	258,632	2,314,587	2,282,305	32,282
Other Regular Education	4,435,135	9,755,139	9,848,076	(92,937)
Special Programs	7,528,685	8,821,860	7,843,246	978,614
Total Direct Instruction	<u>16,540,442</u>	<u>43,731,265</u>	<u>27,375,934</u>	<u>16,355,331</u>
Indirect Instruction:				
Pupil Support Services	7,211,344	8,277,302	6,323,420	1,953,882
Instructional Staff Services	6,071,224	7,593,986	5,830,857	1,763,129
School Administration	-	292,955	378,404	(85,449)
Total Indirect Instruction	<u>13,282,568</u>	<u>16,164,243</u>	<u>12,532,681</u>	<u>3,631,562</u>
Other Support Programs:				
General Administration	28,630,182	-	-	-
Business/Fiscal Services	453,589	399,151	2,422,791	(2,023,640)
Procurement and Warehouse	-	9,866	13,186	(3,320)
Printing, Publishing, and Duplicating	-	2,167	2,141	26
Operations and Maintenance	-	52,065	704,787	(652,722)
Pupil Transportation Services	117,946	262,600	211,681	50,919
Energy/Utilities	-	1,919	1,896	23
Safety Services	711,363	2,746,290	7,084,627	(4,338,337)
Communications Division	-	134,569	134,534	35
Staff Services	53,003	1,778,814	2,589,908	(811,094)
Information Technology	-	958,454	1,331,236	(372,782)
Community Programs	900,520	1,001,084	910,777	90,307
Facilities: Planning & Development	468,799	2,144,021	883,618	1,260,403
Food Service Operations	-	210,535	209,532	1,003
Child Care Operations	-	72,405	582,509	(510,104)
Total Other Support Programs	<u>31,335,402</u>	<u>9,773,940</u>	<u>17,083,223</u>	<u>(7,309,283)</u>
Total Expenditures	<u>61,158,412</u>	<u>69,669,448</u>	<u>56,991,838</u>	<u>12,677,610</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2020	-	-	-	-
Fund Balances, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS



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NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

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

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

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

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

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

Discretely Presented Component Units – Charter Schools

The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101" in 1993. This Act permits the district to contract with individuals and organizations for the operation of schools within the district. The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the district's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the district's Board of Education must approve all charter school applications and budgets. During fiscal year 2020-2021, the district had four charter schools in operation. The charter schools are discretely presented component units because the district is financially accountable for them.

Each charter school issues separate financial statements for the fiscal year ended June 30, 2021. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

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

Government-wide and Fund Financial Statements

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

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

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

FUND ACCOUNTING

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

a. *Major Governmental Funds*

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

BASIS OF ACCOUNTING, MEASUREMENT FOCUS AND FINANCIAL STATEMENT PRESENTATION

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

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

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

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

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

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

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

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

FUND BALANCE

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

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

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

CAPITAL ASSETS

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

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

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

Estimated useful lives are:

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and fund level balance sheet will sometimes report a separate section for deferred outflows of resources. This section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. Deferred charge on refunding and deferred outflows of resources related to pensions and Other Post-Employment Benefits (OPEB) are reported in the government-wide statement of net position as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows related to pension and OPEB are discussed on pages 80 to 88 in the notes to basic financial statements.

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

LIABILITIES

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

ENCUMBRANCES

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

Major Governmental Funds

General Fund	\$ 464,648
Capital Projects Funds:	
Building	15,749,401
Capital Reserve	453,286
Subtotal Capital Project Funds	<u>16,202,687</u>
Governmental Designated Purpose Grants	1,184,880

Non-Major Governmental Fund

Special Revenue Funds:	
Other Special Revenues	1,476
Before, After, and Summer Enrichment	4,572
Subtotal Special Revenue Funds	<u>6,048</u>
Total	<u>\$ 17,858,263</u>

BUDGETS AND BUDGETARY ACCOUNTING

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

1. Budgets for all funds are required by the state. During June, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing July
 - a. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Board of Education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Superintendent of Schools. Revisions that alter the total appropriations of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board of Education. Variances between budget and actual result from the non-expenditure of reserves, non-

occurrence of events such as surplus land sales, scheduling of capital projects, and normal operating variances.

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

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

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

INVENTORIES

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

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

PREPAID ITEMS

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

INVESTMENTS

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

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

- Obligations of the United States and certain U.S. government agency securities and World

Bank

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

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

COMPENSATED ABSENCES

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

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

UNEARNED REVENUE

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

NET PENSION LIABILITY

The district's governmental activities report a net pension liability as of June 30, 2021. The district is required to report its proportionate share of PERA's unfunded pension liability. Refer to Note J for additional information.

ON-BEHALF PAYMENT

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and

expenditures by the employer government. The State of Colorado makes direct on- behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. House Bill 20-1379 suspended the \$225 million direct distribution payable on June 1, 2020 from the State of Colorado to PERA, therefore the district did not record an on-behalf payment for fiscal year 2021. Refer to Note J for additional information.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

NOTE B: CASH DEPOSITS AND INVESTMENTS

DEPOSITS

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. The district and the discretely presented component units do not have a deposit policy for custodial credit risk. At June 30, 2021, the district's carrying amount of the deposits is \$3,180,167. The component units carrying amount of the deposits is \$9,376,998. All of the district's and its component units' bank deposits are collateralized with securities held by the financial institutions agent through PDPA.

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

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

Cash, deposits, and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

	Primary Government	Component Units	Total
Governmental Activities:			
Cash and Investments - Unrestricted	\$ 150,977,694	\$ 13,785,496	\$ 164,763,190
Cash and Investments - Restricted	177,764,442	11,098,359	188,862,801
Total	\$ 328,742,136	\$ 24,883,855	\$ 353,625,991

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

As of June 30, 2021 cash and investment balances in the financial statements consisted of the following:

	Primary Government	Component Units	Total
Cash and Investments:			
Cash and Deposit Balance	\$ 3,180,167	\$ 9,376,998	\$ 12,557,165
Investments	325,561,969	15,506,857	341,068,826
Total Cash and Investments	\$ 328,742,136	\$ 24,883,855	\$ 353,625,991

INVESTMENTS

As of June 30, 2021, the district had the following investments. Investments held in repurchase agreements are not a part of pooled cash until drawn. All other deposits and investments are internally pooled to maximize investment safety, liquidity, and interest yield.

Type of Security	Fair Value	Concentration	S&P Rating	Maturity		
				12 Months or Less	13 - 24 Months	25 - 60 Months
ColoTrust Plus+ (external investment pool)	\$ 212,875,193	65.39%	AAAm	\$ 212,875,193	-	-
Money Market Fund - US Bank	100,544	0.03%	NR	100,544	-	-
Municipal Bond/Note	896,040	0.27%	AAA	-	-	-
Municipal Bond/Note	1,520,897	0.47%	AA	-	-	896,040
Municipal Bond/Note	518,060	0.16%	AA+	-	-	1,520,897
Municipal Bond/Note	346,776	0.11%	NR	-	-	-
Federal Agency Bond/Note	51,368,974	15.78%	AA+	-	-	-
Corporate Notes	505,900	0.15%	AAA	-	-	-
Corporate Notes	1,713,132	0.53%	AA+	505,900	-	-
Corporate Notes	514,540	0.16%	AA	505,995	1,207,137	-
Corporate Notes	506,350	0.15%	AA-	-	514,540	-
United States Treasury Bond/Note	43,394,362	13.33%	AA+	-	-	-
United States Treasury Bills	4,371,038	1.34%	A-1+	12,180,011	14,244,258	16,970,093
International Bond	250,388	0.08%	AAA	-	-	-
Supra-National Agency Bond	6,679,775	2.05%	AAA	250,388	-	-
Total	\$ 325,561,969	100.00%		\$ 226,418,031	\$ 15,965,935	\$ 19,387,030

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

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

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

The district has the following recurring fair value measurements as of June 30, 2021:

Investments by fair value level:	Investments Measured at Fair Value June 30, 2021			
	6/30/2021	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Municipal Bond/Note	\$ 3,281,773	\$ -	\$ 3,281,773	\$ -
Federal Agency Bond/Note	51,368,974	-	51,368,974	-
Corporate Notes	3,239,922	-	3,239,922	-
United States Treasury Bond	43,394,362	43,394,362	-	-
United States Treasury Bills	4,371,038	4,371,038	-	-
International Bond	250,388	-	250,388	-
Supra-National Agency Bond	6,679,775	-	6,679,775	-
Total investments by fair value level	112,586,232	47,765,400	64,820,832	-
ColoTrust (external investment pool)	212,875,193			
Money Market Fund (measured at net asset value)	100,544			
Total investments	\$ 325,561,969			

Investments held with ColoTrust are held at net asset value.

At June 30, 2021, the discretely presented component unit charter schools had investments of approximately \$15.5 million in various money markets with maturities of less than one year.

Component Units:

	<u>Fair Value</u>	<u>Concentration</u>	<u>S&P Rating</u>	<u>Maturity 12 Months or Less</u>
Fidelity Government Portfolio Money Market Fund	\$ 2,988,914	19.3%	AAAm	\$ 2,988,914
ColoTrust Plus (external investment pool)	12,517,943	80.7%	AAAm	12,517,943
	<u>\$ 15,506,857</u>	<u>100.0%</u>		<u>\$ 15,506,857</u>

In accordance with Section 22-45-103, C.R.S., the district’s bond redemption fund custodian for fiscal year 2020-2021 is UMB Corporate Trust Services, a third party. The amounts held by the custodian were \$110,872,874 at June 30, 2021.

Investment earnings for fiscal year 2020-2021 were \$557,281. Earnings by fund are as follows:

	<u>FY21</u>
General Fund	\$ 162,819
Bond Redemption-Debt Service Fund	214,849
Building-Capital Projects Fund	146,244
Capital Reserve-Capital Projects Fund	26,991
Governmental Designated Purpose Grants	5,249
Pupil Activity Special Revenue Fund	145
Other Special Revenue Fund	984
	<u>\$ 557,281</u>

Component units had investment earnings of \$16,203.

NOTE C: RECEIVABLES

Property taxes levied in 2020 but not yet collected in 2021 are identified as property taxes receivable and deferred inflows of resources in the governmental funds balance sheet at June 30, 2021, and are presented in the amount of \$8,392,914 and \$5,666,188 respectively. Intergovernmental receivables of \$17,446,712 in the Governmental Designated-Purpose Grants Special Revenue Fund, and \$1,962,344 in the Food Service Fund includes amounts due from grantors for specific program grants. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

NOTE D: PROPERTY TAXES

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

Levy date	December 15, 2020
Lien date	January 1, 2021
Tax bills mailed	January 15, 2021
First installment due	February 28, 2021
Second installment due	June 15, 2021
If paid in full, due	April 30, 2021
Tax sale: delinquent property taxes	November 18, 2021

Property tax revenue recognized in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds during fiscal year 2020-2021 was \$211,628,644. The General Fund recognized \$145,933,740 and the Bond Redemption-Debt Service Fund recognized \$65,694,904.

As of June 30, 2021 the Balance Sheet reported for the General Fund \$5,849,570 and for the Bond Redemption-Debt Service Fund \$2,543,344 as property tax revenue due.

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

Balance of interfund receivables, payables, and transfers at June 30, 2021:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 18,264,603
Major Governmental Fund:		
Capital Reserve-Capital Projects Fund	6,803,436	-
Non-Major Governmental Fund:		
Pupil Activity Special Revenue Fund	217,774	-
Instructional Special Revenue Fund	7,541,064	-
Before, After, and Summer Enrichment		
Special Revenue Fund	2,278,610	-
Interscholastic Athletic Special Revenue Fund	1,423,719	-
	<u>\$ 18,264,603</u>	<u>\$ 18,264,603</u>

The district transferred from the General Fund \$7,541,064, \$217,774, and \$1,423,719 respectively to the Instructional Special Revenue Fund, Pupil Activity Special Revenue Fund, and the Interscholastic Athletic Special Revenue Fund to meet operational needs.

The General Fund transferred \$6,803,436 to the Capital Reserve-Capital Projects Fund to meet current and future capital needs.

On November 6, 2018 voters approved Ballot Issue 5C for a mill levy override. The mill levy override will implement a number of prioritized investments aligned to the district’s strategic plan, ELEVATE. Included in the transfer from the General Fund to other funds listed above, \$152,850 and \$305,700 respectively was transferred to the Capital Reserve-Capital Projects Fund to support updating technology devices and systems, and facility access cards at high schools. A transfer of \$217,774 was made to the Pupil Activity Special Revenue Fund to offset the reduction of district-level student fees. Additionally, \$1,528,500, \$407,600 and \$903,126 respectively was transferred to the Instructional Special Revenue Fund to support updating learning materials, resources and textbooks, social-emotional learning curriculum and the reduction of district-level student fees.

NOTE F: CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

<u>Governmental Activities</u>	<u>Balance at 6/30/2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance at 6/30/2021</u>
Non-depreciable assets:				
Land	\$ 34,721,536	\$ 201,025	\$ -	\$ 34,922,561
Construction in progress	<u>160,695,917</u>	<u>40,076,396</u>	<u>123,676,239</u>	<u>77,096,074</u>
Total non-depreciable assets	<u>195,417,453</u>	<u>40,277,421</u>	<u>123,676,239</u>	<u>112,018,635</u>
Depreciable assets:				
Buildings	792,137,339	105,390,470	413	897,527,396
Equipment/vehicles	<u>73,521,914</u>	<u>22,675,570</u>	<u>1,144,375</u>	<u>95,053,109</u>
Total depreciable assets	<u>865,659,253</u>	<u>128,066,040</u>	<u>1,144,788</u>	<u>992,580,505</u>
Less accumulated depreciation for:				
Buildings	(338,990,746)	(20,399,787)	-	(359,390,533)
Equipment/vehicles	<u>(39,480,602)</u>	<u>(6,267,856)</u>	<u>(1,131,979)</u>	<u>(44,616,479)</u>
Total accumulated depreciation	<u>(378,471,348)</u>	<u>(26,667,643)</u>	<u>(1,131,979)</u>	<u>(404,007,012)</u>
Total capital assets, net	<u>\$ 682,605,358</u>	<u>\$ 141,675,818</u>	<u>\$ 123,689,048</u>	<u>\$ 700,592,128</u>

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

<u>Governmental activities:</u>	
Instruction	\$ 17,970,893
School administration	8,511
Business services	147,950
Transportation	992,120
District-wide	<u>7,548,169</u>
Total depreciation expense - governmental activities	<u>\$ 26,667,643</u>

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

	Balance at 6/30/2020	Additions/ Transfers	Deletions/ Transfers	Balance at 6/30/2021
Non-depreciable assets:				
Land	\$ 10,835,388	\$ -	\$ -	\$ 10,835,388
Construction in progress	1,543,541	253,082	1,550,244	246,379
Total non-depreciable assets	<u>12,378,929</u>	<u>253,082</u>	<u>1,550,244</u>	<u>11,081,767</u>
Depreciable assets:				
Buildings and site improvements	90,276,670	2,801,228	-	93,077,898
Equipment/Vehicles	657,656	85,720	6,400	736,976
Total depreciable assets	<u>90,934,326</u>	<u>2,886,948</u>	<u>6,400</u>	<u>93,814,874</u>
Less accumulated depreciation for:				
Buildings and site improvements	(9,480,710)	(2,602,748)	-	(12,083,458)
Equipment/Vehicles	<u>(212,928)</u>	<u>(77,711)</u>	<u>(2,560)</u>	<u>(288,079)</u>
Total accumulated depreciation	<u>(9,693,638)</u>	<u>(2,680,459)</u>	<u>(2,560)</u>	<u>(12,371,537)</u>
Total capital assets, net	<u>\$ 93,619,617</u>	<u>\$ 459,571</u>	<u>\$ 1,554,084</u>	<u>\$ 92,525,104</u>

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

Operations and maintenance depreciation expense	<u>\$ 2,680,459</u>
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NOTE G: ACCRUED SALARIES AND BENEFITS

Salaries and longevity benefits of certain contractually employed personnel are paid over a twelve-month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2021 are estimated to be \$21,870,291. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund, Pupil Activity Special Revenue Fund, Other Special Revenue Fund, Instructional Special Revenue Fund, Governmental Designated-Purpose Grants Special Revenue Fund, Interscholastic Athletic Special Revenue Fund, Before, After, and Summer Enrichment Special Revenue Fund, and Food Service Special Revenue Fund.

NOTE H: OPERATING LEASES

The General Fund is committed under various leases for office equipment and white fleet vehicles on a year-by-year basis. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended June 30, 2021 amounted to \$698,786.

NOTE I: LONG TERM LIABILITIES

CHANGES IN LONG TERM LIABILITIES

Issue	Balance at 6/30/2020	Additions	Reductions	Balance at 6/30/2021	Due Within One Year
General Oblig. Refunding Bonds, Series 2012	\$ 77,765,000	\$ -	\$ 5,340,000	\$ 72,425,000	\$ 13,355,000
General Oblig. Refunding Bonds, Series 2014	20,090,000	-	-	20,090,000	-
General Oblig. Refunding Bonds, Series 2014B	44,980,000	-	2,040,000	42,940,000	2,110,000
General Oblig. Refunding Bonds, Series 2015	6,685,000	-	6,685,000	-	-
General Oblig. Refunding Bonds, Series 2016A	18,610,000	-	5,905,000	12,705,000	6,195,000
General Obligation Bonds, Series 2016B	270,000,000	-	480,000	269,520,000	-
General Obligation Bonds, Series 2018	65,000,000	-	-	65,000,000	14,840,000
Unamortized Bond Premiums	54,820,682	-	5,971,141	48,849,541	5,687,446
Total GO Bonds	557,950,682	-	26,421,141	531,529,541	42,187,446
Certificates of Participation, Series 2016	16,605,000	-	1,830,000	14,775,000	1,885,000
Unamortized COP Premiums	2,120,016	-	285,738	1,834,278	285,738
Total COPs	18,725,016	-	2,115,738	16,609,278	2,170,738
Capital Lease Obligations	-	2,097,692	-	2,097,692	118,847
Compensated Absences*	31,537,575	12,910,751	11,092,599	33,355,727	11,094,115
Total	\$ 608,213,273	\$ 15,008,443	\$ 39,629,478	\$ 583,592,238	\$ 55,571,146

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

The changes in long-term liabilities for the component units for the year ended June 30, 2021 were as follows:

Issue	Balance at 6/30/2020	Additions	Reductions	Balance at 6/30/2021	Due Within One Year
Loan payable	\$ 35,788	\$ -	\$ 28,911	\$ 6,877	\$ 6,877
Charter School Revenue Bonds	89,090,745	-	1,042,750	88,047,995	1,093,323
Unamortized Bond Premium	7,246,718	-	222,415	7,024,303	-
Total bonds payable	96,337,463	-	1,265,165	95,072,298	1,093,323
Compensated absences	126,133	23,265	12,160	137,238	137,238
Total	\$ 96,499,384	\$ 23,265	\$ 1,306,236	\$ 95,216,413	\$ 1,237,438

GENERAL OBLIGATION AND CAPITAL APPRECIATION SERIAL BONDS

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

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

\$93,460,000 2012 Series Refunding Bonds (<i>refunded Series 2005A</i>) due in semi-annual installments with annual payments of \$710,000 to \$22,970,000 through December 15, 2024. Interest rate: 2.00% to 5.00%.	\$ 72,425,000
\$20,215,000 2014 Series Refunding Bonds (<i>partially refunded Series 2006B</i>) due in semi-annual installments with annual payments of \$125,000 to \$20,090,000 through December 15, 2025. Interest rate: 2.00% to 5.00%.	20,090,000
\$61,030,325 2014B Series Refunding Bonds (<i>partially refunded Series 2006B, 2007A & 2008A</i>) due in semi-annual installments with annual payments of \$1,585,000 to \$28,660,000 through December 15, 2024. Interest rate: 3.00% to 5.00%.	42,940,000
\$34,845,000 General Oblig. Refunding Bonds, Series 2016A (<i>refunded Series 2006A</i>) due in semi-annual installments with payments of \$5,255,000 to \$6,510,000 through December 15, 2022. Interest rate: 2.00% to 5.00%	12,705,000
\$285,000,000 General Obligation Bonds, Series 2016B due in semi-annual installments with payments of \$480,000 to \$33,160,000 through December 15, 2036. Interest rate: 2.00% to 5.00%.	269,520,000
\$65,000,000 General Obligation Bonds, Series 2018 due in semi-annual installments with payments of \$2,680,000 to \$15,660,000 through December 15, 2036. Interest rate: 5.50%.	65,000,000
	\$ 482,680,000

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

The following schedule reflects the debt service requirements to maturity of the district's general obligation bonded debt as of June 30, 2021:

Year	Principal	Interest	Total
2022	\$ 36,500,000	22,963,150	59,463,150
2023	38,400,000	21,084,575	59,484,575
2024	24,375,000	19,674,175	44,049,175
2025	25,340,000	18,559,250	43,899,250
2026	25,385,000	17,291,125	42,676,125
2027 - 2031	132,940,000	66,614,776	199,554,776
2032 - 2036	162,240,000	30,714,376	192,954,376
2037	37,500,000	948,350	38,448,350
	<u>\$ 482,680,000</u>	<u>\$ 197,849,777</u>	<u>\$ 680,529,777</u>

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

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

COMPONENT UNIT REVENUE BONDS

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

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

Proceeds of the Stargate Series 2018A and 2018B bonds in the amount of \$41,665,522 were deposited in an irrevocable trust with an escrow agent to call and pay the Series 2015A Bonds. The refunding resulted in an accounting loss of \$118,908 but provided an economic gain (difference between the present value of the old and new debt service payments) of approximately \$9,683,600.

Westgate Charter School reported on May 1, 2016, the Public Finance Authority issued \$6,362,887 Charter School Refunding and Improvement Revenue Bonds (Westgate Community School Project) Series 2016A, and \$2,726,952 Charter School Refunding and Improvement Revenue Bonds (Westgate Community School Project) Series 2016B (Taxable). These bonds were issued to refund the Charter School Revenue Bonds, Series 2012, fund the debt services reserve, accrued interest account, pay certain issuance costs and fund the project account. Both Series mature on May 2, 2026. Interest on the Series 2016A and Series 2016B (Taxable) accrues at 3.896% and 5.565% per annum, respectively. The Bonds may be called at various dates beginning May 3, 2016 through May 20, 2021 at rates ranging from 105% to 101% and 100% after May 3, 2021.

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

On April 23, 2020, Prospect Ridge Academy reported that the Colorado Educational and Cultural Facilities Authority (CECFA) issued the \$33,860,000 Charter School Refunding and Improvement Revenue Bonds, Series 2020A and \$915,000 Charter School Refunding and Improvement Revenues Bonds, Federally Taxable Series 2020B. Proceeds of the bonds were used to refund the Charter School Revenues Bond Series 2017 and 2016, fund the debt service reserve and accrued interest accounts, pay certain issuance costs, and to fund the project account.

Prospect Ridge Academy is obligated to make monthly lease payments to the Corporation for use of the building. The Corporation is required to make equal debt service payments to the Trustee, for payment of the bonds. Interest on the bonds accrues at rates ranging from 4% to 5%. Interest payments are due semi-annually on March 15 and September 15. Principal payments are due annually on March 15 beginning on March 15, 2023, through March 15, 2055.

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

COMPONENT UNIT SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

The following schedule reflects the debt service requirements to maturity of the Charter school’s revenue bonded debt as of June 30, 2021:

Year	Principal	Interest	Total
2022	1,093,323	4,045,778	5,139,101
2023	1,589,120	3,995,065	5,584,185
2024	1,667,454	3,919,358	5,586,812
2025	1,747,924	3,838,710	5,586,634
2026	8,390,009	3,728,661	12,118,670
2027-2031	12,725,165	15,530,667	28,255,832
2032-2036	7,320,000	12,978,500	20,298,500
2037-2041	12,055,000	10,759,750	22,814,750
2042-2046	6,120,000	8,540,550	14,660,550
2047-2051	27,795,000	4,992,850	32,787,850
2052-2055	7,545,000	966,000	8,511,000
	<u>\$ 88,047,995</u>	<u>\$ 73,295,889</u>	<u>\$ 161,343,884</u>

FORWARD DELIVERY AGREEMENT

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

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

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

Fiscal Year Ending June 30	Revenue Recognized	Balance (Unearned Revenue)
2022	104,042	34,892
2023	34,892	-

CAPITAL LEASE OBLIGATIONS

On May 6, 2021 the district entered into an energy equipment lease agreement to acquire certain energy equipment and other capital upgrades for school purposes. The lease term is for fifteen years with an annual percentage rate of 2.216%. Annual payments begin May 6, 2022 and subsequent payments are due annually each May, ending May 6, 2036. The district’s obligation to make annual payments under the lease is subject to annual appropriation authority as made by the Board of Education.

As of June 30, 2021, there were no expenditures associated to the energy project to report for equipment value or depreciation.

Fiscal Year	
Ending June 30,	Lease
2022	\$ 165,332
2023	136,919
2024	139,387
2025	156,866
2026	159,753
2027-2031	844,755
2032-2036	<u>903,003</u>
	2,506,015
Less Interest	<u>(408,323)</u>
Total Principal	<u>\$ 2,097,692</u>

CERTIFICATES OF PARTICIPATION

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

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

Fiscal Year	
Ending June 30	
2022	2,474,125
2023	2,463,300
2024	2,464,100
2025	2,456,800
2026	2,461,200
2027-2028	<u>4,885,250</u>
	17,204,775
Less Interest	<u>(2,429,775)</u>
Total Principal	<u>\$ 14,775,000</u>

COMPENSATED ABSENCES

At June 30, 2021, compensated absence liabilities of the district included \$2,426,609 for vacation pay with an associated amount of \$507,161 for PERA benefits at 20.90% and \$35,186 for Medicare benefits at 1.45%, and \$12,724,709 for reimbursable leave with \$184,508 of associated Medicare; and \$17,477,554 in early retirement benefits for 508 employees who are eligible for such retirement benefits as of June 30, 2021.

COMPUTATION OF LEGAL DEBT MARGIN

The computation for the district’s legal debt margin as of June 30, 2021 is as follows:

Actual Value of Taxable Property in the District	\$ 34,179,804,473
Debt Limitation – 6% of Actual Value of Taxable Property	2,050,788,268
Total Bonded Debt	482,680,000
Less: Amount set aside to repay general debt	<u>(111,657,094)</u>
Total net debt applicable to debt limit	<u>371,022,906</u>
Legal Debt Margin	<u>\$ 1,679,765,362</u>

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

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

NOTE J: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

PENSIONS

Adams 12 Five Star Schools participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP 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 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

GENERAL INFORMATION ABOUT THE PENSION PLAN

PLAN DESCRIPTION

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

BENEFITS PROVIDED AS OF DECEMBER 31, 2020

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

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

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

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

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser

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

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

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

CONTRIBUTIONS PROVISIONS AS OF JUNE 30, 2021

Eligible employees of Adams 12 Five Star Schools and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 202 Through June 30, 2021
Employer Contribution Rate ¹	10.90%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	-1.02%
Amount Apportioned to the SCHDTF ¹	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.50%
Total Employer Contribution Rate to the SCHDTF¹	19.88%

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Adams 12 Five Star Schools were \$52,369,684 for the year ended June 30, 2021.

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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The Adams 12 Five Star Schools proportion of the net pension liability was based on Adams 12 Five Star Schools contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

At June 30, 2021, the district reported a liability of \$764,998,892 for its proportionate share of the net pension liability. The amount recognized by the Adams 12 Five Star Schools as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Adams 12 Five Star Schools were as follows:

Adams 12 Five Star Schools proportionate share of the net pension liability	\$ 764,998,892
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Adams 12 Five Star Schools	\$ -
Total	\$ 764,998,892

At December 31, 2020, the Adams 12 Five Star Schools proportion was 5.060% percent, which was an increase of 0.932% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(190,960,773) and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, Adams 12 Five Star Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ 42,032,886	\$ -
Changes in assumptions or other inputs	\$ 73,590,517	\$ 128,589,840
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 168,393,660
Changes in proportion and difference between contributions recognized and proportionate share of contributions	\$ 155,306,287	\$ 25,916,154
Contributions subsequent to the measurement date	\$ 27,217,938	\$ -
Total	\$ 298,147,628	\$ 322,899,654

\$27,217,938 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Fiscal Year Ended	
6/30/2022	\$ (94,842,206)
6/30/2023	72,194,308
6/30/2024	(2,757,022)
6/30/2025	(26,565,044)
6/30/2026	-
Thereafter	-

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.25%
PERA benefit structure hired after 12/31/06 ¹	Financed by the Annual Increase Reserve

¹Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

¹In 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 nominal 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 3.00 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. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, 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 FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

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

Discount Rate:	<u>1% Decrease</u> <u>(6.25%)</u>	<u>Current Discount</u> <u>Rate (7.25%)</u>	<u>1% Increase</u> <u>(8.25%)</u>
Proportionate share of the net pension liability	\$ 1,043,521,144	\$ 764,998,892	\$ 532,898,079

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the SCHDTF's FNP is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

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

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

NOTE K: DEFINED CONTRIBUTION PENSION PLAN***VOLUNTARY INVESTMENT PROGRAM******PLAN DESCRIPTION***

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

FUNDING POLICY

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$2,700,531 for the Voluntary Investment Program.

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

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

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

Eligible employees of the district are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-

insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (annual report) that can be obtained at www.copera.org/investments/pera-financial-reports.

BENEFITS PROVIDED

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

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

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

PERA BENEFIT STRUCTURE

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

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

CONTRIBUTIONS

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Adams 12 Five Star Schools were \$2,686,976 for the year ended June 30, 2021

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

At June 30, 2021, the district reported a liability of \$27,831,619 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The district proportion of the net OPEB liability was based on district contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the district proportion was 2.93 percent, which was an increase of 0.232% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the district recognized OPEB expense of \$(2,705,127). At June 30, 2021, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 73,868	\$ 6,118,724
Changes in assumptions or other inputs	\$ 207,955	\$ 1,706,612
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,137,224
Changes in proportion and difference between contributions recognized and proportionate share of contributions	\$ 2,654,353	\$ 616,846
Contributions subsequent to the measurement date	\$ 1,396,494	\$ -
Total	\$ 4,332,670	\$ 9,579,406

\$1,396,494 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred

inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ended	
6/30/2022	(1,751,962)
6/30/2023	(1,592,862)
6/30/2024	(1,599,509)
6/30/2025	(1,386,020)
6/30/2026	(296,118)
Thereafter	(16,759)

ACTUARIAL ASSUMPTIONS

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2019, gradually increasing to 4.50% in 2029

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 in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Initial Costs for Members without Medicare Part A			
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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 used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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 used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

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

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

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%- 10.90%	3.40%- 11.00%	3.20%- 11.30%	2.80%-5.30%
State Troopers	3.20%- 12.40%	N/A	3.20%- 12.40% ¹	N/A

¹C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information. The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board’s actuary, as discussed above. The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 nominal rate of return assumption of 7.25 percent.

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

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

	1% Decrease in Trend Rates	Current Trned Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$27,112,269	\$27,831,619	\$28,669,035

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, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- 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 FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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

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

Discount Rate:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$31,881,625	\$27,831,619	\$24,371,211

OPEB PLAN FIDUCIARY NET POSITION

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

NOTE M: RISK MANAGEMENT

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

COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

WORKERS’ COMPENSATION

Beginning July 1, 2019, the threshold for losses increased to \$500,000 per claim with a maximum aggregate of \$1.5 million in total claims. The deductible structure has remained the same through FY20-21. There is also an 8% claim handling fee that is applied to each claim up to the deductible. This change reflects a significant reduction in premium costs and reduces the district’s overall expense exposure from prior years.

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

NOTE N: TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Article X calls for various spending and revenue limitations and other restrictions to growth in government. Compliance may ultimately be determined by numerous legal opinions and court interpretations. However, the district believes it is in compliance with Article X, Section 20 of the Colorado Constitution and recognizes this in its reservation for emergencies of fund balance in the General Fund. Said reservation is 3% of fiscal year 2020-2021 spending.

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

NOTE O: COMMITMENTS AND CONTINGENCIES

1. LITIGATION

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

2. GRANTS

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

3. CONSTRUCTION CONTRACT COMMITMENTS

Commitments for construction and improvement contracts in the Building-Capital Projects Fund totals \$58,102,931 as of June 30, 2021.

NOTE P: RELATED PARTY TRANSACTIONS

The district provides administrative and other service to its charter schools, shown in this report as component units. The amount charged for services, in accordance with governing state statutes, range from 1% to 5% of per pupil funding under the Colorado Public School Finance Act. Amounts charged to all charter schools for the fiscal year ended June 30, 2021 were \$1,125,164.

The district's Food Services program is a member of a food co-operative along with other school districts in the state of Colorado. During the year ended June 30, 2021, the district paid \$2,907,884 for food related costs. Administrative costs were paid by membership fees.

NOTE Q: SUBSEQUENT EVENTS

On September 15, 2021 the district's Board of Education approved the purchase of (41) white fleet vehicles that have reached end of life.

On October 8, 2021, the district entered into a lease/purchase agreement for a term of three years at a rate of 0.845% to fund the white fleet refresh.

NOTE R: NEW PRONOUNCEMENTS

On October 19, 2021, The Governmental Accounting Standards Board (GASB) issued Statement No. 98 *The Annual Comprehensive Financial Report*, which changes the name of this extensive report from comprehensive annual financial report to the annual comprehensive financial report (ACFR). This statement eliminates the prior name and acronym. The district has implemented this change effective with this report.

NOTE S: RESTATEMENT OF NET POSITION AND PRIOR PERIOD ADJUSTMENTS

Prospect Ridge Academy Charter School - Restatement of Net Position: The beginning net position of the government-wide statement of activities was decreased by \$1,940,587 to correctly state the School's change in the proportionate share of the net pension liability.

Stargate Charter School - Prior Period Adjustment: The School previously reported the activities of the Foundation as a proprietary fund. Beginning July 1, 2020 such activities have been more appropriately blended into a Special Revenue Fund. The newly established Special Revenue Fund reports a prior period adjustment of a beginning balance of \$2,973,808, which is equal to the net current assets and current liabilities previously reported in the proprietary fund.

REQUIRED SUPPLEMENTARY INFORMATION

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

	PERA Pension Plan – School Division Trust Fund Last 10 Years*		
	2020	2019	2018
District's proportion of the net pension liability	5.0601915%	4.1272599%	4.0690374%
District's proportionate share of the net pension liability	\$ 764,998,892	\$ 616,603,671	\$ 720,506,652
State's Proportionate Share of the Net Pension Liability associated with the District **	-	78,208,332	98,519,279
Total	\$ 764,998,892	\$ 694,812,003	\$ 819,025,931
District's covered payroll	270,853,534	242,510,888	223,695,798
District's proportionate share of the net pension liability as a percentage of its covered payroll	282.44%	254.26%	322.09%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%

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

** A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200. House Bill 20-1379 suspended the \$225 million direct distribution payable on June 1, 2020 for the 2021 fiscal year.

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

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

PERA Pension Plan – School Division Trust Fund Last 10 Years*				
2017	2016	2015	2014	2013
4.6958516%	4.8777381%	4.8314652%	4.8866711%	5.1084488%
\$ 1,518,471,530	\$ 1,452,291,268	\$ 738,938,497	\$ 662,308,071	\$ 651,581,259
-	-	-	-	-
<u>\$ 1,518,471,530</u>	<u>\$ 1,452,291,268</u>	<u>\$ 738,938,497</u>	<u>\$ 662,308,071</u>	<u>\$ 651,581,259</u>
216,614,182	218,921,565	210,551,876	\$ 204,716,575	\$ 206,170,605
701.00%	663.38%	350.95%	323.52%	316.04%
43.96%	43.13%	59.20%	62.80%	64.06%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 52,369,684	\$ 51,976,002	\$ 44,958,386	\$ 41,212,203
Contribution in relation to the statutorily required contribution	(52,369,684)	(51,976,002)	(44,958,386)	(41,212,203)
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	263,428,993	268,194,022	231,913,692	218,250,104
Contribution as a percentage of covered payroll.	19.88%	19.38%	19.39%	18.88%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS— (CONT.)

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

2017	2016	2015	2014	2013	2012
\$ 39,735,628	\$ 38,564,555	\$ 34,508,020	\$ 33,093,081	\$ 30,951,475	\$ 29,618,525
(39,735,628)	(38,564,555)	(34,508,020)	(33,093,081)	(30,951,475)	(29,618,525)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
216,169,864	217,388,594	204,298,944	207,042,843	205,348,253	208,750,579
18.38%	17.74%	16.89%	15.98%	15.07%	14.19%

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

PERA Health Care Trust Fund
Last 10 Years*

	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	2.9289504039%	2.6970879496%	2.6448842146%	2.6681661839%	2.7725640212%
District's proportionate share of the net OPEB liability	\$ 27,831,618	\$ 30,315,215	\$ 35,984,761	\$ 34,675,488	\$ 35,947,235
District's covered payroll	270,853,534	242,510,888	223,695,798	216,614,182	218,921,565
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	10.28%	12.50%	16.61%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%

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

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



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SCHEDULE OF EMPLOYER CONTRIBUTIONS

	PERA Health Care Trust Fund Last 10 Fiscal Years*			
	2021	2020	2019	2018
Contractually required contribution	2,686,976	2,735,579	\$ 2,365,520	\$ 2,226,151
Contribution in relation to the contractually required contribution	2,686,976	2,735,579	2,365,520	2,226,151
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	263,428,993	268,194,022	231,913,692	218,250,104
Contribution as a percentage of covered-employee payroll.	1.02%	1.02%	1.02%	1.02%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONT.)

PERA Health Care Trust Fund
Last 10 Fiscal Years*

2017	2016	2015	2014	2013	2012
\$ 2,204,933	\$ 2,217,364	\$ 2,083,849	\$ 2,111,837	\$ 2,094,552	\$ 2,129,256
2,204,933	2,217,364	2,083,849	2,111,837	2,094,552	2,129,256
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
216,169,864	217,388,594	204,298,944	207,042,843	205,348,253	208,750,579
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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

Non-Major Governmental Funds

Special Revenue Funds

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

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

Major Governmental Funds

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

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

June 30, 2021

	Pupil Activity Special Revenue	Other Special Revenue	Instructional Special Revenue
ASSETS			
Cash and Investments	\$ 4,394,346	\$ 2,538,389	\$ 9,673,577
Accounts Receivable	2,667	26,929	-
Due from Other Governments	-	-	-
Inventories	-	2,296	-
Prepaid Items	-	-	452,935
Total Assets	<u>\$ 4,397,013</u>	<u>\$ 2,567,614</u>	<u>\$ 10,126,512</u>
<u>Liabilities and Fund Balances</u>			
LIABILITIES			
Accounts Payable	\$ 152,383	\$ 81,187	\$ 1,266,694
Retainage Payable	-	600	-
Accrued Salaries and Benefits	1,903	15,340	357,554
Unearned Revenue-Other	-	-	37,910
Total Liabilities	<u>154,286</u>	<u>97,127</u>	<u>1,662,158</u>
FUND BALANCES			
Nonspendable:			
Inventory	-	2,296	-
Prepaid Items	-	-	452,935
Restricted for:			
Tabor 3% Emergency Reserve	44,677	65,719	227,486
Food Service	-	-	-
Committed to:			
Pupil Activity Special Revenue	4,198,050	-	-
Other Special Revenue	-	2,402,472	-
Instructional Special Revenue	-	-	7,783,933
Child Care	-	-	-
Athletics	-	-	-
Total Fund Balances	<u>4,242,727</u>	<u>2,470,487</u>	<u>8,464,354</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,397,013</u>	<u>\$ 2,567,614</u>	<u>\$ 10,126,512</u>

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

<u>Food Service Special Revenue</u>	<u>Before, After, and Summer Enrichment Special Revenue</u>	<u>Interscholastic Athletic Special Revenue</u>	<u>Total Non-Major Governmental Funds</u>
\$ 4,772,584	\$ 1,356,981	\$ 792,687	\$ 23,528,564
12,093	195,718	26,910	264,317
1,962,344	-	-	1,962,344
126,252	-	-	128,548
1,500	9,558	-	463,993
<u>\$ 6,874,773</u>	<u>\$ 1,562,257</u>	<u>\$ 819,597</u>	<u>\$ 26,347,766</u>
\$ 107,150	\$ 48,622	\$ 80,185	\$ 1,736,221
-	-	-	600
50,265	196,907	370,408	992,377
101,669	241,997	200	381,776
<u>259,084</u>	<u>487,526</u>	<u>450,793</u>	<u>3,110,974</u>
126,252	-	-	128,548
1,500	9,558	-	463,993
8,635	151,529	60,352	558,398
6,479,302	-	-	6,479,302
-	-	-	4,198,050
-	-	-	2,402,472
-	-	-	7,783,933
-	913,644	-	913,644
-	-	308,452	308,452
<u>6,615,689</u>	<u>1,074,731</u>	<u>368,804</u>	<u>23,236,792</u>
<u>\$ 6,874,773</u>	<u>\$ 1,562,257</u>	<u>\$ 819,597</u>	<u>\$ 26,347,766</u>

**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES**

For the Fiscal Year Ended June 30, 2021

	<u>Pupil Activity Special Revenue</u>	<u>Other Special Revenue</u>	<u>Instructional Special Revenue</u>
REVENUES			
State	\$ -	\$ -	\$ -
Federal	-	-	-
Local	1,271,327	2,214,037	41,823
Investment Earnings	145	984	-
Miscellaneous	-	53,189	-
Total Revenues	<u>1,271,472</u>	<u>2,268,210</u>	<u>41,823</u>
EXPENDITURES			
Current:			
Direct Instruction			
Elementary Education	67,557	62,354	7,248,661
K-8 Education	5,334	1,576	-
Middle School Education	56,528	3,940	1,191,036
High School Education	200,494	24,229	142,941
Other Regular Education	1,139,542	398,269	229,423
Special Programs	1,368	1,257	44,190
Total Direct Instruction	<u>1,470,823</u>	<u>491,625</u>	<u>8,856,251</u>
Indirect Instruction			
Pupil Support Services	51	64,332	-
Instructional Staff Services	2,192	24,608	151,387
School Administration	43,641	126,546	-
Total Indirect Instruction	<u>45,884</u>	<u>215,486</u>	<u>151,387</u>
Other Support Programs			
Business/Fiscal Services	-	523	-
Procurement and Warehouse	-	62,087	-
Operations and Maintenance	8,075	542,645	-
Pupil Transportation Services	395	5,412	-
Safety Services	-	101,183	-
Information Technology	-	123,000	-
Other Support Services	-	-	-
Community Programs	-	347,594	-
Facilities: Planning & Development	-	578,309	345,234
Food Service Operations	-	548,015	-
Child Care Operations	-	316,432	-
Total Other Support Programs	<u>8,470</u>	<u>2,625,200</u>	<u>345,234</u>
Total Expenditures	<u>1,525,177</u>	<u>3,332,311</u>	<u>9,352,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(253,705)	(1,064,101)	(9,311,049)
OTHER FINANCING SOURCES (USES)			
Transfers In	217,774	-	7,541,064
Total Other Financing Sources (Uses)	<u>217,774</u>	<u>-</u>	<u>7,541,064</u>
Net Change in Fund Balances	(35,931)	(1,064,101)	(1,769,985)
Fund Balances, July 1, 2020	4,278,658	3,534,588	10,234,339
Fund Balances, June 30, 2021	<u>\$ 4,242,727</u>	<u>\$ 2,470,487</u>	<u>\$ 8,464,354</u>

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

<u>Food Service Special Revenue</u>	<u>Before, After, and Summer Enrichment Special Revenue</u>	<u>Interscholastic Athletic Special Revenue</u>	<u>Total Non-Major Governmental Funds</u>
\$ 104,091	\$ -	\$ -	\$ 104,091
13,415,195	-	-	13,415,195
178,661	2,772,282	588,025	7,066,155
-	-	-	1,129
5,700	70	-	58,959
<u>13,703,647</u>	<u>2,772,352</u>	<u>588,025</u>	<u>20,645,529</u>
-	-	-	7,378,572
-	-	-	6,910
-	-	811	1,252,315
-	-	1,697,663	2,065,327
-	-	60,052	1,827,286
-	-	114,012	160,827
<u>-</u>	<u>-</u>	<u>1,872,538</u>	<u>12,691,237</u>
-	-	-	64,383
-	-	152,550	330,737
-	-	-	170,187
<u>-</u>	<u>-</u>	<u>152,550</u>	<u>565,307</u>
-	-	-	523
-	-	-	62,087
-	3,078	-	553,798
-	-	-	5,807
-	-	-	101,183
-	-	-	123,000
196,653	43,234	-	239,887
-	-	14,294	361,888
-	-	-	923,543
10,047,838	1,220	-	10,597,073
<u>-</u>	<u>4,203,859</u>	<u>-</u>	<u>4,520,291</u>
<u>10,244,491</u>	<u>4,251,391</u>	<u>14,294</u>	<u>17,489,080</u>
<u>10,244,491</u>	<u>4,251,391</u>	<u>2,039,382</u>	<u>30,745,624</u>
3,459,156	(1,479,039)	(1,451,357)	(10,100,095)
<u>-</u>	<u>2,278,610</u>	<u>1,423,719</u>	<u>11,461,167</u>
<u>-</u>	<u>2,278,610</u>	<u>1,423,719</u>	<u>11,461,167</u>
3,459,156	799,571	(27,638)	1,361,072
<u>3,156,533</u>	<u>275,160</u>	<u>396,442</u>	<u>21,875,720</u>
<u>\$ 6,615,689</u>	<u>\$ 1,074,731</u>	<u>\$ 368,804</u>	<u>\$ 23,236,792</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
BOND REDEMPTION - DEBT SERVICE FUND**
For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 66,831,120	\$ 66,765,189	\$ 65,694,904	\$ (1,070,285)
Delinquent Taxes and Interest	97,250	97,250	256,320	159,070
Investment Earnings	-	-	214,849	214,849
Total Revenues	<u>66,928,370</u>	<u>66,862,439</u>	<u>66,166,073</u>	<u>(696,366)</u>
EXPENDITURES				
Debt Service				
Principal Retirement	20,450,000	20,450,000	20,450,000	-
Interest and Fiscal Charges	24,347,025	24,347,025	24,347,025	-
Bond Issuance and Other Costs	15,750	15,750	14,500	1,250
Total Expenditures	<u>44,812,775</u>	<u>44,812,775</u>	<u>44,811,525</u>	<u>1,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,115,595	22,049,664	21,354,548	(695,116)
Net Change in Fund Balances	22,115,595	22,049,664	21,354,548	(695,116)
Fund Balances, July 1, 2020	90,033,503	90,302,546	90,302,546	-
Fund Balances, June 30, 2021	<u>\$ 112,149,098</u>	<u>\$ 112,352,210</u>	<u>\$ 111,657,094</u>	<u>\$ (695,116)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
BUILDING - CAPITAL PROJECTS FUND**
For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ 852,722	\$ 852,722	\$ 146,244	\$ (706,478)
Miscellaneous	1,825,000	1,825,000	1,920,972	95,972
Total Revenues	<u>2,677,722</u>	<u>2,677,722</u>	<u>2,067,216</u>	<u>(610,506)</u>
EXPENDITURES				
Capital Outlay:				
Sites, Buildings, and Ground Improvements	47,362,640	47,362,640	26,949,322	20,413,318
School Additions, Improvements, and Repairs	7,838,502	7,838,502	6,641,211	1,197,291
Equipment/Vehicles/Operation Systems	15,569,553	15,569,553	9,941,961	5,627,592
Total Expenditures	<u>70,770,695</u>	<u>70,770,695</u>	<u>43,532,494</u>	<u>27,238,201</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,092,973)	(68,092,973)	(41,465,278)	26,627,695
Net Change in Fund Balances	(68,092,973)	(68,092,973)	(41,465,278)	26,627,695
Fund Balances, July 1, 2020	96,811,801	100,435,455	100,435,455	-
Fund Balances, June 30, 2021	<u>\$ 28,718,828</u>	<u>\$ 32,342,482</u>	<u>\$ 58,970,177</u>	<u>\$ 26,627,695</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
CAPITAL RESERVE - CAPITAL PROJECTS FUND**
For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Local	\$ 1,730,578	\$ 1,730,578	\$ 1,763,631	\$ 33,053
Investment Earnings	402,000	402,000	26,991	(375,009)
Miscellaneous	-	-	178,718	178,718
Total Revenues	<u>2,132,578</u>	<u>2,132,578</u>	<u>1,969,340</u>	<u>(163,238)</u>
EXPENDITURES				
Capital Outlay:				
Sites, Buildings, and Ground Improvements	7,732,823	7,732,823	3,973,143	3,759,680
School Additions, Improvements, and Repairs	700,000	700,000	9,386	690,614
Equipment/Vehicles/Operation Systems	150,000	150,000	14,858	135,142
Debt Service				
Principal Retirement	-	-	1,994,222	(1,994,222)
Interest and Fiscal Charges	2,473,600	2,473,600	2,473,600	-
Total Expenditures	<u>11,056,423</u>	<u>11,056,423</u>	<u>8,465,209</u>	<u>2,591,214</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,923,845)	(8,923,845)	(6,495,869)	2,427,976
OTHER FINANCING SOURCES (USES)				
Transfers In	6,275,456	6,275,456	6,803,436	527,980
Proceeds from lease purchase	-	-	2,097,692	2,097,692
Total Other Financing Sources (Uses)	<u>6,275,456</u>	<u>6,275,456</u>	<u>8,901,128</u>	<u>2,625,672</u>
Net Change in Fund Balances	(2,648,389)	(2,648,389)	2,405,259	5,053,648
Fund Balances, July 1, 2020	<u>24,823,462</u>	<u>26,253,435</u>	<u>26,253,435</u>	-
Fund Balances, June 30, 2021	<u>\$ 22,175,073</u>	<u>\$ 23,605,046</u>	<u>\$ 28,658,694</u>	<u>\$ 5,053,648</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
PUPIL ACTIVITY SPECIAL REVENUE FUND**
For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Local	\$ 4,371,238	\$ 4,371,238	\$ 1,271,327	\$ (3,099,911)
Investment Earnings	4,500	4,500	145	(4,355)
Total Revenues	<u>4,375,738</u>	<u>4,375,738</u>	<u>1,271,472</u>	<u>(3,104,266)</u>
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	-	-	67,557	(67,557)
K-8 Education	-	-	5,334	(5,334)
Middle School Education	-	-	56,528	(56,528)
High School Education	356,103	242,096	200,494	41,602
Other Regular Education	4,574,351	4,574,351	1,139,542	3,434,809
Special Programs	-	-	1,368	(1,368)
Total Direct Instruction	<u>4,930,454</u>	<u>4,816,447</u>	<u>1,470,823</u>	<u>3,345,624</u>
Indirect Instruction:				
Pupil Support Services	-	-	51	(51)
Instructional Staff Services	-	-	2,192	(2,192)
School Administration	-	-	43,641	(43,641)
Total Indirect Instruction	<u>-</u>	<u>-</u>	<u>45,884</u>	<u>(45,884)</u>
Other Support Programs:				
Operations and Maintenance	-	-	8,075	(8,075)
Pupil Transportation Services	-	-	395	(395)
Total Other Support Programs	<u>-</u>	<u>-</u>	<u>8,470</u>	<u>(8,470)</u>
Total Expenditures	<u>4,930,454</u>	<u>4,816,447</u>	<u>1,525,177</u>	<u>3,291,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(554,716)	(440,709)	(253,705)	187,004
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>217,774</u>	<u>217,774</u>	<u>217,774</u>	-
Total Other Financing Sources (Uses)	<u>217,774</u>	<u>217,774</u>	<u>217,774</u>	-
Net Change in Fund Balances	(336,942)	(222,935)	(35,931)	187,004
Fund Balances, July 1, 2020	<u>4,625,722</u>	<u>4,278,658</u>	<u>4,278,658</u>	-
Fund Balances, June 30, 2021	<u>\$ 4,288,780</u>	<u>\$ 4,055,723</u>	<u>\$ 4,242,727</u>	<u>\$ 187,004</u>

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

For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Local	\$ 1,108,114	\$ 2,589,745	\$ 2,214,037	\$ (375,708)
Investment Earnings	-	-	984	984
Miscellaneous	1,068,480	1,068,480	53,189	(1,015,291)
Total Revenues	<u>2,176,594</u>	<u>3,658,225</u>	<u>2,268,210</u>	<u>(1,390,015)</u>
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	24,960	97,419	62,354	35,065
K-8 Education	50,100	100,443	1,576	98,867
Middle School Education	2,227	7,997	3,940	4,057
High School Education	989	3,251	24,229	(20,978)
Other Regular Education	1,221,322	1,375,923	398,269	977,654
Special Programs	1,600	3,200	1,257	1,943
Total Direct Instruction	<u>1,301,198</u>	<u>1,588,233</u>	<u>491,625</u>	<u>1,096,608</u>
Indirect Instruction:				
Pupil Support Services	27,470	107,303	64,332	42,971
Instructional Staff Services	167,743	330,243	24,608	305,635
School Administration	2,760,278	1,917,225	126,546	1,790,679
Total Indirect Instruction	<u>2,955,491</u>	<u>2,354,771</u>	<u>215,486</u>	<u>2,139,285</u>
Other Support Programs:				
Business/Fiscal Services	-	2,438	523	1,915
Procurement and Warehouse	-	456,562	62,087	394,475
Operations and Maintenance	1,052,907	1,255,803	542,645	713,158
Pupil Transportation Services	-	4,142	5,412	(1,270)
Safety Services	-	103,000	101,183	1,817
Information Technology	-	126,800	123,000	3,800
Community Programs	17,842	410,392	347,594	62,798
Facilities: Planning & Development	-	-	578,309	(578,309)
Food Service Operations	-	603,564	548,015	55,549
Child Care Operations	-	287,108	316,432	(29,324)
Total Other Support Programs	<u>1,070,749</u>	<u>3,249,809</u>	<u>2,625,200</u>	<u>624,609</u>
Total Expenditures	<u>5,327,438</u>	<u>7,192,813</u>	<u>3,332,311</u>	<u>3,860,502</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,150,844)	(3,534,588)	(1,064,101)	2,470,487
Net Change in Fund Balances	(3,150,844)	(3,534,588)	(1,064,101)	2,470,487
Fund Balances, July 1, 2020	<u>3,150,844</u>	<u>3,534,588</u>	<u>3,534,588</u>	-
Fund Balances, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,470,487</u>	<u>\$ 2,470,487</u>

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

For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local	\$ 211,239	\$ 211,239	\$ 41,823	\$ (169,416)
Total Revenues	<u>211,239</u>	<u>211,239</u>	<u>41,823</u>	<u>(169,416)</u>
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	6,245,106	8,530,897	7,248,661	1,282,236
Middle School Education	2,104,915	1,405,026	1,191,036	213,990
High School Education	4,654,338	1,777,260	142,941	1,634,319
Other Regular Education	42,836	674,075	229,423	444,652
Special Programs	200,000	200,000	44,190	155,810
Total Direct Instruction	<u>13,247,195</u>	<u>12,587,258</u>	<u>8,856,251</u>	<u>3,731,007</u>
Indirect Instruction:				
Instructional Staff Services	2,142,269	427,900	151,387	276,513
Total Indirect Instruction	<u>2,142,269</u>	<u>427,900</u>	<u>151,387</u>	<u>276,513</u>
Other Support Programs:				
Facilities: Planning & Development	-	345,318	345,234	84
Total Other Support Programs	<u>-</u>	<u>345,318</u>	<u>345,234</u>	<u>84</u>
Total Expenditures	<u>15,389,464</u>	<u>13,360,476</u>	<u>9,352,872</u>	<u>4,007,604</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,178,225)	(13,149,237)	(9,311,049)	3,838,188
OTHER FINANCING SOURCES (USES)				
Transfers In	9,520,407	9,520,407	7,541,064	(1,979,343)
Total Other Financing Sources (Uses)	<u>9,520,407</u>	<u>9,520,407</u>	<u>7,541,064</u>	<u>(1,979,343)</u>
Net Change in Fund Balances	(5,657,818)	(3,628,830)	(1,769,985)	1,858,845
Fund Balances, July 1, 2020	<u>7,713,438</u>	<u>10,234,339</u>	<u>10,234,339</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 2,055,620</u>	<u>\$ 6,605,509</u>	<u>\$ 8,464,354</u>	<u>\$ 1,858,845</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
FOOD SERVICE SPECIAL REVENUE FUND**
For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
State	\$ 287,557	\$ 104,091	\$ 104,091	\$ -
Federal	7,775,818	10,395,242	13,415,195	3,019,953
Local	4,258,951	43,342	178,661	135,319
Investment Earnings	13,000	10,986	-	(10,986)
Miscellaneous	10,000	10,000	5,700	(4,300)
Total Revenues	<u>12,345,326</u>	<u>10,563,661</u>	<u>13,703,647</u>	<u>3,139,986</u>
EXPENDITURES				
Other Support Programs:				
Other Support Services	142,584	142,407	196,653	(54,246)
Food Service Operations	<u>12,236,613</u>	<u>10,810,159</u>	<u>10,047,838</u>	<u>762,321</u>
Total Expenditures	<u>12,379,197</u>	<u>10,952,566</u>	<u>10,244,491</u>	<u>708,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,871)	(388,905)	3,459,156	3,848,061
Net Change in Fund Balances	(33,871)	(388,905)	3,459,156	3,848,061
Fund Balances, July 1, 2020	<u>2,120,833</u>	<u>3,156,533</u>	<u>3,156,533</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 2,086,962</u>	<u>\$ 2,767,628</u>	<u>\$ 6,615,689</u>	<u>\$ 3,848,061</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
BEFORE, AFTER, AND SUMMER ENRICHMENT (BASE) SPECIAL REVENUE FUND**
For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Tuition	\$ 8,607,388	\$ 3,963,356	\$ 2,772,282	\$ (1,191,074)
Miscellaneous	-	-	70	70
Total Revenues	<u>8,607,388</u>	<u>3,963,356</u>	<u>2,772,352</u>	<u>(1,191,004)</u>
EXPENDITURES				
Current:				
Other Support Programs:				
Operations and Maintenance	5,010	-	3,078	(3,078)
Other Support Services	42,533	43,121	44,454	(1,333)
Child Care Operations	8,166,233	6,197,573	4,203,859	1,993,714
Total Expenditures	<u>8,213,776</u>	<u>6,240,694</u>	<u>4,251,391</u>	<u>1,989,303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	393,612	(2,277,338)	(1,479,039)	798,299
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,278,610	2,278,610	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,278,610</u>	<u>2,278,610</u>	<u>-</u>
Net Change in Fund Balances	393,612	1,272	799,571	798,299
Fund Balances, July 1, 2020	<u>394,078</u>	<u>275,160</u>	<u>275,160</u>	<u>-</u>
Fund Balances, June 30, 2021	<u>\$ 787,690</u>	<u>\$ 276,432</u>	<u>\$ 1,074,731</u>	<u>\$ 798,299</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
INTERSCHOLASTIC ATHLETIC SPECIAL REVENUE FUND**
For the Fiscal Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local	\$ 947,450	\$ 539,155	\$ 588,025	\$ 48,870
Investment Earnings	2,400	2,400	-	(2,400)
Total Revenues	<u>949,850</u>	<u>541,555</u>	<u>588,025</u>	<u>46,470</u>
EXPENDITURES				
Current:				
Direct Instruction:				
K-8 Education	3,600	3,600	-	3,600
Middle School Education	11,544	11,544	811	10,733
High School Education	501,400	421,256	1,697,663	(1,276,407)
Other Regular Education	1,408,412	1,341,867	60,052	1,281,815
Special Programs	371,174	371,174	114,012	257,162
Total Direct Instruction	<u>2,296,130</u>	<u>2,149,441</u>	<u>1,872,538</u>	<u>276,903</u>
Indirect Instruction:				
Instructional Staff Services	145,954	145,954	152,550	(6,596)
Total Indirect Instruction	<u>145,954</u>	<u>145,954</u>	<u>152,550</u>	<u>(6,596)</u>
Other Support Programs:				
Operations and Maintenance	7,000	7,000	-	7,000
Community Programs	18,353	18,353	14,294	4,059
Total Other Support Programs	<u>25,353</u>	<u>25,353</u>	<u>14,294</u>	<u>11,059</u>
Total Expenditures	<u>2,467,437</u>	<u>2,320,748</u>	<u>2,039,382</u>	<u>281,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,517,587)	(1,779,193)	(1,451,357)	327,836
OTHER FINANCING SOURCES (USES)				
Transfers In	1,333,719	1,383,719	1,423,719	40,000
Total Other Financing Sources (Uses)	<u>1,333,719</u>	<u>1,383,719</u>	<u>1,423,719</u>	<u>40,000</u>
Net Change in Fund Balances	(183,868)	(395,474)	(27,638)	367,836
Fund Balances, July 1, 2020	<u>392,884</u>	<u>396,442</u>	<u>396,442</u>	-
Fund Balances, June 30, 2021	<u>\$ 209,016</u>	<u>\$ 968</u>	<u>\$ 368,804</u>	<u>\$ 367,836</u>



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COMPONENT UNITS

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

COMBINING STATEMENT OF NET POSITION

 Component Units
 June 30, 2021

	Stargate Charter School	Westgate Charter School	Prospect Ridge Charter School	New America- Thornton Charter School	Total Charter Schools
Assets					
Cash and Investments - Unrestricted	\$ 4,368,956	\$ 2,868,772	\$ 5,887,569	\$ 660,199	\$ 13,785,496
Cash and Investments - Restricted	2,988,914	604,662	7,266,047	238,736	11,098,359
Accounts Receivable	265,720	24,583	104,099	149,363	543,765
Prepaid Expenses	-	-	298,151	19,356	317,507
Due from Primary Government	293,198	205,466	480,544	118,517	1,097,725
Due from other governments	-	-	-	4,294	4,294
Capital Assets, not being Depreciated:					
Land and Construction in Progress	3,243,069	2,959,356	4,879,342	-	11,081,767
Capital Assets, Net of Accumulated Depreciation:					
Buildings	40,092,616	7,384,805	27,866,608	5,591,320	80,935,349
Equipment/Vehicles	440,721	15,983	-	51,284	507,988
Total Assets	<u>51,693,194</u>	<u>14,063,627</u>	<u>46,782,360</u>	<u>6,833,069</u>	<u>119,372,250</u>
Deferred Outflows of Resources					
Deferred Charges on Refunding	-	-	101,801	-	101,801
Deferred Outflows Related to Pensions	9,003,763	3,096,494	8,360,345	1,645,862	22,106,464
Deferred Outflows Related to OPEB	230,508	143,747	194,267	25,129	593,651
Total Deferred Outflows of Resources	<u>9,234,271</u>	<u>3,240,241</u>	<u>8,656,413</u>	<u>1,670,991</u>	<u>22,801,916</u>
Liabilities					
Accounts Payable	283,859	166,326	143,181	6,450	599,816
Accrued Expenses	9,350	-	-	-	9,350
Accrued Salaries and Benefits	1,169,064	186,311	919,806	150,281	2,425,462
Accrued Interest Payable	148,033	29,216	500,945	-	678,194
Due to Primary Government	6,725	1,126	5,567	426	13,844
Due to Other Governments	-	-	-	27,582	27,582
Unearned Revenue	-	-	93,038	12,941	105,979
Noncurrent Liabilities					
Due within One Year:					
Compensated Absences	61,773	-	75,465	-	137,238
Loans	-	6,877	-	-	6,877
Revenue Bonds	680,000	256,823	-	156,500	1,093,323
Due in more than One Year:					
Revenue Bonds	40,803,848	7,700,338	39,870,455	5,604,334	93,978,975
Net Pension Liability	19,844,674	7,106,765	19,888,868	4,175,403	51,015,710
Net OPEB Liability	720,006	258,357	722,974	151,695	1,853,032
Total Liabilities	<u>63,727,332</u>	<u>15,712,139</u>	<u>62,220,299</u>	<u>10,285,612</u>	<u>151,945,382</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	8,102,331	2,192,068	8,084,998	1,895,979	20,275,376
Deferred Inflows Related to OPEB	231,863	69,120	232,817	60,080	593,880
Total Deferred Inflows of Resources	<u>8,334,194</u>	<u>2,261,188</u>	<u>8,317,815</u>	<u>1,956,059</u>	<u>20,869,256</u>
Net Position					
Net Investment in Capital Assets	2,292,558	2,396,106	(7,124,505)	120,506	(2,315,335)
Restricted for:					
Capital Projects	-	-	4,570,707	-	4,570,707
Debt Service	2,840,881	575,446	2,175,173	238,736	5,830,236
TABOR	460,456	158,000	403,913	99,946	1,122,315
Special Education	200,000	200,000	200,000	-	600,000
Unrestricted	(16,927,956)	(3,999,011)	(15,324,629)	(4,196,799)	(40,448,395)
Total Net Position	<u>\$ (11,134,061)</u>	<u>\$ (669,459)</u>	<u>\$ (15,099,341)</u>	<u>\$ (3,737,611)</u>	<u>\$ (30,640,472)</u>
Total Liabilities and Net Position	<u>60,927,465</u>	<u>17,303,868</u>	<u>55,438,773</u>	<u>8,504,060</u>	<u>142,174,166</u>

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

COMBINING STATEMENT OF ACTIVITIES COMPONENT UNITS

Component Units
For the Fiscal Year Ended June 30, 2021

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Schools:					
Stargate Charter School	\$ 12,802,873	\$ 2,609,246	\$ 1,280,876	\$ -	\$ (8,912,751)
Westgate Charter School	4,510,428	138,690	536,143	883,012	(2,952,583)
Prospect Ridge Charter School	14,855,242	827,721	1,298,295	433,269	(12,295,957)
New America-Thornton Charter School	2,249,977	-	1,027,922	68,984	(1,153,071)
Total Expenditures	<u>\$ 34,418,520</u>	<u>\$ 3,575,657</u>	<u>\$ 4,143,236</u>	<u>\$ 1,385,265</u>	<u>(25,314,362)</u>
General Revenues:					
School Finance Act:					
					11,818,298
					4,042,893
					11,715,140
					1,814,527
Other:					
					3,108,879
					809,764
					1,830,519
					<u>419,855</u>
					<u>35,559,875</u>
					Change in Net Position 10,245,513
					Net Position July 1, 2020, as previously stated (38,945,398)
					Restatements (1,940,587)
					<u>Net Position July 1, 2020 (40,885,985)</u>
					<u>Net Position June 30, 2021 \$ (30,640,472)</u>

STATE REQUIRED REPORT

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

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

AUDITORS INTEGRITY REPORT

Page: 1



Colorado Department of Education

Auditors Integrity Report

District: 0020 - Adams 12 Five Star Schools
Fiscal Year: 2020-21
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (0880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj Ending Fund Balance
Governmental							
10 General Fund	81,246,747		315,967,703		324,639,596		72,574,854
18 Risk Mgmt Sub-Fund of General Fund	4,679,883		3,702,400		3,561,714		4,820,568
19 Colorado Preschool Program Fund	0		10,516,788		10,516,788		0
Sub- Total	85,926,629		330,186,891		338,718,088		77,395,422
11 Charter School Fund	14,172,829		45,064,563		43,816,507		15,420,885
20,26-29 Special Revenue Fund	14,440,529		16,913,803		18,975,956		12,378,376
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	3,156,533		13,703,647		10,244,491		6,515,689
22 Govt Designated-Purpose Grants Fund	0		56,991,638		56,991,638		0
23 Pupil Activity Special Revenue Fund	4,278,658		1,489,246		1,525,177		4,242,727
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	90,302,546		66,166,073		44,811,525		111,657,094
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	100,435,455		2,067,216		43,532,494		58,970,177
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	26,253,435		10,870,468		8,465,209		28,658,694
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	338,966,616		543,453,744		567,081,295		315,335,066
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	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
Totals	0		0		0		0
							FINAL

*If you have a prior period adjustment in any fund (Balance Sheet 0880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.
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STATISTICAL SECTION

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

<u>Contents</u>	<u>Pages</u>
<u>Financial Trends</u> – These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	126-133
<u>Revenue Capacity</u> – These schedules contain information to help the reader understand and assess the District's ability to generate own-source revenues.	136-140
<u>Debt Capacity</u> – These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	142-146
<u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	148-149
<u>Operating Information</u> – These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	152-157



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FINANCIAL TRENDS

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

FINANCIAL TRENDS SCHEDULE 1 - NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 144,815,482	\$ 157,898,594	\$ 161,427,987	\$ 145,038,966
Restricted	44,641,164	28,001,800	33,474,816	63,890,686
Unrestricted	<u>20,042,222</u>	<u>27,474,100</u>	<u>20,724,391</u>	<u>(625,268,715)</u>
Total governmental activities net position	<u>\$ 209,498,868</u>	<u>\$ 213,374,394</u>	<u>\$ 215,627,194</u>	<u>\$ (416,339,063)</u>
Business-type activities				
Net investment in capital assets	\$ 994,103	\$ 848,479	\$ 686,574	\$ -
Unrestricted	<u>8,896,706</u>	<u>9,077,241</u>	<u>9,936,435</u>	<u>-</u>
Total business-type activities net position	<u>\$ 9,890,809</u>	<u>\$ 9,925,720</u>	<u>\$ 10,623,009</u>	<u>\$ -</u>
Primary government				
Net investment in capital assets	\$ 145,809,585	\$ 158,747,073	\$ 162,114,561	\$ 145,038,966
Restricted	44,641,164	28,001,800	33,474,816	63,890,686
Unrestricted	<u>28,938,928</u>	<u>36,551,341</u>	<u>30,660,826</u>	<u>(625,268,715)</u>
Total primary government net position	<u>\$ 219,389,677</u>	<u>\$ 223,300,214</u>	<u>\$ 226,250,203</u>	<u>\$ (416,339,063)</u>

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

FINANCIAL TRENDS SCHEDULE 1 - NET POSITION BY COMPONENT (CONT.)

Last Ten Fiscal Years
(accrual basis of accounting)

2016	2017	2018	2019	2020	2021
\$ 163,015,412	\$ 147,159,979	\$ 178,067,913	\$ 196,339,493	\$ 216,718,472	\$ 217,662,648
70,250,428	71,516,770	78,607,227	283,327,839	204,781,811	188,840,783
<u>(657,867,115)</u>	<u>(858,420,907)</u>	<u>(1,160,986,216)</u>	<u>(1,233,328,810)</u>	<u>(993,807,395)</u>	<u>(799,094,888)</u>
<u>\$ (424,601,275)</u>	<u>\$ (639,744,158)</u>	<u>\$ (904,311,076)</u>	<u>\$ (753,661,478)</u>	<u>\$ (572,307,112)</u>	<u>\$ (392,591,457)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 163,015,412	\$ 147,159,979	\$ 178,067,913	\$ 196,339,493	\$ 216,718,472	\$ 217,662,648
70,250,428	71,516,770	78,607,227	283,327,839	204,781,811	188,840,783
<u>(657,867,115)</u>	<u>(858,420,907)</u>	<u>(1,160,986,216)</u>	<u>(1,233,328,810)</u>	<u>(993,807,395)</u>	<u>(799,094,888)</u>
<u>\$ (424,601,275)</u>	<u>\$ (639,744,158)</u>	<u>\$ (904,311,076)</u>	<u>\$ (753,661,478)</u>	<u>\$ (572,307,112)</u>	<u>\$ (392,591,457)</u>

FINANCIAL TRENDS SCHEDULE 2 - CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
Direct Instruction	\$ 202,400,390	\$ 200,660,934	\$ 201,406,574	\$ 217,179,196
Indirect Instruction	43,868,253	42,520,108	47,999,681	58,613,866
Other Support Programs	54,781,017	58,617,994	68,402,400	72,883,709
Charter school funding	49,760,754	51,583,887	43,472,016	19,391,201
Interest expense, unallocated	24,610,420	18,649,158	13,191,487	34,388,947
Total governmental activities expenses	<u>375,420,834</u>	<u>372,032,082</u>	<u>374,472,158</u>	<u>402,456,919</u>
Business-type activities:				
Food services	9,572,148	9,769,874	10,116,781	-
Child care	5,984,358	5,807,797	6,184,005	-
Total business-type activities expenses	<u>15,556,506</u>	<u>15,577,671</u>	<u>16,300,786</u>	<u>-</u>
Total primary government expenses	<u>\$ 390,977,340</u>	<u>\$ 387,609,753</u>	<u>\$ 390,772,944</u>	<u>\$ 402,456,919</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Direct Instruction	\$ 3,549,584	\$ 3,285,911	\$ 3,266,656	\$ 3,130,072
Instruction	\$ 3,549,584	\$ 3,285,911	-	-
Indirect Instruction	525,653	546,271	652,191	792,885
Pupil services	525,653	546,271	-	-
Other Support Programs	2,154,280	2,772,177	3,892,302	14,427,437
Pupil transportation services	445,340	340,045	-	-
General government	1,708,940	2,432,132	-	-
Charter School Funding	639,861	656,182	631,056	382,008
Operating grants and contributions:				
Direct Instruction	18,750,842	18,738,679	21,374,486	20,126,032
Instruction	18,750,842	18,738,679	-	-
Indirect Instruction	7,807,215	6,835,264	5,911,727	7,752,585
Pupil services	7,807,215	6,835,264	-	-
Other Support Programs	2,041,845	2,046,461	2,414,066	10,700,393
Pupil transportation services	1,817,664	1,750,062	-	-
General government	224,181	296,399	-	-
Capital grants and contributions:				
Direct Instruction	63,138	-	-	-
Total governmental activities program revenues	<u>35,532,418</u>	<u>34,880,945</u>	<u>38,142,484</u>	<u>57,311,412</u>
Business-type activities:				
Charges for services:				
Food service	3,624,894	3,443,467	3,279,697	-
Child care	6,450,628	6,430,706	6,879,261	-
Operating grants and contributions:				
Food service	6,079,140	6,135,587	6,837,064	-
Total business-type activities program revenues	<u>16,154,662</u>	<u>16,009,760</u>	<u>16,996,022</u>	<u>-</u>
Total primary government program revenues	<u>\$ 51,687,080</u>	<u>\$ 50,890,705</u>	<u>\$ 55,138,506</u>	<u>\$ 57,311,412</u>
Net (Expense)/Revenue				
Governmental activities	\$ (339,888,416)	\$ (337,151,137)	\$ (336,329,674)	\$ (345,145,507)
Business-type activities	598,156	432,089	695,236	-
Total primary government net expense	<u>\$ (339,290,260)</u>	<u>\$ (336,719,048)</u>	<u>\$ (335,634,438)</u>	<u>\$ (345,145,507)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Local property taxes	\$ 121,200,202	\$ 121,511,993	\$ 121,590,268	\$ 122,794,404
Specific ownership taxes	8,140,240	8,644,074	9,366,253	10,222,765
Intergovernmental, unrestricted	208,047,852	209,276,528	209,026,802	200,859,028
Intergovernmental agreements	-	-	-	2,302,560
Other	885,902	737,988	163,280	103,728
Earnings on investments	511,328	456,080	394,470	576,636
Transfers	-	400,000	-	-
Gain (loss) on disposal of assets	-	-	-	1,525
Total governmental activities:	<u>338,785,524</u>	<u>341,026,663</u>	<u>340,541,073</u>	<u>336,860,646</u>
Business-type activities:				
Earnings on investments	4,220	2,822	2,053	-
Other	-	-	-	-
Transfers	-	(400,000)	-	-
Loss on disposal of assets	-	-	-	-
Total business-type activities:	<u>4,220</u>	<u>(397,178)</u>	<u>2,053</u>	<u>-</u>
Total primary government	<u>\$ 338,789,744</u>	<u>\$ 340,629,485</u>	<u>\$ 340,543,126</u>	<u>\$ 336,860,646</u>
Change in Net Position				
Governmental activities	\$ (1,102,892)	\$ 3,875,526	\$ 4,211,399	\$ (8,284,861)
Business-type activities	602,376	34,911	697,289	-
Total primary government	<u>\$ (500,516)</u>	<u>\$ 3,910,437</u>	<u>\$ 4,908,688</u>	<u>\$ (8,284,861)</u>

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

FINANCIAL TRENDS SCHEDULE 2 - CHANGES IN NET POSITION (CONT.)
Last Ten Fiscal Years
(accrual basis of accounting)

2016	2017	2018	2019	2020	2021
\$ 232,478,810	\$ 367,274,260	\$ 382,902,884	\$ 173,813,445	\$ 180,856,812	\$ 162,505,387
65,909,683	66,270,495	72,239,890	69,539,489	76,762,268	78,091,543
80,863,780	156,778,489	181,577,452	65,012,278	57,209,135	54,184,925
23,186,915	35,740,446	23,164,902	29,981,478	35,487,122	34,423,655
23,185,957	28,356,597	18,544,253	19,685,817	19,438,806	20,702,263
<u>425,625,145</u>	<u>654,420,287</u>	<u>678,429,381</u>	<u>358,032,507</u>	<u>369,754,143</u>	<u>349,907,773</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 425,625,145</u>	<u>\$ 654,420,287</u>	<u>\$ 678,429,381</u>	<u>\$ 358,032,507</u>	<u>\$ 369,754,143</u>	<u>\$ 349,907,773</u>
\$ 3,436,695	\$ 11,628,380	\$ 11,552,685	\$ 11,962,972	\$ 8,464,291	\$ 4,960,479
676,633	-	-	-	-	-
14,938,507	14,677,103	14,945,360	17,540,836	13,809,141	5,713,807
443,099	414,677	501,988	828,854	1,120,322	1,125,164
20,487,996	20,569,291	23,721,969	21,072,216	32,487,124	39,112,465
7,943,535	7,394,343	8,019,330	8,551,922	10,953,215	12,532,681
10,486,734	11,856,009	9,849,959	12,915,585	20,710,559	33,872,446
-	-	-	-	-	-
<u>58,413,199</u>	<u>66,539,803</u>	<u>68,591,291</u>	<u>72,872,385</u>	<u>87,544,653</u>	<u>97,317,042</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 58,413,199</u>	<u>\$ 66,539,803</u>	<u>\$ 68,591,291</u>	<u>\$ 72,872,385</u>	<u>\$ 87,544,653</u>	<u>\$ 97,317,042</u>
\$ (367,211,946)	\$ (587,880,484)	\$ (609,838,090)	\$ (285,160,122)	\$ (282,209,490)	\$ (252,590,731)
-	-	-	-	-	-
<u>\$ (367,211,946)</u>	<u>\$ (587,880,484)</u>	<u>\$ (609,838,090)</u>	<u>\$ (285,160,122)</u>	<u>\$ (282,209,490)</u>	<u>\$ (252,590,731)</u>
\$ 136,517,005	\$ 138,732,861	\$ 157,040,586	\$ 186,202,843	\$ 214,043,518	\$ 211,350,903
11,093,715	12,034,731	13,862,710	14,658,993	13,704,723	13,025,604
206,985,977	206,131,592	205,047,241	221,675,173	226,389,820	207,217,662
2,733,756	-	-	-	-	-
-	2,964,474	428,313	2,071,028	789,794	154,936
1,619,236	2,715,194	3,729,733	11,201,683	8,636,001	557,281
-	-	-	-	-	-
-	-	-	-	-	-
<u>358,949,689</u>	<u>362,578,852</u>	<u>380,108,583</u>	<u>435,809,720</u>	<u>463,563,856</u>	<u>432,306,386</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 358,949,689</u>	<u>\$ 362,578,852</u>	<u>\$ 380,108,583</u>	<u>\$ 435,809,720</u>	<u>\$ 463,563,856</u>	<u>\$ 432,306,386</u>
\$ (8,262,257)	\$ (227,999,058)	\$ (229,729,507)	\$ 150,649,598	\$ 181,354,366	\$ 179,715,655
-	-	-	-	-	-
<u>\$ (8,262,257)</u>	<u>\$ (227,999,058)</u>	<u>\$ (229,729,507)</u>	<u>\$ 150,649,598</u>	<u>\$ 181,354,366</u>	<u>\$ 179,715,655</u>

FINANCIAL TRENDS SCHEDULE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 691,093	\$ 673,651	\$ 839,223	\$ 899,916
Restricted	18,572,049	19,131,027	19,202,758	19,154,089
Committed	2,314,378	2,978,017	3,029,680	2,492,101
Assigned	-	17,611,085	10,003,569	13,951,419
Unassigned	<u>28,294,086</u>	<u>9,286,389</u>	<u>11,955,673</u>	<u>5,893,576</u>
Total General Fund	<u>\$ 49,871,606</u>	<u>\$ 49,680,169</u>	<u>\$ 45,030,903</u>	<u>\$ 42,391,101</u>
All Other Governmental Funds				
Nonspendable:				
Inventory	\$ -	\$ -	\$ -	\$ 210,395
Prepaid Items	-	-	-	54,641
Restricted for:				
Tabor 3% Emergency Reserve	-	-	-	-
Debt Service Projects	39,400,485	39,803,375	46,639,747	53,111,796
Capital Projects	14,376,982	-	6,939,248	26,866,762
Food Service	-	-	-	5,409,523
Committed to:				
Athletics	383,942	367,360	432,246	364,592
Child Care	-	-	-	3,145,553
Transportation	-	-	-	669,158
Capital Projects	-	7,952,899	9,463,425	10,111,685
Activity Special Revenue	-	-	-	-
Assigned to:				
Capital Projects	4,639,035	3,526,175	2,044,029	2,506,772
Assigned Fund Balance	-	-	-	-
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Total All Other Governmental Funds	<u>\$ 58,800,444</u>	<u>\$ 51,649,809</u>	<u>\$ 65,518,695</u>	<u>\$ 102,450,877</u>

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

FINANCIAL TRENDS SCHEDULE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS (CONT.)
Last Ten Fiscal Years
(modified accrual basis of accounting)

2016	2017	2018	2019	2020	2021
\$ 1,854,645	\$ 1,521,776	\$ 2,452,889	\$ 2,420,674	\$ 2,479,831	\$ 2,587,055
18,894,678	18,868,915	19,199,644	19,381,266	19,776,229	21,102,884
11,103,922	11,679,868	12,389,195	12,658,458	12,498,349	14,947,500
4,062,219	841,530	5,181,523	27,287,783	41,222,766	29,548,888
-	4,671,160	8,547,150	6,135,072	9,949,454	9,209,095
<u>\$ 35,915,464</u>	<u>\$ 37,583,249</u>	<u>\$ 47,770,401</u>	<u>\$ 67,883,253</u>	<u>\$ 85,926,629</u>	<u>\$ 77,395,422</u>
\$ 147,083	\$ 149,139	\$ 121,812	\$ 98,195	\$ 199,538	\$ 128,548
47,557	83,613	88,535	46,323	45,863	469,075
761,737	1,096,140	1,001,283	1,560,390	1,172,761	884,512
58,654,446	58,855,679	66,411,355	73,611,261	90,302,546	111,657,094
24,997,937	269,711,636	212,984,403	196,778,514	100,435,455	58,970,177
4,194,883	3,887,732	3,279,535	3,373,141	2,858,071	6,479,302
423,947	359,998	343,832	505,365	-	308,452
2,391,491	1,929,598	792,548	464,770	-	913,644
-	-	-	-	-	-
12,248,536	33,766,084	14,884,608	22,524,079	25,907,510	28,327,498
-	6,468,253	10,280,184	13,509,893	14,063,931	14,384,455
-	-	-	-	-	-
-	-	-	-	3,881,481	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 103,834,126</u>	<u>\$ 376,307,872</u>	<u>\$ 310,188,095</u>	<u>\$ 312,471,931</u>	<u>\$ 238,867,156</u>	<u>\$ 222,522,757</u>

FINANCIAL TRENDS SCHEDULE 4 - CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2012	2013	2014	2015
Revenues				
Taxes	\$ 129,104,686	\$ 130,814,942	\$ 131,427,784	\$ 133,716,439
Intergovernmental	236,651,780	236,896,932		
State	219,519,011	221,251,686	222,550,056	216,715,737
Federal	17,132,769	15,645,246	15,855,381	24,037,648
Local	25,118	20,884	1,330,180	7,133,593
Mineral Leases	-	-	-	37,520
Investment Earnings	511,328	456,080	394,470	576,636
Miscellaneous	7,814,392	7,998,529	7,596,949	12,653,755
Cash in lieu of land	59,112	-		
Other	7,755,280	7,998,529		
Total revenues	<u>374,107,304</u>	<u>376,187,367</u>	<u>379,154,820</u>	<u>394,871,328</u>
Expenditures				
Direct Instruction	186,273,435	184,188,632	185,347,582	191,442,866
Regular instruction	151,247,177	140,926,270		
Special education instruction	26,920,430	34,539,932		
Vocational education	1,348,069	1,588,842		
Other instruction	3,945,424	4,412,622		
Library services	2,812,335	2,720,966		
Indirect Instruction	43,771,488	42,342,107	47,962,804	54,922,617
Pupil services	9,725,377	9,763,871		
Instructional staff services	13,773,183	12,539,757		
School administration services	20,272,928	20,038,479		
Other Support Programs	50,344,628	50,405,364	58,606,031	78,201,170
General administration services	1,205,576	1,310,717		
Business services	3,458,434	3,424,212		
Operations & maintenance of plant services	24,415,181	23,993,198		
Pupil transportation services	6,631,752	6,480,216		
Central services	11,279,833	11,047,355		
Other support services	1,148,693	1,297,983		
Community services	620,816	746,463		
Facilities acquisition & support	1,584,343	2,105,220		
Charter school funding	49,760,754	51,583,887	43,472,016	19,391,201
Debt service:				
Principal	21,071,120	22,247,787	21,792,134	25,988,689
Interest	21,828,525	19,880,225	13,326,531	13,958,345
Bond issuance costs	792,243	-	478,487	931,108
Capital outlay	9,826,488	11,215,035	12,655,188	13,654,621
Total expenditures	<u>383,668,681</u>	<u>381,863,037</u>	<u>383,640,773</u>	<u>398,490,617</u>
Excess of revenues over (under) expenditures	(9,586,495)	(5,696,554)	(4,485,953)	(3,619,289)
Other Financing Sources (Uses)				
Transfers in	5,454,759	11,338,921	13,961,433	20,123,032
Transfers out	(5,454,759)	(10,938,921)	(13,961,433)	(20,123,032)
Payments to refunded bonds escrow agent	-	-	-	(99,241,278)
Payments to refunded COPs escrow agent	(138,199,482)	-	-	-
Refunding bonds	120,537,083	-	-	81,245,325
Issuance of bonds	-	-	-	-
Bond premium	20,196,250	-	-	15,822,745
Bond premium	20,196,250	-	-	-
Lease purchase	-	217,500	13,705,573	30,148,442
Proceeds from lease purchase	-	217,500	-	-
Total other financing sources (uses)	<u>2,533,851</u>	<u>617,500</u>	<u>13,705,573</u>	<u>27,975,234</u>
Net change in fund balance	<u>\$ (7,052,644)</u>	<u>\$ (5,079,054)</u>	<u>\$ 9,219,620</u>	<u>\$ 24,355,945</u>
Reconciled capital outlay	9,826,488	6,292,725	7,577,803	12,861,458
Debt service as a percentage of noncapital expenditures	11.5%	11.2%	9.3%	10.4%

FINANCIAL TRENDS SCHEDULE 4 - CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONT.)
Last Ten Fiscal Years
(modified accrual basis of accounting)

2016	2017	2018	2019	2020	2021
\$ 146,675,513	\$ 151,450,944	\$ 170,631,184	\$ 199,729,916	\$ 223,941,939	\$ 225,468,223
223,377,140	222,924,367	223,040,936	245,676,336	251,961,417	227,789,198
24,470,458	23,479,402	23,883,740	25,847,555	41,821,748	63,029,535
19,633,379	25,882,394	26,451,141	29,460,666	21,977,393	11,331,527
31,946	19,551	17,338	21,007	18,714	14,176
1,619,236	2,715,194	3,729,733	11,201,683	8,636,001	557,281
620,009	632,729	673,690	958,265	7,342,364	2,525,204
<u>416,427,681</u>	<u>427,104,581</u>	<u>448,427,762</u>	<u>512,895,428</u>	<u>555,699,576</u>	<u>530,715,144</u>
200,880,489	203,923,568	200,899,049	218,715,822	238,293,685	243,094,771
60,590,339	59,791,273	64,409,299	72,742,263	81,408,428	84,034,388
82,031,282	82,915,251	83,519,090	88,532,937	92,688,024	99,326,400
23,186,915	35,740,446	23,164,902	29,981,478	35,487,122	34,423,655
30,614,131	30,344,633	27,575,188	28,808,286	26,465,229	22,444,222
15,699,284	20,860,230	24,654,890	25,524,923	26,012,476	26,820,625
454,878	1,568,249	26,258	355,811	14,500	14,500
11,060,329	13,712,204	80,111,711	101,885,940	110,891,511	47,529,881
<u>424,517,647</u>	<u>448,855,854</u>	<u>504,360,387</u>	<u>566,547,460</u>	<u>611,260,975</u>	<u>557,688,442</u>
(8,089,966)	(21,751,273)	(55,932,625)	(53,652,032)	(55,561,399)	(26,973,298)
18,632,079	9,592,463	9,261,549	17,446,939	18,007,995	18,264,603
(18,632,079)	(9,592,463)	(9,261,549)	(17,446,939)	(18,007,995)	(18,264,603)
(54,472,766)	(65,222,756)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,836,956	319,845,000	-	65,000,000	-	2,097,692
54,633,388	37,697,041	-	11,048,720	-	-
<u>2,997,578</u>	<u>292,319,285</u>	<u>-</u>	<u>76,048,720</u>	<u>-</u>	<u>2,097,692</u>
<u>\$ (5,092,388)</u>	<u>\$ 270,568,012</u>	<u>\$ (55,932,625)</u>	<u>\$ 22,396,688</u>	<u>\$ (55,561,399)</u>	<u>\$ (24,875,606)</u>
11,067,858	11,950,062	78,182,539	100,284,526	108,894,017	63,378,288
11.2%	11.7%	12.3%	11.7%	10.4%	10.0%

REVENUE CAPACITY

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



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**REVENUE CAPACITY SCHEDULE 5 - ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years**

Levy Year/ Collection Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	Agricultural Property	Natural Resources
2011/2012	\$ 1,146,833,573	\$ 363,974,574	\$ 17,197,190	\$ 36,316,440	\$ 462,540	\$ 9,880
2012/2013	1,161,229,372	361,190,712	17,377,320	32,756,710	435,330	9,880
2013/2014	1,178,393,358	377,471,168	15,268,340	35,759,280	463,510	9,880
2014/2015	1,194,583,604	367,039,632	15,580,650	31,487,390	459,100	9,880
2015/2016	1,408,185,162	405,637,590	23,257,190	44,509,010	599,790	9,880
2016/2017	1,434,937,543	407,167,480	22,823,790	38,051,010	511,500	9,880
2017/2018	1,722,063,604	476,237,820	22,138,390	53,304,270	440,810	9,910
2018/2019	1,755,716,481	500,061,430	22,860,650	51,350,080	424,600	11,000
2019/2020	2,097,284,105	639,297,760	51,995,130	57,319,650	393,040	11,840
2020/2021	2,086,360,517	651,120,000	52,917,210	47,485,950	411,780	12,060

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

**REVENUE CAPACITY SCHEDULE 5 - ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY (CONT.)**
Last Ten Fiscal Years

	<u>Oil and Gas</u>	<u>Public Utilities</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Mill Levy General Fund and Bond</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$	5,244,990	\$ 14,899,210	\$ 145,633,820	\$ 1,730,572,217	70.28	\$ 17,196,373,239	10.06%
	6,020,790	16,680,130	141,541,680	1,737,241,924	70.60	16,948,596,051	10.25%
	4,846,960	22,757,260	147,447,010	1,782,416,766	68.61	17,295,184,533	10.31%
	4,978,500	22,009,358	154,645,390	1,790,793,504	68.78	17,524,070,040	10.22%
	8,430,690	22,247,852	163,953,960	2,076,831,124	66.02	20,705,094,601	10.03%
	10,519,850	21,715,380	177,853,770	2,113,590,203	65.92	21,082,604,911	10.03%
	5,917,280	20,476,280	185,786,680	2,486,375,044	63.26	27,397,199,777	9.08%
	2,194,960	20,346,821	176,885,320	2,529,851,342	73.51	28,087,678,829	9.01%
	2,067,820	18,555,641	190,595,090	3,057,520,076	69.99	33,930,072,092	9.01%
	25,106,420	20,772,260	202,009,920	3,086,196,117	69.79	34,156,453,782	9.04%

**REVENUE CAPACITY SCHEDULE 6 - PROPERTY TAX RATES - DIRECT AND OVERLAPPING
GOVERNMENTS**

(per \$1,000 of Assessed Value)
Last Ten Fiscal/Calendar Years
(Unaudited)

Fiscal Year	School District Rates			Overlapping Rates	
	General Fund	Debt Service Fund	Total	Adams County	Broomfield County
2012	47.511	22.765	70.276	26.806	15.261
2013	47.837	22.765	70.602	26.903	15.261
2014	46.940	21.665	68.605	26.815	15.261
2015	47.116	21.665	68.781	27.042	15.261
2016	44.352	21.665	66.017	26.817	15.261
2017	44.257	21.665	65.922	27.055	15.261
2018	41.594	21.665	63.259	26.929	15.261
2019	51.845	21.665	73.510	26.864	15.261
2020	48.319	21.665	69.984	26.917	15.261
2021	48.120	21.665	69.785	26.897	15.261

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

REVENUE CAPACITY SCHEDULE 7 - PRINCIPAL PROPERTY TAXPAYERS
Most Current Calendar Year Available and Nine Years Ago
(Unaudited)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Public Service Company of Colorado (Xcel Energy)	\$ 64,224,390	1	2.08%	\$ 28,438,320	1	1.61%
Amazon.com Services LLC	43,168,350	2	1.40%			
Vestar Orchard Town Center LLC	34,113,800	3	1.11%	14,971,460	4	0.85%
Denver Premium Outlets LLC C/O	25,945,220	4	0.84%			
Extraction Oil & Gas LLC	20,812,740	5	0.67%			
GC Net Lease (Westminster) Investors LLC	19,335,090	6	0.63%			
Tri State Generation	16,944,300	7	0.55%	9,366,850	6	0.53%
JPMorgan Chase Bank National Association	16,675,790	8	0.54%			
144 Bull Crossing Associates LLC	15,666,810	9	0.51%			
Marketplace at Northglenn (10410-10450 Melody Lane LLC)	15,239,340	10	0.49%	10,190,060	5	0.58%
Qwest Corp.				22,601,400	2	1.28%
Avaya Inc (real property)				16,782,590	3	0.95%
SITE A LLC				8,974,070	7	0.51%
Google Inc				8,069,430	8	0.46%
Northview Inc.				7,493,270	9	0.43%
Thornton Town Center				6,153,220	10	0.35%
Total	\$ 272,125,830		8.82%	\$ 133,040,670		7.55%

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

Note: Total assessed valuation upon which 2020 tax collections are based is \$3,086,196,117

REVENUE CAPACITY SCHEDULE 8 - PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collected ⁽²⁾	Total Tax Collections	Percent of Total Tax Collections To Levy ⁽³⁾
2012	121,617,694	118,576,640	97.5%	220,565	118,797,205	97.7%
2013	122,652,754	122,008,409	99.5%	272,986	122,281,395	99.7%
2014	122,282,702	121,943,285	99.7%	183,367	122,126,653	99.9%
2015	123,172,568	123,147,865	99.9%	185,885	123,333,750	100.1%
2016	137,106,160	135,396,623	98.8%	56,038	135,452,660	98.8%
2017	139,332,094	139,107,064	99.8%	145,235	139,252,298	99.9%
2018	157,285,599	156,377,039	99.4%	233,052	156,610,091	99.6%
2019	185,969,372	184,797,824	99.4%	90,520	184,888,344	99.4%
2020	213,977,485	209,877,121	98.1%	118,706	209,995,827	98.1%
2021	215,370,196	211,628,643	98.3%	554,569	212,183,212	98.5%

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

Notes:

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

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

(3) Amounts showing greater than 100% collected include prior year delinquent taxes collected. The District will need additional time to gather information for delinquent taxes by levy year to show how much of each year's mill levy remains outstanding.

DEBT CAPACITY

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

DEBT CAPACITY SCHEDULE 9 - RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Periods
(Unaudited)

Fiscal Year ⁽¹⁾	Governmental Activities			Total Primary Government	Percentage of Debt to Assessed Value ⁽²⁾	Percentage of Debt to Personal Income ⁽³⁾	Net Debt Per Capita	Population ⁽⁴⁾
	General Obligation Bonds	Certificates of Participation	Capital Leases					
2012	352,985,794	33,499,914	1,049,183	387,534,891	22.40%	6.68%	1,839	210,736
2013	331,866,199	31,552,054	792,645	364,210,898	20.96%	5.83%	1,608	226,448
2014	328,946,511	29,534,194	14,006,625	372,487,330	20.90%	5.80%	1,675	222,387
2015	315,616,943	54,621,679	9,951,329	380,189,951	21.23%	5.35%	1,692	224,741
2016	284,640,274	54,317,570	9,551,402	348,509,246	16.78%	4.74%	1,493	233,505
2017	569,700,159	26,126,320	6,583,703	602,410,182	28.50%	7.86%	2,582	233,342
2018	541,586,058	23,570,999	3,573,515	568,730,572	22.87%	7.03%	2,379	239,051
2019	588,370,519	20,790,754	520,229	609,681,502	24.10%	6.81%	2,446	249,243
2020	557,950,682	18,725,016	-	576,675,698	18.86%	6.77%	2,361	244,209
2021	531,529,541	16,609,278	2,097,692	550,236,511	17.83%	6.46%	2,286	240,739

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

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

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

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

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

DEBT CAPACITY SCHEDULE 10 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2021
 (Unaudited)

	Debt Outstanding	Percentage Applicable to Adams 12 Five Star Schools	Estimated Amount Applicable to Adams 12 Five Star Schools	Percentage of General Obligation Debt to Actual Property Value ⁽¹⁾
<u>Direct Debt</u>				
Adams 12 Five Star Schools	\$ 550,236,511	100.00%	\$ 550,236,511	1.622%
<u>Overlapping Debt</u>				
Adams County Fire Protection District	1,508,612	5.87%	88,556	0.000%
Anthem West Metropolitan District	56,460,000	100.00%	56,460,000	0.166%
Aspen Reserve Metropolitan District	3,000,000	100.00%	3,000,000	0.009%
Bradburn Metropolitan District #2	9,790,000	100.00%	9,790,000	0.029%
Bradburn Metropolitan District #3	8,210,000	100.00%	8,210,000	0.024%
Bramming Farm Metropolitan District #1	5,420,000	100.00%	5,420,000	0.016%
Broadlands Metro District No. 2	11,821,406	100.00%	11,821,406	0.035%
Country Club Highlands Metro District	2,102,732	100.00%	2,102,732	0.006%
Country Club Village Metropolitan Dist.	2,380,000	100.00%	2,380,000	0.007%
Cundall Farms Metropolitan District	12,012,000	100.00%	12,012,000	0.035%
Fallbrook Metropolitan Dist.	4,876,049	100.00%	4,876,049	0.014%
HighPointe Park Metropolitan District	5,345,000	100.00%	5,345,000	0.016%
Huntington Trails Metropolitan Dist.	6,420,000	100.00%	6,420,000	0.019%
Hyland Hills Metro Park and Recreation District	3,625,000	39.33%	1,425,713	0.004%
Lambertson Farms Metropolitan Dist. 1, 2 & 3	33,085,000	100.00%	33,085,000	0.098%
Lambertson Lakes Metro	4,775,000	100.00%	4,775,000	0.014%
Larkridge Metropolitan District No. 1	11,960,000	99.92%	11,950,432	0.035%
Lewis Pointe Metropolitan District	11,548,000	100.00%	11,548,000	0.034%
McKay Landing Metropolitan Dist. No. 2	8,570,000	100.00%	8,570,000	0.025%
North Metro Fire Rescue District	13,720,000	22.02%	3,021,144	0.009%
PLA Metropolitan District	875,000	100.00%	875,000	0.003%
Red Leaf Metropolitan District No. 2	4,266,224	100.00%	4,266,224	0.013%
Spruce Meadows Metropolitan District	2,510,000	100.00%	2,510,000	0.007%
Villas at Eastlake Reservoir Metro. Dist.	2,500,000	100.00%	2,500,000	0.007%
Wildgrass Metropolitan District	10,000,000	89.43%	8,943,000	0.026%
Total Overlapping Debt	236,780,023		221,395,256	
Total Direct and Overlapping Debt	<u>\$ 787,016,534</u>		<u>\$ 771,631,767</u>	

Notes:

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

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

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

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

DEBT CAPACITY SCHEDULE 11 - RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ⁽¹⁾	Capital Leases	Certificates of Participation ⁽¹⁾	Total Outstanding Debt	Percentage of Personal Income ⁽²⁾	Population ⁽³⁾	Debt per Capita
Governmental Activities							
2011/2012	\$ 352,985,794	\$ 1,049,183	\$ 33,499,914	\$ 387,534,891	6.68%	210,736	\$ 1,839
2012/2013	331,866,199	792,645	31,552,054	364,210,898	5.83%	226,448	1,608
2013/2014	328,946,511	14,006,625	29,534,194	372,487,330	5.80%	222,387	1,675
2014/2015	315,616,943	9,951,329	54,621,679	380,189,951	5.35%	224,741	1,692
2015/2016	284,640,274	9,551,402	54,317,570	348,509,246	4.74%	233,505	1,493
2016/2017	569,700,159	6,583,703	26,126,320	602,410,182	7.86%	233,342	2,582
2017/2018	541,586,058	3,573,515	23,570,999	568,730,572	7.03%	239,051	2,379
2018/2019	588,370,519	520,229	20,790,754	609,681,502	6.81%	249,243	2,446
2019/2020	557,950,682	-	18,725,016	576,675,698	6.77%	244,209	2,361
2020/2021	531,529,541	2,097,692	16,609,278	550,236,511	6.46%	240,739	2,286

Notes:

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

DEBT CAPACITY SCHEDULE 12 - RATIOS OF GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year Ended 30-Jun	General Obligation Bonds ⁽¹⁾	Less: Amounts Restricted for Debt Service ⁽²⁾	Total	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2012	\$ 352,985,794	\$ 21,592,134	\$ 331,393,660	1.93%	1,573
2013	331,866,199	19,070,673	312,795,526	1.85%	1,381
2014	328,946,511	24,472,058	304,474,453	1.76%	1,369
2015	315,616,943	49,527,074	266,089,869	1.52%	1,184
2016	284,640,274	56,785,386	227,854,888	1.10%	976
2017	569,700,159	58,305,207	511,394,952	2.43%	2,192
2018	541,586,058	66,007,989	475,578,069	1.74%	1,989
2019	588,370,519	73,360,943	515,009,576	1.83%	2,066
2020	557,950,682	91,318,115	466,632,567	1.38%	1,911
2021	531,529,541	112,379,860	419,149,681	1.23%	1,741

Notes:

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (2) This is the amount restricted for debt service principal payments. FY2012 through FY2020 have been updated to reflect the Debt Service Net Position amount.
- (3) Estimated actual taxable value can be found on Schedule 5 - Assessed & Actual Property Values
- (4) Population Data can be found on Schedule 14 - Demographic & Economic Statistics

DEBT CAPACITY SCHEDULE 13 - LEGAL DEBT MARGIN INFORMATION

June 30, 2021

Fiscal Year	Total Taxable Assessed Value	Taxable Assessed Value as a Percentage of Estimated Actual Value	Estimated Actual Taxable Value
2016/2017	\$ 2,113,590,203	10.03%	\$ 21,082,604,911
2017/2018	2,486,375,044	9.08%	27,397,199,777
2018/2019	2,529,851,342	9.01%	28,087,678,829
2019/2020	3,057,520,076	9.01%	33,930,072,092
2020/2021	3,086,196,117	9.04%	34,156,453,782
Total Five Year Valuation			<u>\$ 144,654,009,391</u>
Five Year Average Full Valuation of Taxable Real Property			<u>\$ 28,930,801,878.20</u>
Constitutional Debt Limit (6%)			<u>\$ 1,735,848,113</u>
Outstanding General Obligation Indebtness as of June 30, 2021			
Governmental Activities - General Obligation Debt			531,529,541
Net Indebtness subject to debt limit			<u>531,529,541</u>
Net debt contracting margin			\$ 1,204,318,572
Percentage of net debt contracting margin available			<u>69.38%</u>
Percentage of net debt contracting power exhausted			<u>30.62%</u>

Last Ten Fiscal years

Year	Constitutional Debt Limit ⁽¹⁾	Outstanding Indebtness June 30	Percentage of Net Debt Contracting Margin Available
2011/2012	\$ 366,650,019	\$ 352,985,794	3.73%
2012/2013	367,771,159	331,866,199	9.76%
2013/2014	377,727,170	328,946,511	12.91%
2014/2015	381,274,680	315,616,943	17.22%
2015/2016	445,076,446	284,640,274	36.05%
2016/2017	1,122,666,602	569,700,159	49.25%
2017/2018	1,248,049,846	541,586,058	56.61%
2018/2019	1,504,323,083	588,370,519	60.89%
2019/2020	1,733,131,532	557,950,682	67.81%
2020/2021	1,735,848,113	531,529,541	69.38%

Note:

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

DEMOGRAPHIC AND ECONOMIC INFORMATION SCHEDULE 14 - DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal/Calendar Years
(Unaudited)

Fiscal/ Calendar Year	Population ⁽¹⁾	Median Age ⁽¹⁾	Head Count ⁽²⁾	Personal Income ⁽³⁾	Per Capita Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2011/2012	210,736	33.7	43,946	5,801,351,344	27,529	11.1%
2012/2013	226,448	33.8	45,362	6,246,568,080	27,585	8.9%
2013/2014	222,387	33.3	44,354	6,425,205,204	28,892	7.4%
2014/2015	224,741	35.7	42,668	7,110,805,240	31,640	4.4%
2015/2016	233,505	35.1	43,205	7,360,077,600	31,520	4.2%
2016/2017	233,342	34.4	43,626	7,667,618,120	32,860	3.5%
2017/2018	239,051	34.4	43,689	8,086,378,177	33,827	3.0%
2018/2019	249,243	34.1	44,094	8,955,051,747	35,929	3.4%
2019/2020	244,209	34.9	43,494	8,512,148,904	34,856	2.9%
2020/2021	240,739	34.0	41,490	7,658,148,329	31,811	7.9%

Notes:

- (1) U.S. Census Bureau American Community Survey 1-Year Estimates (Total Population)
- (2) The enrollment figure is based on the one-day pupil count in October and includes Pinnacle, The Academy, and Global Village Academy charter schools, which lie within District boundaries but are affiliated with the Charter School Institute (CSI)
- (3) U.S. Census Bureau American Community Survey 1-Year Estimates (Mean Income)
- (4) U.S. Bureau of Labor Statistics (Local Area Unemployment)

DEMOGRAPHIC AND ECONOMIC INFORMATION SCHEDULE 15 - PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	Product/Service	2020			2011		
		Employees	Rank	Percent of Total District Employment	Employees	Rank	Percent of Total District Employment
Amazon	Retail Distribution	2300	1	1.80%			
Waterworld ⁽¹⁾	Amusement Park	1672	2	1.31%			
Maxar (formerly Digital Globe)	Satellite Imaging	1071	3	0.84%			
Centura Health/St. Anthony North	Hospital	1015	4	0.79%	770	5	0.64%
Health One: North Suburban Medical Center	Medical and Rehabilitation Clinic	850	5	0.66%	610	7	0.51%
Wal-Mart / Sam's Club (3 locations)	Retail	737	6	0.58%	1050	2	0.88%
Alliance Data Systems	Credit Card Processing	677	7	0.53%	422	9	0.35%
Tri State Generation	Electric Utilities Generation	541	8	0.42%	400	10	0.34%
Mtech Mechanical Technologies	Mechanical Contractor	535	9	0.42%			
King Soopers (3 Locations)	Grocery Retailer	503	10	0.39%			
Avaya, Inc.	Telecommunications Research and Development				1200	1	1.01%
DISH Network/EchoStar Communications	Satellite Television Service Provider				990	3	0.83%
T-Mobile	Call Center				650	6	0.54%
American Furniture Warehouse	Furniture Retailer				500	8	0.42%
Appliance Factory Outlet	Appliance Distribution						
Super Target	Retail						
Kaiser Permanente	Health Maintenance Provider						
McKesson Information Solutions	Pharmaceutical Distributor/Healthcare IT						
Staples	Office Supplies				800	4	0.67%
Voice Stream Wireless	Call center						
Ultimate Electronics	Electronics & home entertainment						
American Precision Plastics	Medical Products Manufacturer						
O'Meara Ford	Automobile Sales						
		9,901		7.74%			

Sources:

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

OPERATING INFORMATION

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



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OPERATING INFORMATION SCHEDULE 16 - FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY CATEGORY Last Ten Fiscal Years

Employee Category	As of June 30, 2012	As of June 30, 2013	As of June 30, 2014	As of June 30, 2015
Educational Services				
Executive Directors	4.0	3.0	3.0	3.0
Directors	7.0	6.0	5.0	5.0
Principals	47.0	47.0	50.0	49.1
Assistant Principals	42.5	42.5	43.5	44.6
Dean of Students	11.0	12.0	12.1	12.1
Teachers	1883.7	1862.3	1927.8	2023.8
Counselors	48.9	48.9	53.0	59.6
Library Media Specialists	24.7	19.5	21.0	19.0
Social Workers	14.8	14.5	14.6	17.3
Secretaries/Bookkeepers/Office Clerks	168.4	173.1	181.2	181.0
Campus Supervisors	17.0	18.0	23.0	22.5
Physical/Occupational/Speech Therapists	65.4	65.9	67.6	71.0
Psychologists	32.0	35.6	35.6	38.4
Nurses	9.7	9.7	11.7	13.7
ParaEducator Classified	447.8	471.8	503.4	502.3
Childcare ParaEducators Classified	91.7	95.5	106.3	107.9
Coordinators	20.4	13.8	14.8	19.9
Other ⁽²⁾	13.0	20.1	26.4	27.3
Substitute Teachers ⁽³⁾⁽⁴⁾	594.0	577.0	572.0	658.0
Classified Substitutes ⁽³⁾	140.0	174.0	181.0	199.0
Total Educational Services	<u>3683.1</u>	<u>3710.2</u>	<u>3853.0</u>	<u>4074.5</u>
Support Services				
Executive Directors	1.0	1.0	3.0	3.0
Directors	11.5	14.5	15.0	17.0
Supervisors	5.0	5.0	3.0	5.0
Managers	27.0	25.0	32.5	31.5
Information Systems - Administrative	24.0	23.3	28.3	36.8
Technicians/Specialists Classified	82.9	88.7	87.7	73.7
Professional/Technical	32.1	34.8	34.0	58.8
Secretaries	25.9	18.6	14.9	12.9
Custodians	181.2	186.2	179.0	181.2
Crafts/Trades/Services	69.7	77.9	72.9	78.0
Food Service Managers	24.8	23.7	22.9	26.3
Food Service Classified	109.6	108.7	114.5	112.1
Bus Drivers	62.5	78.6	83.0	81.4
Other ⁽²⁾	9.7	12.9	22.0	16.0
Custodial Substitutes ⁽³⁾	19.0	22.0	28.0	8.0
Total Support Services	<u>685.8</u>	<u>720.7</u>	<u>740.6</u>	<u>741.6</u>
Districtwide Leadership				
Superintendent	1.0	1.0	1.0	1.0
Assistant Superintendent	0.0	0.0	0.0	0.0
Chief Operations Officer	1.0	1.0	1.0	1.0
Chief Academic Officer	1.0	1.0	1.0	1.0
Chief Human Resource Officer	1.0	1.0	1.0	1.0
Chief Communication Officer	0.0	0.0	0.0	0.0
Chief Financial Officer	1.0	1.0	1.0	1.0
Chief Information Officer	1.0	1.0	1.0	1.0
General Counsel	1.0	1.0	1.0	1.0
Total Districtwide	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Charter School Employees				
	<u>474.1</u>	<u>498.3</u>	<u>484.8</u>	<u>259.7</u>
Grand Total	<u>4849.9</u>	<u>4936.2</u>	<u>5085.4</u>	<u>5082.8</u>

Source: District HR Department Staffing Reports

Notes:

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

**OPERATING INFORMATION SCHEDULE 16 - FULL-TIME EQUIVALENT DISTRICT
EMPLOYEES BY CATEGORY (CONT.)
Last Ten Fiscal Years**

As of June 30, 2016	As of June 30, 2017	As of June 30, 2018	As of June 30, 2019	As of June 30, 2020	As of June 30, 2021 ⁽¹⁾
4.0	3.0	4.0	4.0	6.0	5.0
10.0	8.4	8.0	11.0	12.0	13.0
49.1	49.0	49.0	49.0	52.0	51.0
51.0	51.5	53.0	61.0	62.0	63.3
16.4	15.5	16.1	21.0	21.0	22.0
2008.3	1963.0	1942.4	1970.9	2156.3	2147.3
65.1	64.6	67.5	71.6	73.0	78.0
18.5	17.0	16.0	14.5	13.5	11.5
20.2	25.9	28.9	36.0	35.3	34.8
166.0	165.1	164.5	162.8	169.1	163.1
22.3	23.8	25.3	37.5	42.5	38.5
85.3	82.9	94.8	102.1	110.4	108.1
41.9	35.6	34.7	40.0	41.2	44.0
16.4	16.5	18.1	20.4	20.1	24.6
603.2	565.9	571.3	580.5	579.0	565.3
108.3	173.1	139.3	133.5	106.5	70.7
38.9	33.8	44.1	47.6	47.1	42.9
13.5	15.5	9.9	10.4	9.0	4.3
557.0	616.0	623.0	681.0	555.0	628.0
136.0	140.0	161.0	164.0	183.0	185.0
<u>4031.4</u>	<u>4065.9</u>	<u>4070.7</u>	<u>4218.6</u>	<u>4293.9</u>	<u>4300.4</u>
2.0	1.0	0.0	0.0	1.0	2.0
11.0	11.0	11.0	9.0	10.0	11.0
5.0	5.0	6.0	6.0	6.0	6.0
30.5	25.5	30.0	30.0	34.0	30.0
34.8	35.5	35.3	35.3	37.1	33.3
77.8	64.5	66.7	68.7	65.5	65.0
72.1	70.3	69.9	73.1	70.5	74.4
12.1	16.3	10.9	10.9	14.0	12.8
169.7	168.3	170.7	169.0	173.2	173.2
79.0	89.0	95.0	95.8	89.8	83.0
30.0	26.6	30.0	36.4	39.0	36.0
104.7	95.6	83.6	79.1	90.2	57.2
95.1	109.8	104.7	109.1	93.5	72.3
19.4	27.7	16.5	17.7	17.3	12.3
14.0	15.0	16.0	11.0	9.0	5.0
<u>757.2</u>	<u>761.0</u>	<u>746.3</u>	<u>750.9</u>	<u>749.9</u>	<u>673.3</u>
1.0	1.0	1.0	1.0	1.0	1.0
0.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
0.0	0.0	0.0	0.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
<u>7.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>9.0</u>	<u>9.0</u>
331.4	282.0	303.1	286.9	310.9	342.7
<u>5127.0</u>	<u>5117.0</u>	<u>5128.1</u>	<u>5264.4</u>	<u>5363.7</u>	<u>5325.4</u>

OPERATING INFORMATION SCHEDULE 17 - OPERATING STATISTICS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Expenses ⁽¹⁾	District 12 Head Count ⁽²⁾	Cost per Pupil	Teaching Staff ⁽³⁾	Pupil Teacher Ratio	High School Graduates ⁽⁴⁾
2012	390,977,340	42,990	9,095	1,884	22.82	2,061
2013	387,609,753	43,272	8,958	1,862	23.24	2,192
2014	390,772,944	42,230	9,253	1,928	21.91	2,185
2015	402,456,919	38,701	10,399	2,024	19.12	2,047
2016	425,625,145	39,287	10,834	2,008	19.56	2,116
2017	654,420,287	38,818	16,859	1,963	19.77	2,261
2018	678,429,381	38,870	17,454	1,942	20.02	2,317
2019	358,032,507	39,282	9,114	1,971	19.93	2,438
2020	369,754,143	38,707	9,553	2,156	17.95	2,556
2021	331,196,707	36,654	9,036	2,147	17.07	2,560

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

Notes:

- (1) Expenses from Government-Wide Statement of Activities
- (2) Based on one-day pupil count in October of District schools and 4 District Charter Schools: Stargate Charter, Westgate Community Charter, Prospect Ridge Academy, and New America School-Thornton (Pinnacle, The Academy, and Global Village Academy Charter are not included as the District incurs no expenses on their behalf)
- (3) Employee counts based on Full-Time Equivalent (FTE)
- (4) High School Graduate data for 2020-21 is a CDE estimate as final data was not available



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OPERATING INFORMATION SCHEDULE 18 - SCHOOL BUILDING INFORMATION
 Last Ten Fiscal Years
 (Unaudited)

	2012	2013	2014	2015
30 Elementary Schools				
Total square feet	1,751,009	1,639,977	1,678,322	1,678,322
Total program capacity	16,727	15,150	15,634	15,690
Enrollment	16,696	14,375	15,688	15,980
4 K-8 Schools				
Total square feet	-	342,778	301,440	301,440
Total program capacity	-	2,360	1,929	1,904
Enrollment	-	2,402	1,955	1,938
7 Middle Schools				
Total square feet	1,014,315	907,720	907,720	907,720
Total program capacity	9,355	7,390	8,377	8,275
Enrollment	7,800	6,810	7,019	7,311
5 High Schools & 2 Vocational Schools ⁽¹⁾				
Total square feet	1,393,890	1,393,890	1,393,890	1,404,285
Total program capacity	9,885	9,885	10,274	10,572
Enrollment	9,387	9,446	9,661	9,840
2 Alternative Schools				
Total square feet	81,416	100,751	100,751	100,751
Total program capacity	585	635	310	310
Enrollment	509	568	659	641
4 Charter Schools				
Enrollment	8,598	8,886	7,248	2,991
District wide Facilities				
Total square feet	610,850	625,004	625,004	625,004

Source: District Business Services Department

Notes:

(1) Future Forward at Washington Square Opened at the Beginning of the 2020-21 School Year

OPERATING INFORMATION SCHEDULE 18 - SCHOOL BUILDING INFORMATION (CONT.)

Last Ten Fiscal Years
(Unaudited)

2016	2017	2018	2019	2020	2021
1,678,914	1,693,335	1,693,335	1,705,218	1,708,453	1,706,988
15,570	15,090	14,802	14,610	13,506	13,554
15,942	15,805	15,590	15,170	14,344	12,772
301,440	301,440	301,440	414,383	441,435	440,917
1,979	2,251	1,856	2,892	2,826	2,820
2,007	2,058	2,000	2,567	2,933	2,930
916,365	916,365	916,365	916,365	916,365	934,038
8,173	8,125	8,350	8,410	8,410	8,410
7,398	7,281	7,255	7,004	6,943	6,601
1,404,293	1,404,293	1,404,293	1,389,957	1,388,461	1,437,100
10,572	10,572	10,627	10,572	10,572	12,057
9,893	10,030	10,122	10,185	10,068	9,920
100,751	100,751	100,751	100,751	100,751	100,936
650	700	700	700	700	700
630	744	715	740	746	736
3,417	2,900	3,188	3,616	3,673	3,695
625,004	610,582	610,582	610,582	610,582	610,590



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SINGLE AUDIT

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2022. Our report includes a reference to other auditors who audited the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy, and New America School - Thornton, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters as those financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Broomfield, Colorado
January 25, 2022



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

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

Report on Compliance for Each Major Federal Program

We have audited Adams 12 Five Star Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Adams 12 Five Star Schools' major federal programs for the year ended June 30, 2021. Adams 12 Five Star Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Adams 12 Five Star Schools' basic financial statements include the operations of the discretely presented component units, Stargate Charter School, Westgate Charter School, Prospect Ridge Academy, and New America School – Thornton, which received \$3,594,283 in federal awards, which is not included in Adams 12 Five Star Schools' schedule of expenditures of federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of the discretely presented component units, Stargate Charter School, Westgate Charter School, Prospect Ridge Academy, and New America School – Thornton, because other auditors were engaged to perform audits of these discretely presented component units.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Adams 12 Five Star Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
January 25, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Grantor / Pass-Thru Grantor / Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION			
Direct Federal Programs			
Title VI - Indian Education	84.060	4060	41,059
Subtotal Direct Programs			41,059
Passed through Colorado Department of Education			
Special Education Cluster			
Special Education	84.027	4027	\$ 6,838,612
Special Education - Preschool	84.173	4173	142,381
Subtotal Special Education Cluster			6,980,993
		4010 /5010 /	
Title I - Improving the Academic Achievement of the Disadvantaged	84.010	92xx	4,340,180
Title IX - Education for Homeless Children and Youth	84.196	5196	72,424
21st Century Community Learning Centers	84.287	5287 / 6287	942,350
Title III - English Language Acquisition	84.365	4365 / 7365	554,689
Title II - Supporting Effective Instruction	84.367	4367	874,647
Title IV - Student Support and Academic Enrichment	84.424	4424	274,548
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	4425	2,861,598
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	4420	11,478,249
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III): Homeless	84.425W	8425	1,933
Subtotal Passed-Through Colorado Department of Education			28,381,611
Passed through Colorado Community College System			
Career and Technical Education	84.048	4048	223,496
Subtotal Passed-Through Colorado Community College System			223,496
TOTAL U.S. DEPARTMENT OF EDUCATION			28,646,166
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster			
Passed through Colorado Department of Human Services			
Donated Commodities	10.555	4555	709,651
Passed through Colorado Department of Education			
COVID-19 Emergency Feeding CARES Act Funds	10.555	4555	1,552,699
Child and Adult Care Food Program	10.558	4558	1,032,681
CNP School Meals Equipment	10.579	5579	28,839
Summer Food Service Program for Children	10.559	4559	10,120,164
Subtotal Child Nutrition Cluster			13,444,034
TOTAL U.S. DEPARTMENT OF AGRICULTURE			13,444,034
U.S. DEPARTMENT OF THE TREASURY			
Passed through Colorado Department of Education			
COVID-19 Coronavirus Relief Fund (CRF)	21.019	4012	6,389,167
COVID-19 Coronavirus Relief Fund (CRF): At Risk	21.019	5012	1,744,671
COVID-19 Coronavirus Relief Fund (CRF): Safe Schools Reopening Grant	21.019	6012	45,000
Passed through Adams County			
COVID-19 Coronavirus Relief Fund (CRF)	21.019	4012	7,494,079
Passed through the City of Northglenn			
COVID-19 Coronavirus Relief Fund (CRF)	21.019	4012	118,000
TOTAL U.S. DEPARTMENT OF THE TREASURY			15,790,917
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 57,881,117

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

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

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

NOTE 2 – BASIS OF ACCOUNTING

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

NOTE 3 – NONCASH PROGRAMS

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

NOTE 4 - INDIRECT COST RATE

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

NOTE 5 - SUBRECIPIENTS

The District provided no federal awards to subrecipients.

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

Assistance Listing Numbers

Name of Federal Program or Cluster

84.027, 84.173

Special Education Cluster

21.019

Coronavirus Relief Fund

84.425D, 84.425W

Elementary and Secondary School Emergency Relief Fund

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

\$1,736,434

Auditee qualified as low-risk auditee?

 x yes _____ no

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

**ADAMS 12 FIVE STAR SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

Adams 12 Five Star Schools respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2021.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

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