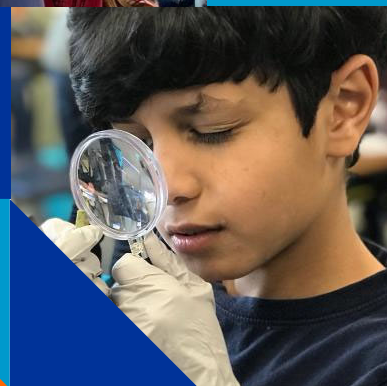
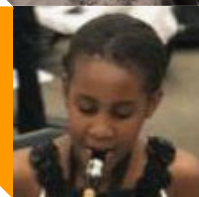


**Arapahoe County
School District
Number Six**

***Annual
Comprehensive
Financial
Report***



***For the Fiscal Year Ended
June 30, 2021***



5776 South Crocker Street, Littleton, Colorado 80120

www.littletonpublicschools.net

SCHOOLS REPRESENTED ON THE COVER—*From top to bottom and left to right:* Lenski Elementary School; Newton Middle School; Options Secondary Program; Moody Elementary School; East Elementary School.

ARAPAHOE COUNTY
SCHOOL DISTRICT
NUMBER SIX

Littleton, Colorado

Annual Comprehensive
Financial Report

For the Fiscal Year
Ended June 30, 2021



Prepared by Financial Services

Donna Villamor
Chief Financial Officer

Jonathan Levesque
Director of Finance

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION



October 22, 2021

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

The Annual Comprehensive Financial Report (Annual Report) of the Arapahoe County School District Number Six (the district) as of June 30, 2021, and for the fiscal year then ended, is hereby submitted. Colorado state law requires that each local government undergo an annual audit of the financial statements by independent certified public accountants in accordance with generally accepted auditing standards. This report fulfills that requirement.

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

The Annual Report is presented in conformity with Statement No. 34 of the Governmental Accounting Standards Board (GASB), titled *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments (as amended)*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities into a single total column for government-wide activities. GASB Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement, and should be read in conjunction with, the MD&A.

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

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

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

Beginning July 2018, Colorado Revised Statutes (C.R.S. 24-51-413) specifies that the state is required to contribute \$225 million each year to PERA, the pension plan that covers all district employees. A portion of the direct distribution payment is allocated to the district based on the district's proportionate amount of annual payroll to the total payroll of all PERA divisions. This portion is considered a non-employer contribution for financial reporting purposes. PERA's goal is to eliminate its unfunded actuarial accrued liability and reach a 100 percent funded ratio by 2048. However, House Bill (HB) 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020, for the state's 2020–2021 fiscal year due to budget restraints.

Profile of the District

Arapahoe County School District Number Six, commonly referred to as Littleton Public Schools (LPS), is a political subdivision of the State of Colorado and a corporate body duly organized in 1889 for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The district provides a full range of educational programs and services, including Pre-K–12 instruction, special education and special education preschool, vocational education, and numerous other programs. The number of students enrolled in fiscal year 2020–2021 was 13,912.

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

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

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

Factors Affecting Financial Condition

State funding. The state has not fully funded the Colorado Public School Finance Act of 1994 (SFA) based on the full requirement of the state constitution's Amendment 23 since the national fiscal crisis in 2008. The budget stabilization factor was initially adopted in 2008 by the state's General Assembly to reduce the overall statewide contribution to K–12 education since local funding of the SFA is primarily fixed. Colorado's state budget saw a drastic drop in funding in July 2020 as a result of the COVID-19 lockdown. The SFA for fiscal year 2020–2021 included a 12.77 percent the budget stabilization factor, or a \$1.1 billion statewide K–12 funding reduction. The district's program revenue budget stabilization factor reduction for the 2020–2021 school year was increased by \$7.6 million from the previous year for a total reduction of \$16.7 million, this includes the state's partially restoration of \$1.9 million of the budget cuts in April 2021 once sales tax income was stronger than expected. For 2021–2022, the state funded

inflation of 2.0 percent and set the budget stabilization factor to 6.72 percent. The budget stabilization factor results in a \$9.1 million annual loss of district program revenue when compared to the state fully funding the program revenue.

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

State and local economy. The state’s economic picture is important to the district because a major source of funding for the district’s General Fund is received through the SFA established by the state legislature. The negative effects of COVID-19 on Colorado’s economy and the subsequent uneven recovery among households and businesses has left several in economic distress, while others have emerged unscathed or even better off. Spending and employment in sectors tied to in-person services still lag pre-pandemic levels and remain sensitive to the virus. These mismatches are now expected to persist into 2022, boosting inflationary pressures and challenging the economic recovery as federal funding recedes.

The district received one-time federal funding for COVID-19 expenditures of \$6.6 million in fiscal year 2019–2020 and \$5.1 million in fiscal year 2020–2021 through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Elementary and Secondary School Emergency Relief (ESSER), respectively. These additional federal funds do not cover the large state funding reduction for the district of \$16.7 million seen in the 2020–2021 state budget or the unanticipated COVID-related expenditures that burdened the district to combat the pandemic.

Colorado’s economic activity remains below normal levels despite significant improvement since April 2020. The unemployment rate improved from 6.7 percent in August 2020 to 5.9 percent by August 2021. Colorado’s economy continues to perform better than the national average. The state has a high percentage of the workforce that can work remotely as virus caseloads have remained comparatively low when compared to the national average. The economy is highly dependent upon the course of the COVID-19 pandemic and intermittent periods of rising caseloads until the vaccine is made widely available and administered to all ages.

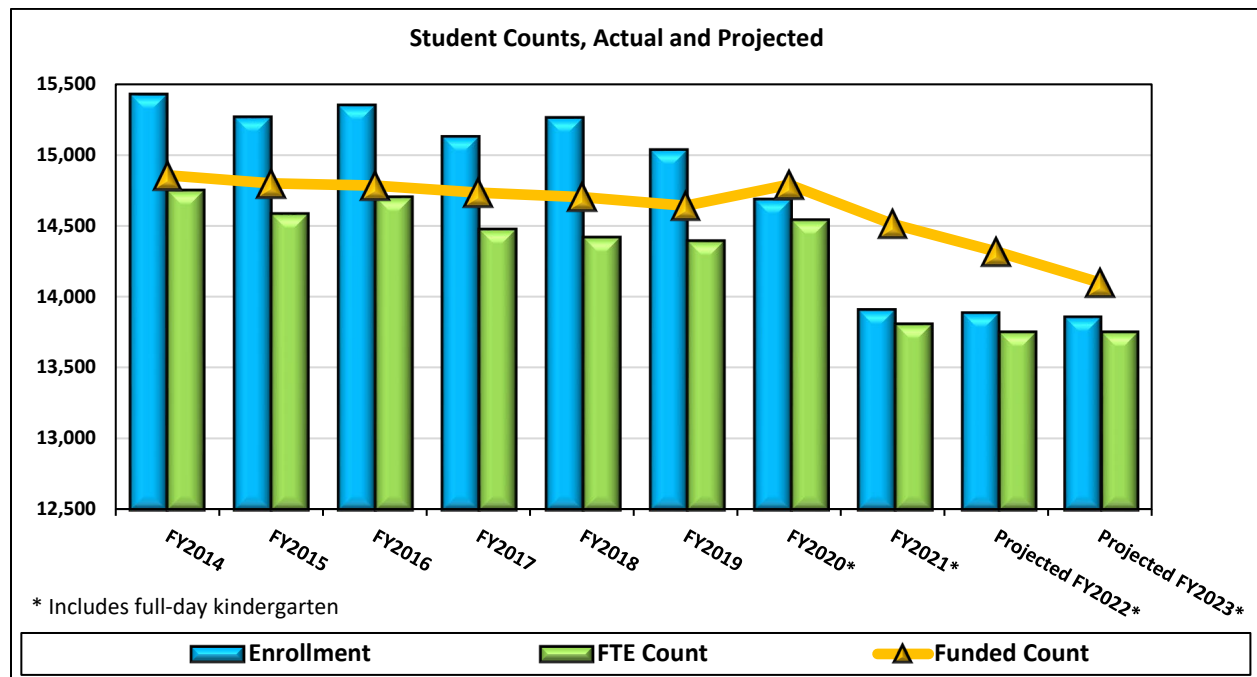
The Denver metro area has the largest share of the state’s population and workforce. The impacts of the pandemic and related recession continue to influence the region’s labor market. Leisure and hospitality industries continue to be impacted most, and the recent resurgence in COVID-19 cases heightens risks to the region’s jobs recovery. Reflecting ongoing elevated demand, low inventories, and low interest rates, area home prices continue to appreciate, supporting additional residential construction activity. Nonresidential construction activity, however, remains subdued.

Home price appreciation in the metro Denver area accelerated at the end of 2020 and the first half of 2021. Historically low interest rates increased demand, while pandemic-related uncertainty has kept homeowners from putting their homes on the market. Inventories have improved in recent months, but

home prices are expected to remain elevated as demand for housing in the metro Denver area continues to outpace limited supply. According to data from the Denver Metro Association of Realtors, in July 2021 the median sales price for a single-family detached home saw double-digit growth over 2020 prices across all counties in the region except Boulder, and exceeded 20 percent in Denver and Douglas counties.

The State Education Fund (SEF) continues to support a large share of education funding. The SEF is required to be used to fund kindergarten through twelfth grade public education. Revenue to the SEF from income taxes rose by 46.8 percent in 2020–2021 totaling \$950 million; however, it is expected to decrease 18.8 percent in 2021–2022, and increase 17.3 percent in fiscal year 2022–2023. The Colorado Constitution requires the SEF to receive one-third of one percent of taxable income. The SEF’s year-end balance was \$1.07 billion in fiscal year 2021–2021 and is projected to decrease to \$1.03 billion in 2021–2022.

Enrollment and demographics. In fiscal year 2020–2021, the district’s enrollment decreased by 779 students to 13,912 students due to the COVID-19. Preliminary membership counts for the 2021–2022 school year indicate that enrollment will decrease to 13,540 students. The trends from last year continues as the district has seen a lower number in all grade levels. This lower enrollment equates to a loss of revenue of approximately \$0.8 million when compared to budget. This phenomenon has also been felt across the state with lower total enrollment state-wide. It is uncertain at this time if those students will return to the district. The student full-time equivalent (FTE) count is less than enrollment mostly due to part-time students. The actual SFA funded count allows for the current year FTE count to be averaged with up to four previous years’ counts. Declining enrollment, along with the per-pupil revenue cuts (budget stabilization factor) incorporated in the state’s SFA, continues to challenge the district to provide services and keep a balanced budget while maintaining necessary reserves for long-term fiscal stability.



Major Initiatives

In 2018–2019, the LPS Long-Range Planning Committee (LRPC), representing a cross-section of the community, continued discussions on instructional programs and facility needs. Based on the LRPC’s

recommendation, the Board of Education placed a \$298.9 million bond measure on the November 2018 ballot. Voters approved the bond measure, sending a strong endorsement of the district's commitment to providing the resources needed for students to succeed. Major projects in 2020–2021 included construction costs for the new Newton Middle School, the new Dr. Justina Ford Elementary School, and the new elementary school on the Franklin campus; purchase of property and design for the Career Exploration Center (CEC); and security and technology upgrades. Projects for the 2021–2022 fiscal year include design and construction for a new elementary school on the Moody campus, construction of the CEC, and various projects throughout the district.

Additionally, since the fall of 2018, LRPC explored enrollment boundaries and increased transportation challenges in the south metro area to better balance enrollment and provide boundaries for the new elementary schools on the Ford and Franklin campuses. The LRPC considered 14 different elementary scenarios, six different middle school scenarios, and four different high school scenarios. In August 2020, the Board approved new school boundaries effective the 2021–2022 school year.

Long-Term Financial Planning

The district's long-range financial projections are regularly updated for review and consideration by the Board. These include forecasts of student enrollment, upon which school funding is computed. With the passage of the debt-free schools mill levy override and restored funding from the state to pre-pandemic levels in the 2021–2022 school year, the district's long-range financial projections are stable and in alignment with the Board's strategic plan.

Strategic Plan

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

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

- Partner with parents and community to expand and enhance programs that address the physical, social, and emotional well-being of students, families, and staff.

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

Annual Audit

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its Annual Report for the fiscal year ended June 30, 2020. In order to be awarded the Certificate of Achievement, the district published an easily readable and efficiently organized Annual Report. That report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current Annual Report continues to meet the award program's requirements, and we are submitting it to GFOA to determine its eligibility for a new Certificate of Achievement.

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

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

Respectfully submitted,



Brian Ewert
Superintendent



Donna Villamor
Chief Financial Officer

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
ANNUAL REPORT AWARD CERTIFICATE



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Arapahoe County School District Number Six
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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

Board of Education



Robert Reichardt
President
Term: 2019–2023



Kelly Perez
Vice President
Term: 2017–2021



Jack Reutzell
Secretary
Term: 2017–2021



Angela Christensen
Assistant Secretary
Term: 2021



Lindley McCrary
Treasurer
Term: 2019–2023

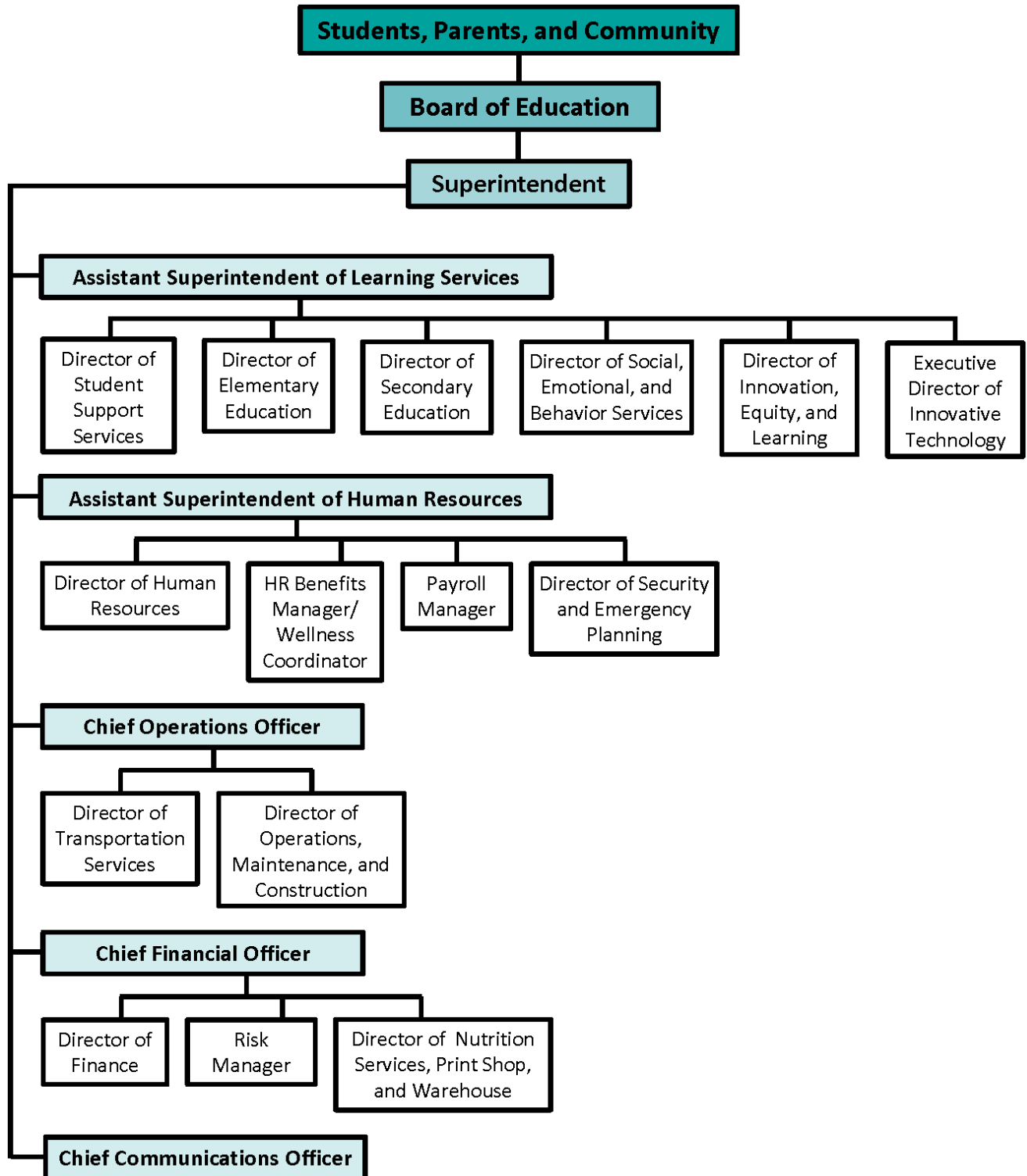
Superintendent and Superintendent’s Staff

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

MISSION STATEMENT

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

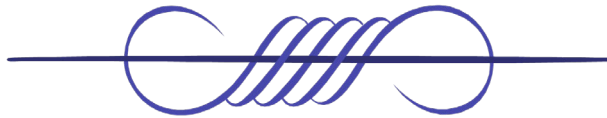
ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
ORGANIZATIONAL CHART



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FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Arapahoe County School District Number Six, as of and for the year ended June 30, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Arapahoe County School District Number Six as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
October 22, 2021

Management's Discussion and Analysis



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ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Management's Discussion and Analysis
As of and For the Fiscal Year Ended June 30, 2021

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

Financial Highlights

- Beginning June 30, 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established new financial reporting requirements for most governments that provide pension benefits through a multiple-employer, cost-sharing defined-benefit pension plan. District employees, including the two charter schools' employees, are in a program administered by the Public Employees' Retirement Association of Colorado (PERA). Statement No. 68 requires the district and its charter schools to record a proportionate share of PERA's unfunded pension liability. The district and its charter schools have no legal obligation to fund any shortfall, nor do they have any liability to affect funding, benefits, or annual required contribution decisions made by PERA.
- Beginning June 30, 2018, the district adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for financial statements beginning after June 15, 2017. Statement No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). Statement No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by PERA to record their proportionate share of the HCTF's net OPEB liability. For the district, the effect of implementing this standard was to change how it accounts for and reports the net OPEB liability.
- Beginning June 30, 2019, the district is reporting the resulting effects of the Senate Bill (SB) 18-200 passed and signed into Colorado law June 4, 2018. SB 18-200 makes changes in several key ways to the PERA retirement plan including increasing contribution rates from employers and employees, directing the state to make a \$225 million on-behalf contribution each year to PERA to reduce the unfunded liability, modifying the retirement benefits including reducing the annual increase for all current and future retirees as well as raising retirement age for new employees, and establishing an automatic adjustment provision designed to keep PERA on a path to full funding in 30 years. House Bill (HB) 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020, for the state's 2020–2021 fiscal year due to budget restraints.
- The liabilities and deferred inflows of resources of the district, sometimes referred to as the primary government, exceeded assets and deferred outflows of resources at June 30, 2021, by \$258.9 million, primarily due to the net OPEB and pension liabilities, noted above, of \$298.3 million.
- The financial position of the primary government increased as the total net position increased by \$100.6 million, primarily from the net pension income of \$84.4 million due to the requirement of GASB Statement No. 68.
- The total cost of basic programs decreased \$48.0 million, or 28.1 percent, to \$123.0 million which includes the increase of \$33.4 million of net pension expense.
- Revenues decreased \$15.6 million, or 6.5 percent, to \$223.6 million primarily due the suspension of the district's proportionate share of the state's PERA contribution as well as the loss of revenue for services and grants relating to operating schools during the COVID-19 pandemic.
- The net cost of governmental activities decreased \$39.2 million, or 28.6 percent, primarily due to a change of \$33.4 million in net pension expense (net pension income) due to the requirement of GASB Statement No. 68.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Management’s Discussion and Analysis

Overview of the Financial Statements

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

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

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

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

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

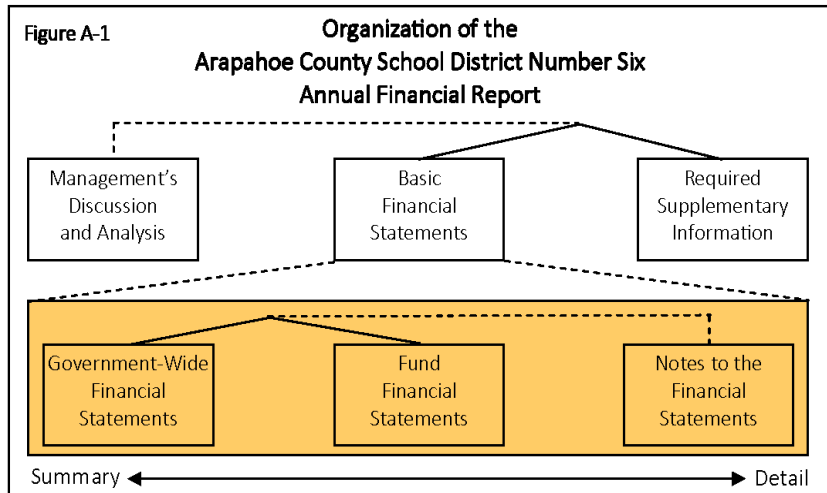


Figure A-2
Major Features of the Districtwide and Fund Financial Statements

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Management's Discussion and Analysis

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

The district has one category of funds:

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

Financial Analysis of the District as a Whole

The district's net position of the governmental activities on June 30, 2021, increased \$100.6 million to a negative \$258.9 million from what it was the previous year (see Figure A-3), primarily as a result of the impact of GASB Statements No. 68 and No. 75.

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

- Current and other assets decreased by \$95.0 million, primarily from decreased restricted cash and investments related to Capital Projects—Building Fund.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Management's Discussion and Analysis

- Capital assets increased \$90.6 million, which is the net result of capital asset depreciation expense offset by asset additions, and construction in progress.
- Deferred outflows of resources for deferred charges on refunding decreased \$1.0 million due to amortization expense. Deferred outflows related to OPEB was consistent with the prior year. Deferred outflows related to pension increased \$41.6 million due to an increase of \$0.5 million to the district's pension contribution subsequent to the measurement date; an increase of \$19.9 million to the district's of pension contribution of proportionate share; an increase of deferred assumptions of \$20.0 million; and the difference between expected, and actual actuarial experience of \$1.2 million.
- Current and other liabilities increased \$2.4 million, mainly due to higher contracts payable in the Capital Projects–Building Fund.
- The net OPEB liability decreased \$2.7 million due to the GASB Statement No. 75 requirement to record a proportionate share of PERA's Health Care Trust Fund (HCTF) net OPEB liability. The net pension liability increased \$19.8 million due to the GASB Statement No. 68 requirement to record a proportionate share of PERA's unfunded pension liability.
- Noncurrent liabilities decreased \$22.9 million, the net result of bond principal payments, refunding proceeds and issuance costs associated with the 2010 refunding bonds, amortization of bond premium, and accreted interest on bonds.
- Deferred inflows of resources for OPEB increased \$1.6 million which includes interest earnings and the change in proportionate share of contributions. Deferred inflows of resources for pension decreased \$62.6 million for pension-related activities, of which \$31.6 million is the change in investment earnings and a decrease of deferred assumptions of \$73.2 million. Also included is the balance of \$21.0 million change in the proportionate share.
- Net position increased \$100.6 million. This change included a \$7.1 million increase to net investment in capital assets (capital assets less related debt), a \$4.3 million increase in restricted net position, and a \$89.2 million increase in unrestricted net position due to the adoption of GASB Statements No. 68 and No. 75.

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Management's Discussion and Analysis

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

	<u>Primary Government</u> <u>Governmental Activities</u>		<u>Total Dollars Change</u> <u>2020–2021</u>
	<u>2020</u>	<u>2021</u>	
Assets			
Current and other assets	\$ 428.7	\$ 333.7	\$ (95.0)
Capital assets	159.3	249.9	90.6
Total assets	<u>588.0</u>	<u>583.6</u>	<u>(4.4)</u>
Deferred outflows of resources			
Deferred charges on refunding	1.6	0.6	(1.0)
Deferred OPEB outflows	0.7	0.7	0.0
Deferred pension outflows	32.4	74.0	41.6
Total deferred outflows	<u>34.7</u>	<u>75.3</u>	<u>40.6</u>
Liabilities			
Current and other liabilities	28.5	30.9	2.4
Net OPEB liability	13.2	10.5	(2.7)
Net pension liability	268.0	287.8	19.8
Noncurrent liabilities	481.8	458.9	(22.9)
Total liabilities	<u>791.5</u>	<u>788.1</u>	<u>(3.4)</u>
Deferred inflows of resources			
Deferred OPEB inflows	2.7	4.3	1.6
Deferred pension inflows	188.0	125.4	(62.6)
Total deferred inflows	<u>190.7</u>	<u>129.7</u>	<u>(61.0)</u>
Net position			
Net investment in capital assets	8.7	15.8	7.1
Restricted	37.0	41.3	4.3
Unrestricted	(405.2)	(316.0)	89.2
Total net position	<u>\$ (359.5)</u>	<u>\$ (258.9)</u>	<u>\$ 100.6</u>

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

- Revenues of \$223.6 million exceeded expenses of \$123.0 million, resulting in the \$100.6 million increase in net position. Total revenues decreased \$15.6 million over revenues of the prior year and total expenses decreased \$48.0 million, primarily due to the decrease of \$33.4 million of net pension expense due to GASB Statement No. 68.
- The State of Colorado's General Assembly included a 12.70 percent negative per-pupil budget stabilization factor into the School Finance Act (SFA) for fiscal year 2020–2021. This budget stabilization factor was to help the state balance its budget due to the fiscal crisis. The district's per-pupil revenue was \$7,837, compared to \$8,987 without the budget stabilization factor. The SFA was supported by state equalization funds, local taxes, and property taxes in the fiscal year.
- The average funded student count, which is the per-pupil basis for fiscal year 2020–2021 SFA program funding, decreased slightly by 1.9 percent to 14,513.9 from 14,792.1 the previous year.
- Property tax collections were strong this fiscal year. The increase of these taxes by \$1.1 million, compared to budget and the prior year, was primarily due to timing of collections and the higher property assessment values. The collection of specific ownership taxes was also strong this year. The increase of these taxes were over \$1.0 million, compared to budget and the prior year, primarily due to continued strong new car sales and low car financing options. Additionally, property tax collections

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Management's Discussion and Analysis

started on the Debt-Free Schools Mill Levy Override in January 2021. Interest rates currently have stabilized and are not forecasted to recover in the near future, resulting in lower interest revenue.

- Total expenses of \$123.0 million represent a \$48.0 million, or 28.1 percent, decrease compared to the prior year. Instructional expenses decreased \$21.4 million, of which \$22.8 million represents the net OPEB and pension expense change compared to the fiscal year 2019–2020. Support services expenses decreased \$24.6 million, of which \$11.3 million represents the net OPEB and pension expense change compared to the 2019–2020 fiscal year. Interest expenses decreased \$2.0 million based on the debt service payment schedule.
- The one-time spending of \$3.3 million for student and staffing needs from the unassigned fund balance was allocated starting in 2021–2022. In addition the Board approved \$4.2 million of unassigned fund balance for the Career Exploration Center (CEC) and new school start-up expenditures.

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

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

	<u>Primary Government</u> <u>Governmental Activities</u>		<u>Total Percent Change</u> <u>2020–2021</u>
	<u>2020</u>	<u>2021</u>	
Revenues			
Program revenues			
Charges for services	\$ 9.1	\$ 5.4	(40.7)%
Operating grants/contributions	24.8	19.7	(20.6)
Capital grants/contributions	-	-	-
General revenues			
Property and S.O. taxes	124.8	134.5	7.8
State equalization aid	67.6	60.4	(10.7)
Interest and other revenues	12.9	3.6	(72.1)
Total revenues	<u>239.2</u>	<u>223.6</u>	<u>(6.5)</u>
Expenses			
Instruction	78.7	57.3	(27.2)
Support services	75.4	50.8	(32.6)
Interest	16.9	14.9	(11.8)
Total expenses	<u>171.0</u>	<u>123.0</u>	<u>(28.1)</u>
Change in net position	68.2	100.6	47.5
Net position—beginning of year	<u>(427.7)</u>	<u>(359.5)</u>	
Net position—end of year	<u><u>\$(359.5)</u></u>	<u><u>\$(258.9)</u></u>	

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Management's Discussion and Analysis

Figure A-5
Sources of Revenue for Fiscal Year 2021

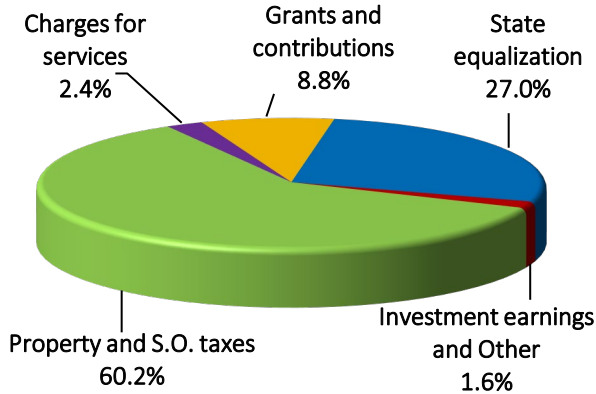
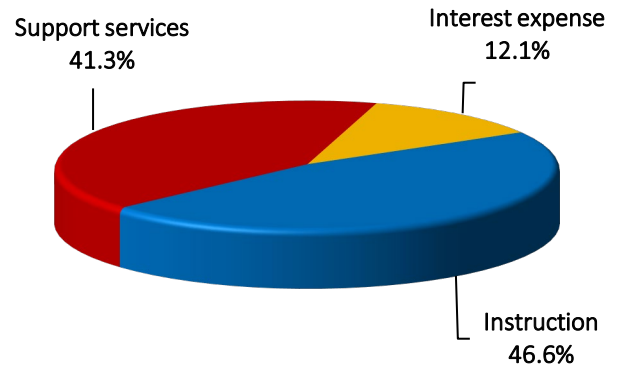


Figure A-6
Expenses for Fiscal Year 2021



Governmental Activities

Revenues decreased \$15.6 million, or 6.5 percent, to \$223.6 million. Total expenses decreased \$48.0 million to \$123.0 million as a result of the net OPEB and pension expense of \$33.4 million due to GASB Statements No. 68 and No. 75, salary and benefit increases effective in January 2021, inflationary pressures, and state budget reductions. Revenues exceeded expenses resulting in a \$100.6 million increase in net position.

Figure A-7 summarizes the net cost of governmental activities, as presented in the statement of activities in the government-wide financial statements. The table also shows each activity's *net cost* (total cost less fees generated by the activities and other aid provided for specific programs). The net cost shows the financial burden placed on local and state taxpayers for each of the functions. Program revenues of \$25.1 million are a much smaller funding source for public school district governmental activities, representing only 11.2 percent of total revenues of \$223.6 million.

Figure A-7
Net Cost of Governmental Activities (in millions of dollars)

Function/Program	Total Cost of Services		Percent Change 2020–2021	Net Cost of Services		Percent Change 2020–2021
	2020	2021		2020	2021	
Instruction	\$ 78.7	\$ 57.3	(27.2)%	\$ 56.8	\$ 41.1	(27.6)%
Support services	75.4	50.8	(32.6)	63.4	41.8	(34.1)
Interest expense	16.9	14.9	(11.8)	16.9	15.0	(11.2)
Total	<u>\$ 171.0</u>	<u>\$ 123.0</u>	(28.1)	<u>\$ 137.1</u>	<u>\$ 97.9</u>	(28.6)

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

- The cost of all governmental activities for the year was \$123.0 million.
- Some of the cost was financed by the users of the programs, \$5.4 million.
- The federal and state governments, along with private donors, subsidized certain programs with operating grants of \$19.7 million.
- Most of the net cost of \$97.9 million was financed by general revenues from state and local taxpayers.
- Net cost of governmental services decreased \$39.2 million, or 28.6 percent, from \$137.1 million in the previous year to \$97.9 million.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Management's Discussion and Analysis

- General revenues totaled \$198.5 million, consisting of \$134.5 million in property and specific ownership taxes, \$60.4 million in state equalization aid, and \$3.6 million of interest earnings and other revenue.
- The resulting increase in governmental activities' net position was \$100.6 million.

Financial Analysis of the District's Governmental Funds

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

Fund Analysis

The General Fund, including the Risk Management sub-fund, is a major fund and is the most significant fund of the district. The Capital Projects Fund and the Student Athletic, Activities, and Clubs Fund are supported by the General Fund, with transfers out totaling \$2.8 million for the year, which also includes approximately \$138,761 transfer to the Nutrition Services Fund from donations and to cover one-time Board authorized stipends; as well as a transfer of \$63,077 to the Extended Day Care Program Fund to cover one-time Board authorized stipends. The Capital Projects—Building Fund is a capital improvement fund used to account for the major capital outlays for district facilities supported by the voter-approved 2018 bond election. These one-time bond proceeds are used for major capital expenditures to replace facilities for the district were incurred for this fiscal year. The Designated Purpose Grant Fund is supported by grant revenues and the Debt Service Fund by voter-approved property tax mill levies to meet general obligation debt service requirements. The Extended Day Care Program Fund is supported by tuition, while the Nutrition Services Fund received funding from federal grants along with sales of breakfasts and lunches. The operations and technology fund was created on January 1, 2021, and is funded by the Debt-Free Schools Mill Levy Override that was passed by the voters in November 2020. Expenditures eligible for this fund include ongoing building maintenance, capital improvements, and technology expenditures.

Total General Fund school finance program funding, which includes property taxes, specific ownership taxes, and state equalization for fiscal year 2020–2021, was impacted by the state's cost-of-living increase, a negative per-pupil budget stabilization factor of 12.7 percent, and lower enrollment.

- Overall, the General Fund reported revenue of \$159.9 million for fiscal year 2020–2021, which was \$7.7 million lower when compared to the previous year. This decrease includes the on-behalf state contribution to PERA's retirement plan of \$2.6 million in the previous year that was suspended for fiscal year 2020–2021.
- Expenditures reported in the General Fund decreased \$6.7 million to \$155.0 million for fiscal year 2020–2021. Net transfers to other funds decreased \$1.8 million to \$2.8 million when compared to the prior year. Expenditures included salaries and benefits, unbudgeted COVID-19 expenditures, and overall inflationary pressures. The fund balance in the General Fund increased \$2.1 million for fiscal year 2020–2021.

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

The Capital Projects—Building Fund expenditures totaled \$104.1 million related to major capital construction projects and district facility upgrades. This resulted in a decrease in fund balance of \$103.2 million.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Management's Discussion and Analysis

The Bond Redemption Fund refunded the 2010 General Obligation bonds during the fiscal year. This contributed to the decrease in fund balance of \$1.3 million.

General Fund Budget

Current General Fund expenditures, excluding the Risk Management sub-fund, totaling \$153.0 million were 93.0 percent of the final budget of \$164.6 million compared to the 92.9 percent of the prior year. Budget carryovers are allowed by policy in various operating areas, and the carryovers primarily resulted from the changes of the final budget when compared to the original budget. The unspent expenditure budget at the end of 2020–2021 is mostly due to the under-spending of the final budget that will be rolled into the subsequent year. The district's contingency budget represents the majority of unspent appropriation and anticipated ending fund balance. The final budget reported a contingency reserve of \$14.8 million, which represents 8.3 percent of budgeted expenditures. Revenues of the General Fund amounted to 102.6 percent of budgeted revenues.

Capital Assets and Long-Term Debt

Capital Assets

As shown in Figure A-8, total primary government capital assets, net of depreciation, increased a net \$90.6 million to \$249.9 million from the previous year. This was the result of \$6.5 million of net depreciation expense, \$4.7 million of asset disposals, \$10.7 million of asset capitalization, and \$91.1 million of construction in progress. Asset additions consisted of land, land improvements, buildings, equipment, and vehicles.

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

	Total Primary Government Governmental Activities		Dollars Change
	2020	2021	2020–2021
	<u>2020</u>	<u>2021</u>	<u>2020–2021</u>
Land	\$ 5.9	\$ 10.6	\$ 4.7
Land improvements	9.7	9.4	(0.3)
Buildings	107.8	101.6	(6.2)
Equipment	2.2	4.0	1.8
Vehicles	2.6	2.1	(0.5)
Construction in progress	31.1	122.2	91.1
Total	<u>\$ 159.3</u>	<u>\$ 249.9</u>	<u>\$ 90.6</u>

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

Long-Term Debt

As of year-end, the district had \$458.8 million in general obligation bonds and other long-term debt outstanding, a decrease of \$23.0 million, as shown in Figure A-9. The outstanding general obligation bonds at June 30, 2021, consisted of the 2013 general obligation bonds of \$50.0 million, 2014 general obligation bonds of \$17.0 million, 2015 general obligation bonds of \$15.6 million, and the 2019 general obligation bonds of \$288.6 million and the 2020 general obligation refunding bonds of \$26.4 million.

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Management’s Discussion and Analysis

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

	Governmental Activities		Dollars Change	Credit Rating Moody’s Underlying Rate
	2020	2021	2020–2021	
General obligation (G.O.) bonds	\$ 416.8	\$ 397.6	\$ (19.2)	Aa2
Premium on G.O. bonds	61.5	57.5	(4.0)	
Accreted interest	1.2	1.5	0.3	
Compensated absences	2.3	2.2	(0.1)	
Total	\$ 481.8	\$ 458.8	\$ (23.0)	

Factors Bearing on the District’s Future

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

- Globally and locally, the district remains in unprecedented times, with shifting and still-elevated economic risks. There is still a great deal of uncertainty about how much of the shifts in consumer, business, and worker behavior will continue and whether short-term disruptions will have long-lasting ripple effects. The receding federal funding and on-going COVID-19 related public health order expenditures will result in strains on the General Fund.
- The state’s General Assembly incorporated a statewide base per-pupil revenue (PPR) increase of 2.0 percent for inflation; however, the state set a budget stabilization factor of 6.7 percent for 2021–2022. This kept the statewide average total PPR at \$8,991, thus reducing the state share by \$571.2 million for a total reduction of approximately \$9.8 billion over the last 13 years. The average statewide PPR funding without the budget stabilization factor funding cut would have been \$9,634, or \$643 more per student.
- Due to the state funding, it is projected that the district’s per-pupil funding will increase \$9.6 million when compared to 2020–2021 to \$123.4 million in 2021–2022. Full per-pupil funding would have equated to \$132.3 million, a loss of revenue to the district of \$8.9 million.
- Along with the CARES Act from the previous year, the district received Elementary and Secondary School Emergency Relief (ESSR) funds, which provided one-time grant funding to education to support expenses incurred due to COVID-19. The district received \$5.1 million from the ESSER grant. Allowable uses for these funds include complying with state and local public health orders, planning and implementing remote learning, recovering plans from lost learning time, meeting mental health needs, purchasing sanitation supplies, and providing other services necessary to limit the transmission of the COVID-19 virus. The district accounted for revenue and expenditures of this grant in its Designated Purpose Grants Fund.
- The 2021–2022 budget has a 4.22 percent salary increase for licensed staff and 3.0 percent salary increases for all other staff; however, employee contributions to PERA and health insurance did not increase.
- A \$298.9 million bond measure was placed on the November 2018 ballot by the Board and approved by voters. The major projects funded by the bond in 2021–2022 included the design and construction for a new elementary school on the Moody campus, construction of the new elementary school on the Franklin campus and the Career Exploration Center (CEC), and various projects throughout the district including the purchase of new student furniture. A citizen’s oversight committee will continue to review the use of these dollars to ensure that the funding is used for the purposes that were represented to the voters.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Management's Discussion and Analysis

- Over the last year, the Board reviewed several new boundary options presented by the Long-Range Planning Committee (LRPC). The purpose of the study was to address growing transportation challenges, provide boundaries for the new Ford elementary school, prepare for the consolidation of the Highland and Franklin neighborhoods on the new Franklin campus, and better balance enrollment throughout the district. In August 2020, the Board approved changes to the district's attendance boundaries after revisiting parent survey results. These new boundaries will take effect in the fall of 2021 for the 2021–2022 school year.
- In August 2020, the Board approved language for a Debt-Free Schools Mill Levy Override to be placed on the November 2020 ballot. The question asked voters to approve a tax increase of \$12 million, or no more than 6 mills, for collection starting in 2021. One additional mill can be approved by the Board each year, not to exceed 11 mills in total. The passage of this mill levy override will allow the district to cover ongoing building maintenance, capital improvements, and technology expenditures, thereby freeing up General Fund dollars for purposes such as continuing to attract and retain quality teachers; maintaining counselors and mental health support; and providing career, technical, and skilled trade programming. The 2021–2022 Adopted Budget included revenue from one additional mill along with the corresponding expenditures to be approved by the Board in December 2021.

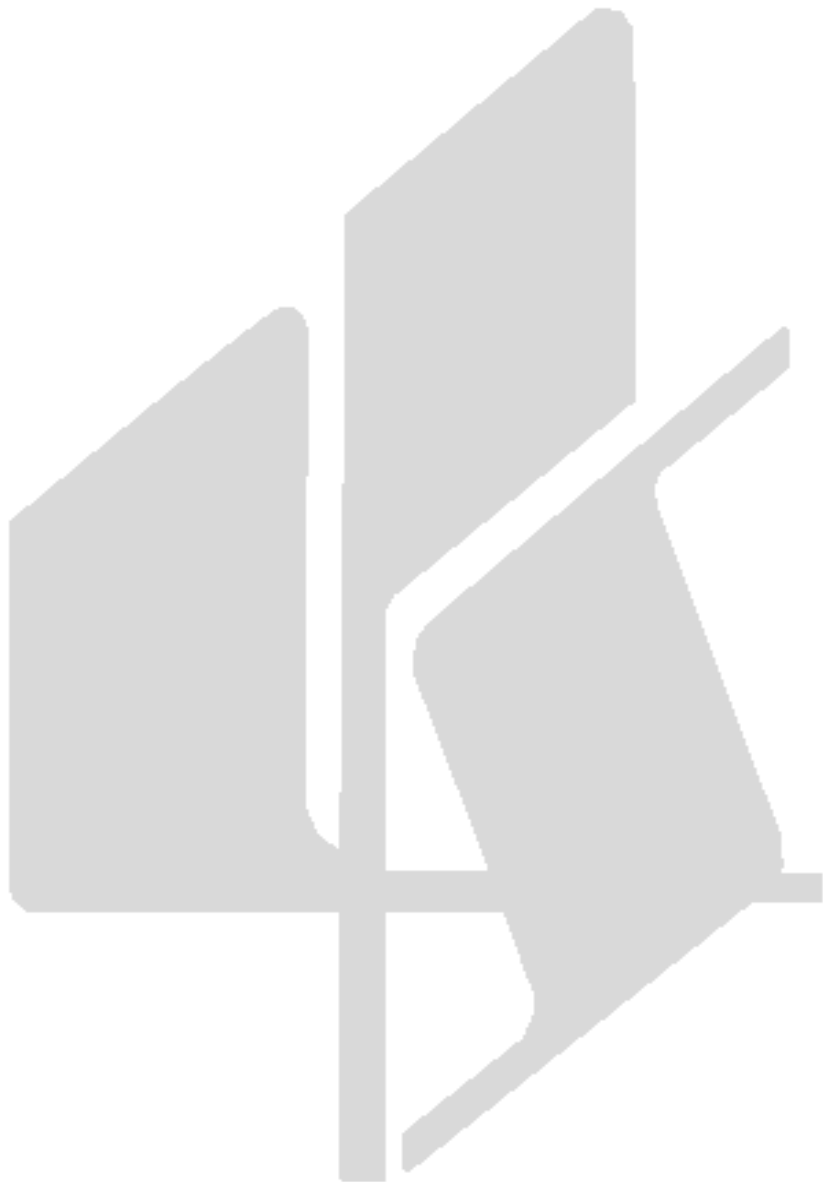
Contacting the District's Financial Management

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

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Basic Financial Statements



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ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Statement of Net Position

June 30, 2021

	<u>Primary Government</u>	<u>Component</u>
	<u>Governmental</u>	<u>Units</u>
	<u>Activities</u>	<u>Charter</u>
		<u>Schools</u>
ASSETS		
Equity in pooled cash and investments	\$ 51,209,562	\$ 5,162,738
Restricted cash and investments	272,153,706	1,362,582
Taxes receivable—net	1,835,744	-
Due from other governments	5,655,757	-
Other accounts receivable	2,089,910	81,881
Inventories	557,491	-
Deposits	74,667	-
Prepaid items	135,918	-
Capital assets—net of accumulated depreciation where applicable:		
Land	10,592,063	1,889,806
Land improvements	9,370,710	85,677
Buildings and leasehold improvements	101,640,959	9,665,730
Equipment	3,979,163	88,683
Vehicles	2,107,467	-
Construction in progress	122,171,694	95,143
Total assets	<u>583,574,811</u>	<u>18,432,240</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	577,100	235,701
Deferred OPEB outflows	656,580	33,540
Deferred pension outflows	74,045,218	4,119,268
Total deferred outflows of resources	<u>75,278,898</u>	<u>4,388,509</u>
LIABILITIES		
Accounts and contracts payable	19,542,875	125,356
Accrued compensation	8,387,899	512,687
Accrued interest payable	1,610,370	98,377
Unearned revenue	1,352,672	17,361
Noncurrent liabilities:		
Due within one year	16,410,000	332,982
Due in more than one year	442,426,714	9,781,324
Net OPEB liability due in more than one year	10,510,928	536,925
Net pension liability due in more than one year	287,816,917	16,011,772
Total liabilities	<u>788,058,375</u>	<u>27,416,784</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred OPEB inflows	4,249,797	217,090
Deferred pension inflows	125,417,516	6,977,202
Total deferred inflows of resources	<u>129,667,313</u>	<u>7,194,292</u>
NET POSITION		
Net investment in capital assets	15,832,523	2,711,750
Restricted for:		
Debt service	28,811,881	190,732
Nutrition services	1,471,483	-
Emergency reserve under TABOR	4,660,000	281,600
Operations and technology	6,369,994	-
Capital projects	-	624,872
Repair and replacement	-	260,000
Unrestricted	(316,017,860)	(15,859,281)
Total net position	<u>\$ (258,871,979)</u>	<u>\$ (11,790,327)</u>

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Balance Sheet Governmental Funds June 30, 2021

	General Fund	Debt Service Fund	Capital Projects— Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 37,241,920	\$ -	\$ -	\$ 13,967,642	\$ 51,209,562
Restricted investments	-	30,637,107	241,516,599	-	272,153,706
Taxes receivable from the county treasurer	2,389,570	732,044	-	243,179	3,364,793
Taxes receivable—net	1,151,681	513,939	-	170,124	1,835,744
Due from other governments	-	-	-	2,290,964	2,290,964
Other accounts receivable	703,732	-	1,386,178	-	2,089,910
Inventories	557,491	-	-	-	557,491
Deposits	74,667	-	-	-	74,667
Total assets	<u>\$ 42,119,061</u>	<u>\$ 31,883,090</u>	<u>\$ 242,902,777</u>	<u>\$ 16,671,909</u>	<u>\$ 333,576,837</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payable	\$ 1,082,791	\$ -	\$ 17,603,809	\$ 856,275	\$ 19,542,875
Accrued compensation	7,508,906	-	-	878,993	8,387,899
Other unearned revenue	112,790	-	-	1,239,882	1,352,672
Total liabilities	<u>8,704,487</u>	<u>-</u>	<u>17,603,809</u>	<u>2,975,150</u>	<u>29,283,446</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	1,151,681	513,939	-	170,124	1,835,744
Total deferred inflows	<u>1,151,681</u>	<u>513,939</u>	<u>-</u>	<u>170,124</u>	<u>1,835,744</u>
FUND BALANCES					
Nonspendable for:					
Inventories	557,491	-	-	-	557,491
Deposits	74,667	-	-	-	74,667
Restricted for:					
Emergency (TABOR)	4,660,000	-	-	-	4,660,000
Debt service	-	31,369,151	-	-	31,369,151
Nutrition services	-	-	-	1,471,483	1,471,483
Capital projects	-	-	225,298,968	-	225,298,968
Operations and technology	-	-	-	6,369,994	6,369,994
Committed for:					
Risk management	2,528,456	-	-	-	2,528,456
Capital projects	-	-	-	3,137,834	3,137,834
Student care services	-	-	-	1,563,081	1,563,081
Pupil activities	-	-	-	982,382	982,382
Assigned for:					
Beverage sponsorship for student needs	-	-	-	1,861	1,861
Budget carryovers	5,441,180	-	-	-	5,441,180
One-time spending related to student and staffing needs	3,300,000	-	-	-	3,300,000
Carrier Expoloration Center and new schools startup	4,200,000	-	-	-	4,200,000
Unassigned	11,501,099	-	-	-	11,501,099
Total fund balances	<u>32,262,893</u>	<u>31,369,151</u>	<u>225,298,968</u>	<u>13,526,635</u>	<u>302,457,647</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 42,119,061</u>	<u>\$ 31,883,090</u>	<u>\$ 242,902,777</u>	<u>\$ 16,671,909</u>	<u>\$ 333,576,837</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount of capital assets is net of accumulated depreciation.	249,862,056
Prepaid insurance premiums are not recorded in the fund financials statements because it is not an expense in the current year.	135,918
Other long-term assets are not available to pay for current year expenditures and, therefore, are unearned in the funds.	1,835,744
Other postemployment benefits (OPEB) liability activities including deferred OPEB outflows of \$656,580, net OPEB liability of (\$10,510,928), and deferred OPEB inflow of (\$4,249,797), are not due and payable in the current year and therefore not reported in the funds.	(14,104,145)
Pension liability activities including deferred pension outflows of \$74,045,218, net pension liability of (\$287,816,917), and deferred pension inflow of (\$125,417,516), are not due and payable in the current year and therefore not reported in the funds.	(339,189,215)
Long-term liabilities, including bonds payable, accreted interest and compensated absences of (\$458,836,714) and deferred charges on refunding of \$577,100, are not due and payable in the current period and therefore are not reported in the funds.	(458,259,614)
Interest payable on general obligation debt is not recorded on the fund financial statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.	(1,610,370)
Governmental activities net position	<u>\$ (258,871,979)</u>

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	Debt Service Fund	Capital Projects— Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 79,687,389	\$ 35,658,881	\$ -	\$ 11,535,042	\$ 126,881,312
Specific ownership taxes	8,974,120	-	-	-	8,974,120
Federal grants	825,650	-	-	11,034,778	11,860,428
State equalization aid	60,360,383	-	-	-	60,360,383
State education of students with disabilities	3,436,793	-	-	-	3,436,793
Other state entitlements and state grants	2,366,478	-	-	1,335,462	3,701,940
Food sales	-	-	-	361,088	361,088
Donated commodities	-	-	-	272,074	272,074
Student care	-	-	-	2,073,619	2,073,619
Pupil activities	-	-	-	1,366,502	1,366,502
Investment earnings	46,337	23,355	817,162	2,210	889,064
State contributions—pension	-	-	-	-	-
Other	4,204,622	-	92,000	524,212	4,820,834
Total revenues	<u>159,901,772</u>	<u>35,682,236</u>	<u>909,162</u>	<u>28,504,987</u>	<u>224,998,157</u>
EXPENDITURES					
Current:					
Instruction	99,971,439	-	-	5,974,693	105,946,132
Support services	55,021,941	-	-	17,117,923	72,139,864
Debt service:					
Principal retirement	-	10,310,000	-	-	10,310,000
Interest and fiscal charges	-	20,084,866	-	-	20,084,866
Bond issuance costs	-	232,172	-	-	232,172
Capital outlay	29,952	-	104,144,073	1,851,177	106,025,202
Total expenditures	<u>155,023,332</u>	<u>30,627,038</u>	<u>104,144,073</u>	<u>24,943,793</u>	<u>314,738,236</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	<u>4,878,440</u>	<u>5,055,198</u>	<u>(103,234,911)</u>	<u>3,561,194</u>	<u>(89,740,079)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of refunding debt	-	26,370,000	-	-	26,370,000
Premium on bonds	-	3,443,234	-	-	3,443,234
Payment to escrow agent	-	(36,119,466)	-	-	(36,119,466)
Transfers in	-	-	-	2,789,086	2,789,086
Transfers out	(2,789,086)	-	-	-	(2,789,086)
Total other financing sources (uses)	<u>(2,789,086)</u>	<u>(6,306,232)</u>	<u>-</u>	<u>2,789,086</u>	<u>(6,306,232)</u>
NET CHANGE IN FUND BALANCES	2,089,354	(1,251,034)	(103,234,911)	6,350,280	(96,046,311)
FUND BALANCE—BEGINNING	30,173,539	32,620,185	328,533,879	7,176,355	398,503,958
FUND BALANCES—ENDING	<u>\$ 32,262,893</u>	<u>\$ 31,369,151</u>	<u>\$ 225,298,968</u>	<u>\$ 13,526,635</u>	<u>\$ 302,457,647</u>

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

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

Net change in fund balances—total governmental funds	\$ (96,046,311)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$9,953,211) and net book value of disposed assets (\$1,253,172) exceeds net capital asset additions of \$101,787,683.	90,581,300
Property tax revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.	1,835,744
Unearned property tax revenue of the prior year received in the current year is recognized in the prior year statement of activities and in the current year fund statements.	(3,171,090)
Repayments of bond principal of \$10,310,000 reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	10,310,000
The premium received on the issuance of bonds and the book loss on refunding of bonds are amortized over the life of the bonds. Current year amortization of the premium on bonds is net of amortization on the loss on refunding and is reported as a reduction to interest expense on the statement of activities.	5,562,744
In the statement of activities, certain operating expenses, such as compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which usage of (\$1,438,370) exceeds benefits of \$1,350,358.	88,012
Decreases to prepaid insurance premiums are expensed in the fund financial statements.	(142,268)
Net OPEB liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of OPEB income of \$1,062,671, including change in contribution subsequent to measurement date (\$15,144).	1,062,671
Net pension liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of pension income \$84,423,373, including change in contribution subsequent to measurement date (\$511,374).	84,424,373
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and do not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: bond proceeds (\$26,370,000), bond premium (\$3,443,234), payment to escrow agent, \$36,119,466.	6,306,232
Interest payable on general obligation debt is not recorded on the fund financial statements because it is not a current use of cash. Interest of \$1,610,370 is accrued on the government-wide statements since the liability is to be paid in the near term. Accreted interest of \$1,460,839 is on the government-wide statements classified as due in more than one year. The liability in the prior year was interest of \$1,685,635 and accreted interest of \$1,203,072, resulting in additional interest expense reported for the current year.	<u>(182,502)</u>
Change in net position of governmental activities	<u>\$ 100,628,905</u>

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Basic Financial Statements
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities are primarily supported by taxes and intergovernmental revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: 1) charges for services that relate to a given function or program; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Notes to Basic Financial Statements

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

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

The district reports the following major governmental funds:

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

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

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

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

2. Receivables

Property taxes levied in 2020 but not yet collected in 2021 are identified as property taxes receivable in the governmental funds balance sheet at June 30, 2021, and are presented net of an allowance for uncollectible taxes. Intergovernmental receivables include amounts due from grantors for specific program grants.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Basic Financial Statements

3. Inventories, Deposits, and Prepaid Items

All inventories are valued at cost using the average cost method. Inventories are recorded as expenditures when consumed rather than when purchased. The district deposited an amount with an insurance provider, which is termed deposits.

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

6. Compensated Absences

District policy allows unlimited accumulation of vacation leave and unused sick days. Accrued vacation is paid to eligible employees upon termination of employment, limited to two years' accrual. Payment for unused sick days is made upon an employee's retirement as defined by the district, not to exceed annual contract days times a factor of one-half (1/2) the daily pay rate of a substitute teacher. Each fund liquidates the accrued vacation and sick leave for its respective liabilities.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Notes to Basic Financial Statements

an outflow of resources (expense/expenditure) until that time. One item that qualifies for reporting in this category is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note III D for deferred pension outflows of resources and Note III E for deferred OPEB outflows of resources.

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

8. On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the state of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. House Bill (HB) 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020, for the state's 2020–2021 fiscal year; therefore, no on-behalf payments were made or recorded for the district in the fund financial statements.

9. Long-Term Obligations

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

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

10. Property Taxes

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Notes to Basic Financial Statements

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

11. State Equalization Aid

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

12. Net Position/Fund Balance

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

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

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

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

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

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

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Basic Financial Statements

II. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2021, consist of the following:

Cash on hand	\$ 25,750
Deposits with financial institutions	681,637
Investments	<u>327,818,619</u>
Total cash and investments	<u><u>\$ 328,526,006</u></u>

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

Statement of net position:

Equity in pooled cash and investments, primary government	\$ 51,209,562
Restricted investments, primary government	272,153,706
Equity in pooled cash and investments, component units	<u>5,162,738</u>
Total cash and investments	<u><u>\$ 328,526,006</u></u>

Deposits with Financial Institutions

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

Investments

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

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Basic Financial Statements

Investments of June 30, 2021, consist of the following:

<u>Investments</u>	<u>12 months or less</u>	<u>1 to 5 years</u>	<u>Total Investment</u>
Local government investment pools	\$ 145,047,849	\$ -	\$ 145,047,849
U.S. Treasury notes	45,385,542	13,005,536	58,391,078
U.S. Agencies	38,265,112	17,376,575	55,641,687
Commercial paper	23,606,111	-	23,606,111
Certificate of deposit	20,859,188	-	20,859,188
Mutual fund	15,430,323	-	15,430,323
Supra-National Agency Bond/Note	-	5,319,598	5,319,598
Commercial Notes	2,934,713	-	2,934,713
Bank Note	-	588,072	588,072
Total	<u>\$ 291,528,838</u>	<u>\$ 36,289,781</u>	<u>\$ 327,818,619</u>

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

Investments as of June 30, 2021, consist of the following by Standard & Poor's or Fitch Rating:

<u>Investments</u>	<u>A-1</u>	<u>A-1+</u>	<u>AA-</u>	<u>AA+</u>	<u>AAA</u>	<u>AAAf</u>	<u>AAA-m</u>	<u>Total</u>
Local government investment pools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$145,047,849	\$145,047,849
U.S. Treasury notes	-	-	-	58,391,078	-	-	-	58,391,078
U.S. Agencies	-	-	-	55,641,687	-	-	-	55,641,687
Commercial paper	17,296,423	6,309,688	-	-	-	-	-	23,606,111
Certificates of deposit	19,258,781	1,600,407	-	-	-	-	-	20,859,188
Mutual fund	-	-	-	-	-	9,180,000	6,250,323	15,430,323
Supra-National Agency Bond/Notes	-	-	-	-	5,319,598	-	-	5,319,598
Commercial Notes	-	-	-	2,934,713	-	-	-	2,934,713
Bank Notes	-	-	588,072	-	-	-	-	588,072
Total	<u>\$36,555,204</u>	<u>\$7,910,095</u>	<u>\$588,072</u>	<u>\$116,967,478</u>	<u>\$5,319,598</u>	<u>\$9,180,000</u>	<u>\$151,298,172</u>	<u>\$327,818,619</u>

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments for school districts to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings without limitation. Other investment instruments, including bank obligations, general obligation bonds, and commercial paper, are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds organized according to Federal Investment Company Act 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 institutions have assets in excess of \$1 billion or the highest credit rating from at least one nationally recognized rating agency.

Concentration of credit risk—State statutes generally do not limit the amount the district may invest in one issuer. The investments of Federal Home Loan Bank for \$25,459,070 and Federal National Mortgage Association for \$24,412,732 individually garner greater than five percent of total investments.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Notes to Basic Financial Statements

Fair value measurement—The district categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

- U.S. Treasury securities of \$58.4 million are valued using quoted market prices
- U.S. agencies' securities of \$55.6 million are valued using quoted market prices
- Commercial paper of \$23.6 million are valued using quoted market prices
- Mutual funds of \$15.4 million are valued using quoted market prices
- Supra-National Agency Bond/Notes of \$5.3 million are valued using quoted market prices
- Commercial notes of \$2.9 million are valued using quoted market prices
- Bank Notes of \$0.6 million are valued using quoted market prices

The district does not hold any investments that meet the definition of Level 2 or Level 3 inputs.

As of June 30, 2021, the district invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund, and each share is equal in value to \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest-rated commercial paper, and any security allowed under C.R.S. 24-75-601. A designated custodial bank serves as custodian for COLOTRUST's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the COLOTRUST's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records investments at fair value, and the district records investments in COLOTRUST at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of June 30, 2021, the district invested in the Colorado Surplus Asset Fund Trust (CSAFE) Colorado CORE, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE operates similarly to a money market fund, and each share is equal in value to \$2.00. CSAFE is rated AAAM by Standard & Poor's and is valued at fair value basis. CSAFE records investments at fair value, and the district records investments in CSAFE at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is a one-day redemption notice period.

As of June 30, 2021, the district invested in the Colorado Statewide Investment Program (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing CSIP. CSIP operates similarly to a money market fund, and each share is equal in value to \$1.00. CSIP Liquid Portfolio is rated AAAM by Standard & Poor's and is valued at amortized cost. CSIP Term is rated AAAF by Fitch. It records investments at fair value, and the district records investments in CSIP Term at net asset value. There are no unfunded commitments, the redemption frequency is

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daily, and there is a one-day redemption notice period. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

Component Units

The district's two charter schools' restricted investments at June 30, 2021, consist of the following:

<u>Investments</u>	<u>Total Investments</u>	<u>Standard & Poor's Rating</u>
Littleton Academy Charter School:		
COLOTRUST Plus+ Fund (government investment pool)	\$ 599,162	AAAm
Littleton Preparatory Charter School:		
Government Liquidity Fund #8352	763,420	AAAm
Total	<u>\$1,362,582</u>	

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

Credit risk for the charter schools is the same as the district's. The charter schools' investments as of June 30, 2021, were rated AAAM by Standard & Poor's.

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

B. Inter-Fund Receivables, Payables, and Transfers

Inter-fund transfers in/out for the fiscal year ended June 30, 2021, are shown below.

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Funds</u>				
		<u>Nutrition Services Fund</u>	<u>Student Athletic, Activities, and Clubs Fund</u>	<u>Extended Day Care Program Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ 138,761	\$ 1,645,374	\$ 63,077	\$ 941,874	\$ 2,789,086

Annually, the district subsidizes the Student Athletic, Activities, and Clubs Fund and the Capital Projects Fund by a transfer from the General Fund. In the current fiscal year, due to the impact of COVID-19, donations for Nutrition Services were received in the General Fund and then transferred into Nutrition Services, as well as a transfer for Board authorized stipends and COVID-19 supply expenditures. District practice has been to make an annual transfer from the Extended Day Care Program Fund to the General Fund for overhead; however, due to the current budget restraints and the ongoing budget challenges related to COVID-19, no transfer for the current fiscal year was made. In addition, the Extended Day Care Program Fund was relieved of COVID-19 supply expenditures and Board authorized stipends through a transfer from the General Fund.

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C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, is shown below.

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,857,507	\$ 4,734,556	\$ -	\$ 10,592,063
Construction in progress	31,121,291	92,456,926	(1,406,523)	122,171,694
Total capital assets not being depreciated	<u>36,978,798</u>	<u>97,191,482</u>	<u>(1,406,523)</u>	<u>132,763,757</u>
Capital assets being depreciated:				
Land improvements	20,863,780	1,101,145	(340,117)	21,624,808
Buildings	276,933,804	2,462,308	(4,163,378)	275,232,734
Equipment	6,992,411	2,392,477	(237,284)	9,147,604
Vehicles	9,174,060	46,794	-	9,220,854
Total capital assets being depreciated	<u>313,964,055</u>	<u>6,002,724</u>	<u>(4,740,779)</u>	<u>315,226,000</u>
Less accumulated depreciation for:				
Land improvements	(11,158,997)	(1,416,261)	321,160	(12,254,098)
Buildings	(169,092,810)	(7,450,221)	2,951,256	(173,591,775)
Equipment	(4,814,944)	(568,668)	215,191	(5,168,441)
Vehicles	(6,595,346)	(518,041)	-	(7,113,387)
Total accumulated depreciation	<u>(191,662,097)</u>	<u>(9,953,211)</u>	<u>3,487,607</u>	<u>(198,127,701)</u>
Total capital assets being depreciated—net	<u>122,301,958</u>	<u>(3,950,487)</u>	<u>(1,253,172)</u>	<u>117,098,299</u>
Governmental activities capital assets—net	<u>\$159,280,756</u>	<u>\$ 93,240,995</u>	<u>\$ (2,659,695)</u>	<u>\$249,862,056</u>

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

	<u>Governmental Activities</u>
Instruction	\$ 8,677,735
Support services	1,275,476
Total depreciation expense—governmental activities	<u>\$ 9,953,211</u>

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Component units:				
Capital assets not being depreciated:				
Land	\$ 1,889,806	\$ -	\$ -	\$ 1,889,806
Construction in progress	15,964	79,179	-	95,143
Total capital assets not being depreciated	<u>1,905,770</u>	<u>79,179</u>	<u>-</u>	<u>1,984,949</u>
Capital assets being depreciated:				
Land improvements	286,101	-	-	286,101
Building and improvements	12,987,087	-	-	12,987,087
Equipment	89,315	48,196	-	137,511
Total capital assets being depreciated	<u>13,362,503</u>	<u>48,196</u>	<u>-</u>	<u>13,410,699</u>
Less accumulated depreciation for:				
Land improvements	(186,119)	(14,305)	-	(200,424)
Building and improvements	(2,979,228)	(342,129)	-	(3,321,357)
Equipment	(38,089)	(10,739)	-	(48,828)
Total accumulated depreciation	<u>(3,203,436)</u>	<u>(367,173)</u>	<u>-</u>	<u>(3,570,609)</u>
Total capital assets being depreciated—net	<u>10,159,067</u>	<u>(318,977)</u>	<u>-</u>	<u>9,840,090</u>
Component units capital assets—net	<u>\$ 12,064,837</u>	<u>\$ (239,798)</u>	<u>\$ -</u>	<u>\$ 11,825,039</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
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D. Accrued Compensation

Accrued compensation relates to salaries and benefits of certain contractually employed personnel, which are paid over a 12-month period from August to July, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid at June 30, 2021, are estimated to be \$8,387,899.

E. Short-Term Debt

During the year ended June 30, 2021, the district borrowed \$13,846,808 from the State Treasurer’s interest-free loan program. The borrowing was necessary to finance cyclical cash flow requirements of the district during the fiscal year ended June 30, 2021. The amount borrowed was paid in full by the maturity date June 30, 2021.

F. Long-Term Debt

General Obligation Bonds. The district has issued general obligation (G.O.) bonds to provide funds for major improvement projects to existing facilities. These bond issues were primarily for governmental activities. The issued amounts of the 2013 G.O. bonds, the 2014 G.O. bonds, and the 2015 G.O. bonds are \$50,000,000; \$17,000,000; and \$12,998,580 (with additional ‘B’ interest certificates of \$2,627,615), respectively, as part of the November 2013 voter-approved \$80,000,000 capital improvement projects. The district issued the 2019 G.O. bonds for \$298,870,000 as part of the November 2018 voter-approved capital improvement projects. The issued amount of the 2020 G.O. bonds was \$26,370,000 for G.O. refunding bonds issued October 2020 to refund a majority of the outstanding G.O. bonds, Series 2010 of \$28,855,000, , on an advance refunding basis; which saved the Littleton Public Schools taxpayers \$3,242,926 on a present value basis. This advanced refunding reduced the district’s total debt service payments over the next four years by \$3.25 million to obtain an economic gain (difference between the present value of the old and the new debt service payments) of \$3.24 million.

Premiums on bonds were received with the 2013 G.O. bonds issue as additional proceeds of \$2,336,062; the 2014 general obligation bonds issue as additional proceeds of \$1,115,552; the 2015 G.O. bonds issue as additional proceeds of \$2,262,339; the 2019 G.O. bonds issue as additional proceeds of \$60,756,343; and the 2020 G.O. refunding bonds issue as additional proceeds of \$3,443,234. For full accrual accounting purposes, the premium is combined with the debt and amortized over the life of the bonds.

G.O. bonds are direct obligations and pledge the full faith and credit of the district. General property taxes provide the revenue for payments of principal and interest on the bonds; voters in the district approve the increase in property taxes for the debt service costs in general elections. The bonds are generally issued as 20-year serial bonds with semi-annual payments of either principal, interest, or both. G.O. bonds outstanding at June 30, 2021, are shown below.

<u>Bond Issue</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
2013 G.O. bonds	General government	4.5%–5.0%	Dec. 1, 2037	\$ 50,000,000
2014 G.O. bonds	General government	3.0%–4.0%	Dec. 1, 2038	\$ 17,000,000
2015 G.O. bonds	General government	2.9%–5.0%	Dec. 1, 2038	\$ 15,626,195
2019 G.O. bonds	General government	5.0%–5.5%	Dec. 1, 2043	\$288,560,000
2020 G.O. refunding bonds	General government	2.0%–5.0%	Dec. 1, 2024	\$ 26,370,000
Total G.O. Bonds				<u>\$ 397,556,195</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Basic Financial Statements

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

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 14,985,000	\$ 19,949,350	\$ 34,934,350
2023	18,405,000	19,114,600	37,519,600
2024	19,325,000	18,171,350	37,496,350
2025	20,290,000	17,190,050	37,480,050
2026	21,952,615	17,179,235	39,131,850
2027–2031	90,615,000	65,977,313	156,592,313
2032–2036	67,175,000	47,420,825	114,595,825
2037–2041	82,018,580	32,253,020	114,271,600
2042–2044	62,790,000	5,303,375	68,093,375
Totals	\$397,556,195	\$242,559,118	\$640,115,313

Changes in Long-Term Debt. The changes in long-term liabilities for the primary government for the fiscal year ended June 30, 2021, were as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental activities:					
G.O. bonds payable	\$ 416,751,195	\$ 26,370,000	\$ (45,565,000)	\$ 397,556,195	\$ 14,985,000
Premium on bonds	61,545,399	3,443,234	(7,421,159)	57,567,474	-
Accreted interest on bonds	1,203,072	257,767	-	1,460,839	-
Compensated absences	2,340,218	1,350,358	(1,438,370)	2,252,206	1,425,000
Totals	\$ 481,839,884	\$ 31,421,359	\$ (54,424,529)	\$ 458,836,714	\$ 16,410,000

Payment of G.O. bonds debt service, including bond principal, is made from the Debt Service Fund. The General Fund typically liquidates compensated absences. The General Fund is also typically used to liquidate pension and OPEB liabilities.

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

Littleton Academy Charter School is obligated under a lease agreement to make monthly lease payments to the Foundation for use of the building. The Foundation is required to make semi-annual loan payments to the trustee for payment of the bonds. Bond interest payments are due semi-annually on January 15 and July 15, with interest accruing at rates ranging from 3.75 percent to 4.38 percent. Principal payments are due annually on January 15 through 2036. There are no assets pledged as collateral in relation to this loan, and contain a provision that in an event of default, the principal outstanding may be declared or may become due and payable upon the conditions of the agreement.

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Notes to Basic Financial Statements

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

Fiscal Year Ending June 30	Mortgage Loan		
	Principal	Interest	Total
2022	\$ 175,000	\$ 155,913	\$ 330,913
2023	180,000	148,388	328,388
2024	190,000	140,648	330,648
2025	200,000	132,478	332,478
2026	205,000	123,878	328,878
2027–2031	1,175,000	402,062	1,577,062
2032–2036	1,455,000	271,250	1,726,250
Totals	\$3,580,000	\$1,374,615	\$4,954,617

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

The Corporation and CECFA entered into a mortgage loan agreement. Littleton Preparatory Charter School is obligated under a lease agreement to make monthly lease payments to the Corporation for use of the building. The Corporation is required to make semi-annual loan payments to the trustee for payment of the bonds. Bond interest payments are due semi-annually on June 1 and December 1, with interest accruing at 5.0 percent. Principal payments are due annually on December 1, beginning in 2014 through 2043. There are no assets pledged as collateral in relation to this loan, and contain a provision that in an event of default, the principal outstanding may be declared or may become due and payable upon the conditions of the agreement.

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

Fiscal Year Ending June 30	Mortgage Loan		
	Principal	Interest	Total
2022	\$ 155,000	\$ 319,125	\$ 474,125
2023	160,000	311,250	471,250
2024	170,000	303,000	473,000
2025	180,000	294,250	474,250
2026	190,000	285,000	475,000
2027–2031	1,100,000	1,268,750	2,368,750
2032–2036	1,395,000	958,125	2,353,125
2037–2041	1,780,000	563,750	2,343,750
2042–2043	1,330,000	79,250	1,409,250
Totals	\$6,460,000	\$4,382,500	\$10,842,500

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Notes to Basic Financial Statements

Component Unit Changes in Long-Term Debt. The changes in long-term debt for Littleton Academy Charter School for the fiscal year ended June 30, 2021, were as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Mortgage loan payable	\$ 3,750,000	\$ -	\$ 170,000	\$ 3,580,000	\$ 175,000
Discount on loan	(34,335)	-	(2,092)	(32,243)	(2,092)
Totals	<u>\$ 3,715,665</u>	<u>\$ -</u>	<u>\$ 167,908</u>	<u>\$ 3,547,757</u>	<u>\$ 172,908</u>

The changes in long-term debt for Littleton Preparatory Charter School for the fiscal year ended June 30, 2021, were as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Mortgage loan payable	\$ 6,605,000	\$ -	\$ 145,000	\$ 6,460,000	\$ 155,000
Premium on loan	111,622	-	5,073	106,549	5,074
Totals	<u>\$ 6,716,622</u>	<u>\$ -</u>	<u>\$ 150,073</u>	<u>\$ 6,566,549</u>	<u>\$ 160,074</u>

III. OTHER INFORMATION

A. Risk Management

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

Liability and property. The district has a self-insured retention on its general liability, errors and omissions, and auto claims up to \$150,000 per occurrence. For claims in excess of \$150,000 up to \$5,000,000, the district is a member of the Excess-of-Loss Self-Insurance Pool (ELSIP), a public entity risk pool. ELSIP operates risk management and insurance programs for three participating member school districts. The district pays an annual premium for its coverage. ELSIP may require additional contributions if it determines the financial condition, including cash flow availability, so necessitates additional contributions. Additionally, the district purchases cyber liability coverage through American International Group (AIG). The district self-insures the first \$50,000 for each property claim and insures through Travelers additional losses up to approximately \$394.3 million. The district purchases other insurance policies for crime and fiduciary with varying deductibles and limits. Both charter schools participate with the district for all coverages.

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

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

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B. Contingent Liabilities

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

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

C. Constitutional TABOR Amendment

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

In the November 1998 general election, the district's electorate authorized the district to collect, retain, and expend all revenues and other funds collected during fiscal year 1999 and each subsequent year from any source, notwithstanding the TABOR limitations. The district remains subject to TABOR with respect to general mill levy increase restrictions and to the issuance of any new debt without taxpayers' approval. The TABOR amendment is subject to many interpretations, but the district believes it is in compliance. TABOR requires that an emergency reserve be established. Net position and fund balances of \$4,660,000 have been restricted for this emergency reserve at June 30, 2021.

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

Summary of Significant Accounting Policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2021.

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General Information about the Pension Plan

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the great of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The first 10 years of service credit times \$15 plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

As of December 31, 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 (AI) 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-

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413. Eligible benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI for a given year by up to one-quarter of one percent based on the parameters specified in C.R.S. 24-51-413.

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 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 and the district, Littleton Academy, and Littleton Preparatory are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. and 24-51-413. Eligible employees are required to contribute 10.00 percent (10.00%) of their PERA-includable salary during the period of July 1, 2020, through June 30, 2021. The employer contribution requirements are summarized in the table below.

	July 1, 2020 Through June 30, 2021
Employer contribution rate*	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f) *	(1.02)
Amount Apportioned to the SCHDTF*	9.88
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411 *	4.50
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411 *	5.50
Total Employer Contribution Rate to the SCHDTF*	19.88%

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

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

Subsequent to the SCHDTF’s December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020–21 Fiscal Year* was passed into law during the 2020 legislative session and signed by Governor Polis on June 20, 2020. This

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bill suspended the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member, and the district, Littleton Academy, and Littleton Preparatory are statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district, Littleton Academy, and Littleton Preparatory were \$21,098,811; \$469,531; and \$582,027, respectively 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 district, Littleton Academy and Littleton Preparatory proportions of the net pension liability were based on the district, Littleton Academy and Littleton Preparatory 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 nonemployee 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, Littleton Academy, and Littleton Preparatory reported a liability for their proportionate shares of the net pension liability. The amount recognized by the district, Littleton Academy, and Littleton Preparatory as their proportionate shares of the net pension liability, the related state support, and the total portion of the net pension liability associated with the district, Littleton Academy, and Littleton Preparatory were as follows:

	District	Littleton Academy	Littleton Preparatory
Proportionate share of the net pension liability	\$ 287,816,917	\$ 7,018,443	\$ 8,993,329
State’s proportionate share of the net pension liability	-	-	-
Total	\$ 287,816,917	\$ 7,018,443	\$ 8,993,329

At December 31, 2020, the district’s and the two charter schools’ proportion was 2.010 percent, which was an increase of 0.131 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the district, Littleton Academy, and Littleton Preparatory recognized net pension income of \$83,912,369; \$282,175; and \$834,576, respectively and revenue of zero for support from the state as a non-contributing entity. At June 30, 2021, the district, Littleton Academy, and Littleton Preparatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown on following page.

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	District		Littleton Academy		Littleton Preparatory	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$15,814,109	\$ -	\$ 385,629	\$ -	\$ 494,139	\$ -
Changes of assumptions or other inputs	27,687,093	48,379,588	675,152	1,179,741	865,130	1,511,703
Net difference between projected and actual earnings on pension plan investments	-	63,355,052	-	1,544,919	-	1,979,636
Changes in proportion and differences between contributions recognized and proportionate share of contributions	19,867,763	13,682,876	484,477	333,658	620,802	427,545
Contributions subsequent to the measurement date	10,676,253	-	260,341	-	333,598	-
Total	\$74,045,218	\$125,417,516	\$1,805,599	\$3,058,318	\$2,313,669	\$3,918,884

The \$10,676,253; \$260,341; and \$333,598 from the district, Littleton Academy, and Littleton Preparatory, respectively, are reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

Year Ended:	District	Littleton Academy	Littleton Preparatory
2022	\$ (54,439,111)	\$ (1,327,503)	\$ (1,701,043)
2023	11,482,681	280,006	358,796
2024	(9,097,505)	(221,844)	(284,267)
2025	(9,994,615)	(243,720)	(312,299)
2026	-	-	-
Thereafter	-	-	-

Actuarial assumptions. The total pension liability in the December 31, 2019, actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases—including wage inflation	3.50–9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007; and DPS Benefit Structure (compounded annually)	1.25 percent
PERA benefit structure hired after December 31, 2006 ¹	Financed by the AIR

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.

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

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

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

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

The actuarial assumptions used in the December 31, 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 their meeting on November 18, 2016.

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 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases—including wage inflation	3.40–11.00 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007, and DPS benefit structure (compounded annually)	1.25 percent
PERA benefit structure hired after December 31, 2006 ¹	Financed by the AIR

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.

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.

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

- Males: a 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: an 83 percent of the rates prior to age 80 and 106 percent of the rates of 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: a 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: a 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 or 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 assumptions 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 for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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 estimated of geometric real rates of return for each major asset class are summarized in the table on the following page:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>100.00%</u>	

¹The 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 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 included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the state of Colorado, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, and is proportioned between the state, district, judicial, and DPS division trust funds based upon covered payroll of each division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the state's 2020–2021 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

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- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SCHDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the district’s, Littleton Academy’s, and Littleton Preparatory’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District’s proportionate share of the net pension liability	\$392,605,848	\$287,816,917	\$200,493,208
Littleton Academy’s proportionate share of the net pension liability	9,573,731	7,018,443	4,889,046
Littleton Preparatory’s proportionate share of the net pension liability	12,267,638	8,993,329	6,264,751

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

E. Postemployment Benefits Other Than Pensions (OPEB)

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan Description. Eligible employees of the district, Littleton Academy, and Littleton Preparatory are provided with OPEB through the HCTF—a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by Colorado PERA. The HCTF is established under Title 24, Article 51, Part 12 of the C.R.S., as amended. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA

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Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. PERA issues a publicly available 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 Denver Public Schools (DPS) division and one or more of the other four divisions (state division, school division, local government division, and judicial division trust funds), the premium subsidy is allocated between the HCTF and the DPS HCTF. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

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

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

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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, Littleton Academy, and Littleton Preparatory are statutorily committed to pay the contributions. Employer contributions recognized by the HCTF were \$1,059,107; \$24,091; and \$29,859, respectively, 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, Littleton Academy, and Littleton Preparatory reported a liability of \$10,510,928; \$235,319; and \$301,606, respectively, for their proportionate share of the net OPEB liability. The net OPEB liability 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's and the two charter schools' proportions of the net OPEB liability were based on total 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's, Littleton Academy's, and Littleton Preparatory's total proportion was 1.163 percent, which was a decrease of 0.065 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the district and Littleton Preparatory recognized OPEB income of \$1,047,527 and \$5,432, respectively, and Littleton Academy recognized OPEB expense of \$9,044. At June 30, 2021, the district, Littleton Academy, and Littleton Preparatory reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources shown on the table on the following page.

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	District		Littleton Academy		Littleton Preparatory	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,897	\$2,310,806	\$ 625	\$ 51,734	\$ 800	\$ 66,308
Changes of assumptions or other inputs	78,537	644,521	1,758	14,430	2,254	18,494
Net difference between projected and actual earnings on OPEB plan investments	-	429,486	-	9,615	-	12,324
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	864,984	-	19,365	-	24,820
Contributions subsequent to the measurement date	550,146	-	12,317	-	15,786	-
Total	\$ 656,580	\$4,249,797	\$ 14,700	\$ 95,144	\$ 18,840	\$ 121,946

The \$550,146; \$12,317; and \$15,786 from the district, Littleton Academy, and Littleton Preparatory, respectively, are reported as deferred outflows of resources related to OPEB will result in the district, Littleton Academy, and Littleton Preparatory contributions subsequent to the measurement date being recognized as a reduction in 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:

<u>Year Ended June 30</u>	<u>District</u>	<u>Littleton Academy</u>	<u>Littleton Preparatory</u>
2022	\$ (960,786)	\$ (21,510)	\$ (27,569)
2023	(900,700)	(20,165)	(25,845)
2024	(955,719)	(21,397)	(27,424)
2025	(886,361)	(19,844)	(25,434)
2026	(412,688)	(9,239)	(11,842)
Thereafter	(27,110)	(607)	(778)

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Actuarial assumptions. The total OPEB liability in the December 31, 2019, actuarial valuation was determined using the actuarial assumptions and other inputs as shown on the following page:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50% for 2020, gradually rising to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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 are assumed for 2020 for the PERA benefit structure:

Medicare Plan	Monthly Cost for Members Without Medicare Part A	Monthly Premiums for Members Without Medicare Part A	Monthly Cost for Members Adjusted to Age 65 without Medicare Part A
Medicare Advantage/Self-Insured Prescription Kaiser Permanente Medicare Advantage HMO	\$ 588	\$ 227	\$ 550
	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 and Medicaid Services are referenced in the

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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 that were used to measure the total OPEB liability are summarized in the table below.

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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 are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the state, district, local government, and judicial divisions participate in the HCTF.

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

Healthy, 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.

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

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

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Notes to Basic Financial Statements

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			
	<u>State</u> <u>Division</u>	<u>School</u> <u>Division</u>	<u>Local</u> <u>Government</u> <u>Division</u>	<u>Judicial</u> <u>Division</u>
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	3.2%-12.4%	N/A	3.2%-12.4% ¹	N/A

¹ C.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 Statement 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 was 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 PubG2010 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 scaler 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.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Notes to Basic Financial Statements

- **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 projections 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 on 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 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 or 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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Notes to Basic Financial Statements

28, 2020. As a result of the November 20 2020, PERA Board meeting, the economic assumptions listed on the following page 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 were 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 percentage 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 expected 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 below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
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	<u>100.00%</u>	

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 rate of return assumption of 7.25 percent.

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

The following presents the district’s, Littleton Academy’s, and Littleton Preparatory’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The table on the following page 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:

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Basic Financial Statements

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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
District's proportionate share of the net OBEB liability	\$10,239,257	\$10,510,928	\$10,827,188
Littleton Academy's proportionate share of the net OPEB liability	229,237	235,319	242,400
Littleton Preparatory's proportionate share of the net OPEB liability	293,811	301,606	310,681

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

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

The table on the following page 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 discounted rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current discount rate:

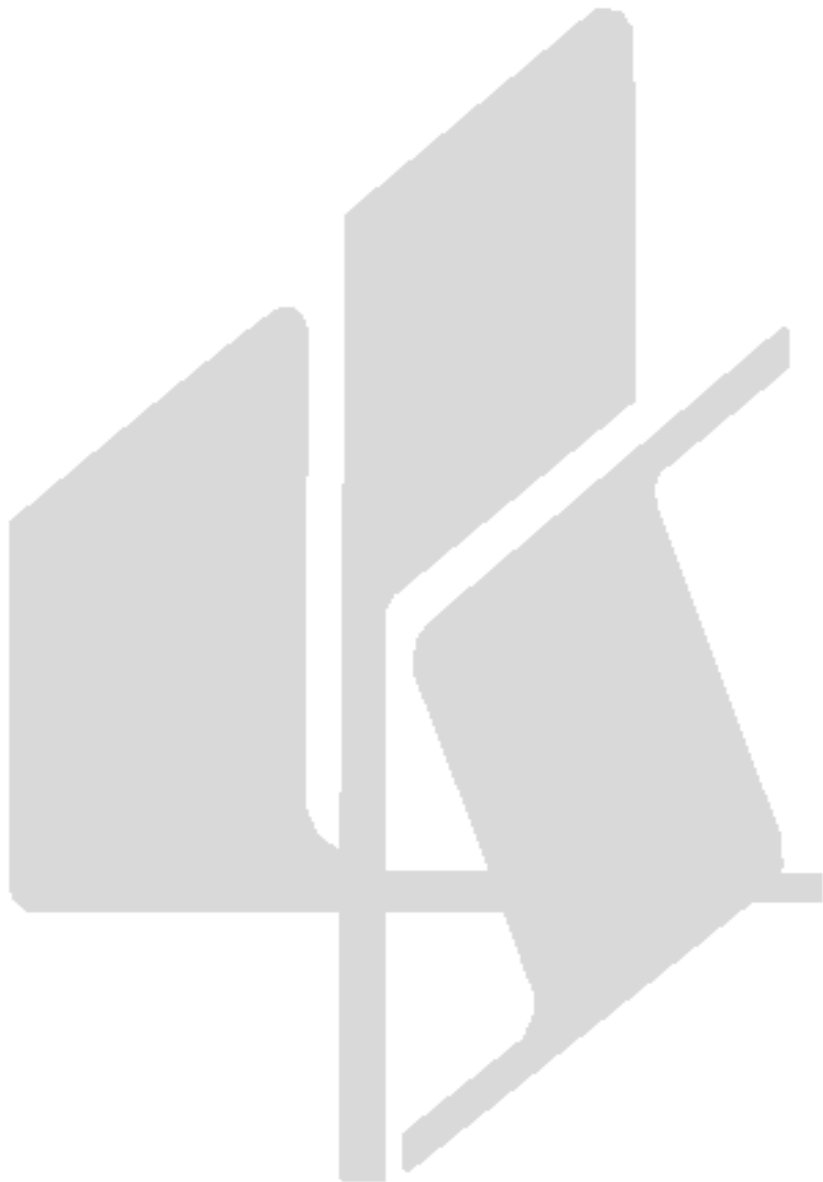
ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Basic Financial Statements

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
District's proportionate share of the next OPEB liability	\$12,040,458	\$10,510,928	\$9,204,066
Littleton Academy's proportionate share of the next OPEB liability	269,563	235,319	206,061
Littleton Preparatory's proportionate share of the next OPEB liability	345,496	301,606	264,107

OPEB Plan Fiduciary Net Position

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

Required Supplementary Information



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ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 79,517,382	\$ 78,527,334	\$ 79,687,389	\$ 1,160,055
Specific ownership taxes	6,859,375	7,425,514	8,974,120	1,548,606
Intergovernmental revenue:				
Federal grants	820,255	820,255	825,650	5,395
State equalization aid	59,120,185	59,032,823	60,360,383	1,327,560
State education of students with disabilities	3,361,449	3,361,449	3,436,793	75,344
Other state entitlements	2,346,725	2,346,725	2,366,478	19,753
Investment earnings	272,800	110,000	46,337	(63,663)
Other	4,090,486	3,471,486	3,361,945	(109,541)
Total revenues	<u>156,388,657</u>	<u>155,095,586</u>	<u>159,059,095</u>	<u>3,963,509</u>
EXPENDITURES				
Current:				
Instruction	97,800,040	107,071,015	99,971,439	7,099,576
Support services:				
Pupil services	8,907,509	9,733,459	9,370,324	363,135
Instructional staff services	7,949,460	9,327,464	9,133,097	194,367
General administration	2,045,306	6,216,519	2,163,309	4,053,210
School administration	9,747,062	10,112,839	10,108,197	4,642
Financial administration	2,679,557	3,362,067	1,801,486	1,560,581
Operations administration	12,694,520	7,182,904	8,958,357	(1,775,453)
Transportation	6,035,775	6,030,441	5,967,579	62,862
Central administration	5,233,868	5,357,984	5,539,253	(181,269)
Community services	191,623	192,593	46,269	146,324
Contingency reserve	20,167,109	14,842,409	-	14,842,409
Total expenditures	<u>173,451,829</u>	<u>179,429,694</u>	<u>153,059,310</u>	<u>26,370,384</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,063,172)</u>	<u>(24,334,108)</u>	<u>5,999,785</u>	<u>30,333,893</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	342,068	100,819	-	(100,819)
Transfers out	(4,435,302)	(4,488,282)	(5,061,586)	(573,304)
Total other financing sources (uses)	<u>(4,093,234)</u>	<u>(4,387,463)</u>	<u>(5,061,586)</u>	<u>(674,123)</u>
NET CHANGE IN FUND BALANCE	(21,156,406)	(28,721,571)	938,199	29,659,770
FUND BALANCE—BEGINNING	<u>20,167,109</u>	<u>19,212,273</u>	<u>28,721,571</u>	<u>9,509,298</u>
FUND BALANCE—ENDING	<u>\$ (989,297)</u>	<u>\$ (9,509,298)</u>	<u>\$ 29,659,770</u>	<u>\$ 39,169,068</u>
RECONCILIATION to GAAP Basis:				
Total Revenue and Transfers In Above			\$ 159,059,095	
On-Behalf Contribution to PERA Retirement Plan			-	
Total Revenue, GAAP Basis			<u>159,059,095</u>	
Total Expenditures and Transfers Out Above			158,120,896	
On-Behalf Contribution to PERA Retirement Plan			-	
Total Expenditures, GAAP Basis			<u>158,120,896</u>	
Change in Fund Balance, GAAP Basis			938,199	
FUND BALANCE—BEGINNING, GAAP Basis			<u>28,721,571</u>	
FUND BALANCE—ENDING, GAAP Basis			<u>\$ 29,659,770</u>	

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Risk Management Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Insurance reimbursements and other	\$ 130,100	\$ 573,100	\$ 842,677	\$ 269,577
Total revenues	<u>130,100</u>	<u>573,100</u>	<u>842,677</u>	<u>269,577</u>
EXPENDITURES				
Current:				
Risk management	2,402,600	2,402,600	1,964,022	438,578
Contingency reserve	<u>1,200,000</u>	<u>1,894,968</u>	<u>-</u>	<u>1,894,968</u>
Total expenditures	<u>3,602,600</u>	<u>4,297,568</u>	<u>1,964,022</u>	<u>2,333,546</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,472,500)</u>	<u>(3,724,468)</u>	<u>(1,121,345)</u>	<u>2,603,123</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,272,500</u>	<u>2,272,500</u>	<u>2,272,500</u>	<u>-</u>
Total other financing sources	<u>2,272,500</u>	<u>2,272,500</u>	<u>2,272,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,200,000)	(1,451,968)	1,151,155	2,603,123
FUND BALANCE—BEGINNING	<u>1,200,000</u>	<u>1,451,968</u>	<u>1,451,968</u>	<u>-</u>
FUND BALANCE—ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,603,123</u></u>	<u><u>\$ 2,603,123</u></u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Required Supplementary Information
June 30, 2021

NOTE 1: Budgetary Information

- a. The District prepares budgets for all funds. During May, the superintendent of schools submits to the Board of Education a proposed budget for all funds for the fiscal year commencing July 1. The budget includes proposed expenditures and the means for financing them.
- b. Notice is provided to taxpayers of the availability for inspection of the proposed budget. Prior to June 30, the budget is adopted by formal resolution of the Board of Education. C.R.S. 22-44-110 (5) allows the Board of Education to review and change the Adopted Budget, with respect to both revenues and expenditures, at any time prior to January 31.
- c. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department within any fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year including beginning fund balances and reserves as established by the Board of Education.
- d. Budgets are adopted on a basis consistent with GAAP, with the exception of the on-behalf payments for retirement benefits to Colorado PERA paid by the state of Colorado.
- e. The budgets reported in the accompanying financial statements and schedules as adopted by the Board of Education were done so as authorized.
- f. Appropriations for all funds lapse at the fiscal year end.
- g. The Risk Management Fund is a sub-fund of the General Fund, and its budget is approved by the Board of Education annually. The Statement of Revenues, Expenditures, and Changes in Fund Balances combines the actual revenues and expenditures of the General Fund and the Risk Management Fund. A budgetary comparison schedule is provided separately for both the General Fund and the Risk Management Fund. The following is a reconciliation of the General Fund actual revenues and expenditures as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

	<u>General Fund</u>	<u>Risk Management Fund</u>	<u>Total</u>
Revenue and Transfers, GAAP Basis	\$ 159,059,095	\$ 3,115,177	\$ 162,174,272
Expenditures and Transfers, GAAP Basis	(158,120,896)	(1,964,022)	(160,084,918)
Change in Fund Balances, GAAP Basis	938,199	1,151,155	2,089,354
Fund Balance—Beginning, GAAP Basis	28,721,571	1,451,968	30,173,539
Fund Balance—Ending, GAAP Basis	<u>\$ 29,659,770</u>	<u>\$ 2,603,123</u>	<u>\$ 32,262,893</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Schedules of Required Supplementary Information
June 30, 2021

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

	2013	2014	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	2.27%	2.25%	2.22%	2.21%	2.19%	1.82%	1.79%	1.90%
District's proportionate share of the net pension liability	\$277,142	\$291,875	\$325,723	\$ 629,668	\$676,856	\$322,173	\$267,995	\$ 287,817
State's proportionate share of the net pension liability associated with the district **	-	-	-	-	-	44,053	33,992	-
Total	\$277,142	\$291,875	\$325,723	\$ 629,668	\$676,856	\$366,226	\$301,987	\$ 287,817
District's covered payroll	\$ 90,007	\$ 90,761	\$ 93,180	\$ 94,917	\$ 96,531	\$100,073	\$104,900	\$ 103,372
District's proportionate share of the net pension liability as a percentage of its employee covered payroll	307.91%	321.59%	349.56%	663.39%	701.18%	321.94%	255.48%	278.43%
Plan fiduciary net position as a percentage of the total pension liability	64.06%	62.80%	59.20%	43.10%	43.96%	57.01%	64.52%	67.00%

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

* Information for 2011 to 2012 is not available.

** A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200. This distribution was suspended for fiscal year 2021 per House Bill 20-1379.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 12,046	\$ 13,039	\$ 14,260	\$ 15,327	\$ 16,843	\$ 17,498	\$ 18,436	\$ 19,631	\$ 20,519	\$ 21,099
Contributions in relation to the contractually required contribution	(12,046)	(13,039)	(14,260)	(15,327)	(16,843)	(17,498)	(18,436)	(19,631)	(20,519)	(21,099)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 88,496	\$ 90,415	\$ 89,784	\$ 91,217	\$ 94,995	\$ 95,196	\$ 97,621	\$ 102,612	\$ 105,877	\$ 107,516
Contributions as a percentage of covered payroll	13.61%	14.42%	15.88%	16.80%	17.73%	18.38%	18.89%	19.13%	19.38%	19.62%

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Schedules of Required Supplementary Information
June 30, 2021

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

	2016	2017	2018	2019	2020
District's proportion of the net OPEB liability	1.25%	1.24%	1.18%	1.17%	1.16%
District's proportionate share of the net OPEB liability	\$ 15,585	\$ 15,456	\$ 16,099	\$ 13,177	\$ 10,511
District's covered payroll	\$ 94,917	\$ 96,531	\$ 100,073	\$ 109,871	\$ 109,123
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.42%	16.01%	16.09%	11.99%	9.63%
Plan fiduciary net position as a percentage of the total OPEB liability	16.72%	17.53%	17.03%	24.49%	32.78%

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

* Information for 2011 to 2015 is not available.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 903	\$ 921	\$ 916	\$ 930	\$ 968	\$ 971	\$ 996	\$ 1,047	\$ 1,080	\$ 1,059
Contributions in relation to the contractually required contribution	(903)	(921)	(916)	(930)	(968)	(971)	(996)	(1,047)	(1,080)	(1,059)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 88,496	\$ 90,415	\$ 89,784	\$ 91,217	\$ 94,995	\$ 95,196	\$ 97,621	\$ 102,612	\$ 105,877	\$ 102,298
Contributions as a percentage of employee payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.04%

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

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Combining and Individual Fund Statements and Schedules



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ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Nonmajor Governmental Funds

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

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

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

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

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

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

Operations and Technology Fund. This fund is used to account for the ongoing building maintenance, capital improvements, technology expenditures, and a per-pupil allocation to the Charter Schools. Funding is provided from the Debt-Free Schools Mill Levy Override passed by the Voters in November 2020.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Designated Purpose Grants Fund	Nutrition Services Fund	Extended Day Care Program Fund
ASSETS			
Equity in pooled cash and investments	\$ (227,933)	\$ 1,322,971	\$ 1,910,768
Taxes receivable from the county treasurer	-	-	-
Taxes receivable—net	-	-	-
Due from other governments	1,776,954	514,010	-
	<u>\$ 1,549,021</u>	<u>\$ 1,836,981</u>	<u>\$ 1,910,768</u>
Total assets	<u>\$ 1,549,021</u>	<u>\$ 1,836,981</u>	<u>\$ 1,910,768</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 181,981	\$ 14,268	\$ 10,171
Accrued compensation	551,133	106,523	158,248
Unearned revenue	815,907	244,707	179,268
	<u>1,549,021</u>	<u>365,498</u>	<u>347,687</u>
Total liabilities	<u>1,549,021</u>	<u>365,498</u>	<u>347,687</u>
 DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances:			
Restricted for:			
Nutrition services	-	1,471,483	-
Operations and technology	-	-	-
Committed for:			
Capital projects	-	-	-
Student care services	-	-	1,563,081
Pupil activities	-	-	-
Assigned for:			
Beverage sponsorship for student needs	-	-	-
	<u>-</u>	<u>1,471,483</u>	<u>1,563,081</u>
Total fund balances	<u>-</u>	<u>1,471,483</u>	<u>1,563,081</u>
Total liabilities and fund balances	<u>\$ 1,549,021</u>	<u>\$ 1,836,981</u>	<u>\$ 1,910,768</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

Student Athletic, Activities, and Clubs Fund	Capital Projects Fund	Operations and Technology Fund	Total Nonmajor Governmental Funds
\$ 1,049,495	\$ 3,454,399	\$ 6,457,942	\$ 13,967,642
-	-	243,179	243,179
-	-	170,124	170,124
-	-	-	2,290,964
<u>\$ 1,049,495</u>	<u>\$ 3,454,399</u>	<u>\$ 6,871,245</u>	<u>\$ 16,671,909</u>
\$ 9,422	\$ 316,565	\$ 323,868	\$ 856,275
55,830	-	7,259	878,993
-	-	-	1,239,882
<u>65,252</u>	<u>316,565</u>	<u>331,127</u>	<u>2,975,150</u>
-	-	170,124	170,124
-	-	170,124	170,124
-	-	-	1,471,483
-	-	6,369,994	6,369,994
-	3,137,834	-	3,137,834
-	-	-	1,563,081
982,382	-	-	982,382
<u>1,861</u>	<u>-</u>	<u>-</u>	<u>1,861</u>
<u>984,243</u>	<u>3,137,834</u>	<u>6,369,994</u>	<u>13,526,635</u>
<u>\$ 1,049,495</u>	<u>\$ 3,454,399</u>	<u>\$ 6,871,245</u>	<u>\$ 16,671,909</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Designated Purpose Grants Fund	Nutrition Services Fund	Extended Day Care Program Fund
REVENUES			
Intergovernmental revenue:			
Property taxes	\$ -	\$ -	\$ -
Federal grants	8,184,205	2,776,323	74,250
Donated commodities	-	272,074	-
State grants	1,007,629	31,253	296,580
Food sales	-	361,088	-
Pupil activities	-	-	-
Student care	-	-	2,073,619
Investment earnings	-	-	-
Other	-	15,029	23,283
	<u>9,191,834</u>	<u>3,455,767</u>	<u>2,467,732</u>
EXPENDITURES			
Current:			
Instruction	5,974,693	-	-
Support services	3,217,141	3,256,947	2,702,330
Capital outlay	-	18,995	36,077
	<u>9,191,834</u>	<u>3,275,942</u>	<u>2,738,407</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	-	179,825	(270,675)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	138,761	63,077
	<u>-</u>	<u>138,761</u>	<u>63,077</u>
NET CHANGE IN FUND BALANCE			
	-	318,586	(207,598)
FUND BALANCE—BEGINNING			
	<u>-</u>	<u>1,152,897</u>	<u>1,770,679</u>
FUND BALANCES—ENDING			
	<u>\$ -</u>	<u>\$ 1,471,483</u>	<u>\$ 1,563,081</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

Student Athletic, Activities, and Clubs Fund	Capital Projects Fund	Operations and Technology Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 11,535,042	\$ 11,535,042
-	-	-	11,034,778
-	-	-	272,074
-	-	-	1,335,462
-	-	-	361,088
1,366,502	-	-	1,366,502
-	-	-	2,073,619
1,864	-	346	2,210
-	485,900	-	524,212
<u>1,368,366</u>	<u>485,900</u>	<u>11,535,388</u>	<u>28,504,987</u>
-	-	-	5,974,693
2,776,111	-	5,165,394	17,117,923
11,224	1,784,881	-	1,851,177
<u>2,787,335</u>	<u>1,784,881</u>	<u>5,165,394</u>	<u>24,943,793</u>
(1,418,969)	(1,298,981)	6,369,994	3,561,194
<u>1,645,374</u>	<u>941,874</u>	<u>-</u>	<u>2,789,086</u>
<u>1,645,374</u>	<u>941,874</u>	<u>-</u>	<u>2,789,086</u>
226,405	(357,107)	6,369,994	6,350,280
<u>757,838</u>	<u>3,494,941</u>	<u>-</u>	<u>7,176,355</u>
<u>\$ 984,243</u>	<u>\$ 3,137,834</u>	<u>\$ 6,369,994</u>	<u>\$ 13,526,635</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
 Designated Purpose Grants Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue:				
Federal grants	\$ 12,481,312	\$ 10,245,174	\$ 8,184,205	\$ (2,060,969)
State grants	2,294,278	1,780,286	1,007,629	(772,657)
Total revenues	<u>14,775,590</u>	<u>12,025,460</u>	<u>9,191,834</u>	<u>(2,833,626)</u>
EXPENDITURES				
Current:				
Instruction	9,825,767	7,816,549	5,974,693	1,841,856
Support services	4,949,823	4,208,911	3,217,141	991,770
Total expenditures	<u>14,775,590</u>	<u>12,025,460</u>	<u>\$ 9,191,834</u>	<u>2,833,626</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE—BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE—ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Nutrition Services Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Food sales	\$ 2,669,000	\$ 280,000	\$ 361,088	\$ 81,088
Federal aid:				
Federal government programs reimbursements	1,301,000	1,930,875	2,776,323	845,448
Donated commodities	249,213	249,213	272,074	22,861
State programs reimbursement	60,300	31,253	31,253	-
Other	7,000	2,000	15,029	13,029
Total revenues	4,286,513	2,493,341	3,455,767	962,426
EXPENDITURES				
Salaries and employee benefits	2,185,114	1,936,766	1,969,530	(32,764)
Purchased services	284,800	227,827	111,892	115,935
Supplies	37,796	27,327	29,922	(2,595)
Food costs:				
Purchased food	1,440,000	875,200	869,841	5,359
Donated commodities	249,213	249,213	272,074	(22,861)
Equipment	82,190	5,000	18,995	(13,995)
Other	7,400	7,500	3,688	3,812
Contingency reserve	433,531	317,405	-	317,405
Total expenditures	4,720,044	3,646,238	3,275,942	370,296
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(433,531)	(1,152,897)	179,825	1,332,722
OTHER FINANCING SOURCES				
Transfers in	-	-	138,761	(138,761)
Total other financing sources	-	-	138,761	(138,761)
NET CHANGE IN FUND BALANCE	(433,531)	(1,152,897)	318,586	1,471,483
FUND BALANCE—BEGINNING	433,531	1,152,897	1,152,897	-
FUND BALANCE—ENDING	\$ -	\$ -	\$ 1,471,483	\$ 1,471,483

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Extended Day Care Program Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance With
	Original	Final		Final Budget- Positive (Negative)
REVENUES				
Student care fees	\$ 4,968,516	\$ 1,362,921	\$ 2,073,619	\$ 710,698
State Revenue	-	-	296,580	296,580
Federal Revenue	-	-	74,250	74,250
Contributions	-	82,537	23,283	(59,254)
Total revenues	<u>4,968,516</u>	<u>1,445,458</u>	<u>2,467,732</u>	<u>1,022,274</u>
EXPENDITURES				
Salaries and employee benefits	3,928,603	2,384,141	2,507,480	(123,339)
Purchased services	296,998	69,735	101,539	(31,804)
Supplies	202,760	47,102	76,787	(29,685)
Equipment	1,000	70,311	36,007	34,304
Other	197,087	83,639	16,594	67,045
Transfers out	342,068	100,819	-	100,819
Contingency reserve	1,428,002	460,390	-	460,390
Total expenditures	<u>6,396,518</u>	<u>3,216,137</u>	<u>2,738,407</u>	<u>477,730</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	63,077	(63,077)
Total other financing sources	<u>-</u>	<u>-</u>	<u>63,077</u>	<u>(63,077)</u>
NET CHANGE IN FUND BALANCE	(1,428,002)	(1,428,002)	(207,598)	1,563,081
FUND BALANCE—BEGINNING	<u>1,428,002</u>	<u>1,428,002</u>	<u>1,770,679</u>	<u>342,677</u>
FUND BALANCE—ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,563,081</u>	<u>\$ 1,905,758</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Student Athletic, Activities and Clubs Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Pupil activities	\$ 2,614,359	\$ 2,614,359	\$ 1,366,502	\$ (1,247,857)
Investment earnings	9,700	9,700	1,864	(7,836)
Total revenues	<u>2,624,059</u>	<u>2,624,059</u>	<u>1,368,366</u>	<u>(1,255,693)</u>
EXPENDITURES				
Current:				
Support services	4,246,682	5,112,644	2,787,335	2,325,309
Contingency reserve	865,962	-	-	-
Total expenditures	<u>5,112,644</u>	<u>5,112,644</u>	<u>2,787,335</u>	<u>2,325,309</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,488,585)	(2,488,585)	(1,418,969)	1,069,616
OTHER FINANCING SOURCES				
Transfers in	1,622,623	1,622,623	1,645,374	22,751
Total other financing sources	<u>1,622,623</u>	<u>1,622,623</u>	<u>1,645,374</u>	<u>22,751</u>
NET CHANGE IN FUND BALANCE	(865,962)	(865,962)	226,405	1,092,367
FUND BALANCE—BEGINNING	<u>865,962</u>	<u>865,962</u>	<u>757,838</u>	<u>(108,124)</u>
FUND BALANCE—ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 984,243</u>	<u>\$ 984,243</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Capital Projects Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget-</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Gifts to school and other revenue	\$ 296,000	\$ 296,000	\$ 485,900	\$ 189,900
Total revenues	<u>296,000</u>	<u>296,000</u>	<u>485,900</u>	<u>189,900</u>
EXPENDITURES				
Capital outlay	2,510,885	2,106,916	1,784,881	322,035
Contingency reserve	1,951,409	2,224,204	-	2,224,204
Total expenditures	<u>4,462,294</u>	<u>4,331,120</u>	<u>1,784,881</u>	<u>2,546,239</u>
EXCESS OF REVENUES OVER (UNDER)				
 EXPENDITURES	(4,166,294)	(4,035,120)	(1,298,981)	2,736,139
OTHER FINANCING SOURCES				
Transfers in	<u>540,179</u>	<u>540,179</u>	<u>941,874</u>	<u>401,695</u>
NET CHANGE IN FUND BALANCE	(3,626,115)	(3,494,941)	(357,107)	3,137,834
FUND BALANCE—BEGINNING	<u>3,626,115</u>	<u>3,494,941</u>	<u>3,494,941</u>	<u>-</u>
FUND BALANCE—ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,137,834</u>	<u>\$ 3,137,834</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Operations and Technology Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance With
	Original	Final		Final Budget- Positive (Negative)
REVENUES				
Property taxes	\$ -	\$ 11,784,055	\$ 11,535,042	\$ (249,013)
Interest income	-	8,838	346	(8,492)
Total revenues	-	11,792,893	11,535,388	(257,505)
EXPENDITURES				
Salaries and employee benefits	-	4,022,956	3,747,038	275,918
Purchased services	-	599,785	287,862	311,923
Supplies	-	1,461,860	297,917	1,163,943
Capital outlay	-	9,450	10,418	(968)
Other	-	2,164	494	1,670
Transfers out	-	798,919	821,665	(22,746)
Contingency reserve	-	4,897,759	-	4,897,759
Total expenditures	-	11,792,893	5,165,394	6,627,499
NET CHANGE IN FUND BALANCE	-	-	6,369,994	6,369,994
FUND BALANCE—BEGINNING	-	-	-	-
FUND BALANCE—ENDING	\$ -	\$ -	\$ 6,369,994	\$ 6,369,994

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Capital Projects—Building Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 3,500,000	\$ 3,500,000	\$ 817,162	\$ (2,682,838)
Other revenue	-	-	92,000	92,000
Total revenues	<u>3,500,000</u>	<u>3,500,000</u>	<u>909,162</u>	<u>(2,590,838)</u>
EXPENDITURES				
Capital projects:				
Building and improvements	129,051,316	129,051,316	104,144,073	24,907,243
Contingency reserve	<u>199,729,275</u>	<u>202,982,563</u>	-	<u>202,982,563</u>
Total expenditures	<u>328,780,591</u>	<u>332,033,879</u>	<u>104,144,073</u>	<u>227,889,806</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(325,280,591)</u>	<u>(328,533,879)</u>	<u>(103,234,911)</u>	<u>225,298,968</u>
NET CHANGE IN FUND BALANCE	(325,280,591)	(328,533,879)	(103,234,911)	225,298,968
FUND BALANCE—BEGINNING	<u>325,280,591</u>	<u>328,533,879</u>	<u>328,533,879</u>	<u>-</u>
FUND BALANCE—ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,298,968</u>	<u>\$ 225,298,968</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance With
	Original	Final		Final Budget- Positive (Negative)
REVENUES				
Property taxes	\$ 37,766,123	\$ 37,766,123	\$ 35,658,881	\$ (2,107,242)
Investment earnings	302,129	40,000	23,355	(16,645)
Total revenues	<u>38,068,252</u>	<u>37,806,123</u>	<u>35,682,236</u>	<u>(2,123,887)</u>
EXPENDITURES				
Debt service:				
Principal	16,710,000	10,310,000	10,310,000	-
Interest and fiscal charges	20,896,175	20,105,696	20,084,866	20,830
Bond issuance costs	-	232,172	232,172	-
Contingency reserve	33,667,564	33,472,208	-	33,472,208
Total expenditures	<u>71,273,739</u>	<u>64,120,076</u>	<u>30,627,038</u>	<u>33,493,038</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,205,487)</u>	<u>(26,313,953)</u>	<u>5,055,198</u>	<u>31,369,151</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	26,370,000	26,370,000	-
Premium	-	3,443,234	3,443,234	-
Payment to escrow agent	-	(36,119,466)	(36,119,466)	-
Total other financing sources (uses)	<u>-</u>	<u>(6,306,232)</u>	<u>(6,306,232)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(33,205,487)	(32,620,185)	(1,251,034)	31,369,151
FUND BALANCE—BEGINNING	<u>33,205,487</u>	<u>32,620,185</u>	<u>32,620,185</u>	<u>-</u>
FUND BALANCE—ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,369,151</u>	<u>\$ 31,369,151</u>

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Statement of Net Position
Component Units
June 30, 2021

	Littleton Academy Charter School	Littleton Preparatory Charter School	Total Component Units
ASSETS			
Equity in pooled cash and investments	\$ 2,757,868	\$ 2,404,870	\$ 5,162,738
Restricted cash and investments	599,162	763,420	1,362,582
Account Receivable	58,163	23,718	81,881
Capital assets—net of accumulated depreciation			
Land	1,019,806	870,000	1,889,806
Land improvements	85,677	-	85,677
Building and leasehold improvements	3,884,235	5,781,495	9,665,730
Equipment	40,871	47,812	88,683
Construction in progress	95,143	-	95,143
Total assets	<u>8,540,925</u>	<u>9,891,315</u>	<u>18,432,240</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	235,701	-	235,701
Deferred OPEB outflows of resources	14,700	18,840	33,540
Deferred pension outflows of resources	1,805,599	2,313,669	4,119,268
Total deferred outflows	<u>2,056,000</u>	<u>2,332,509</u>	<u>4,388,509</u>
LIABILITIES			
Accounts and contracts payable	73,446	51,910	125,356
Accrued compensation	227,732	284,955	512,687
Accrued interest	71,460	26,917	98,377
Unearned revenue	5,748	11,613	17,361
Noncurrent liabilities:			
Due within one year	172,908	160,074	332,982
Due in more than one year	3,374,849	6,406,475	9,781,324
Net OPEB liability	235,319	301,606	536,925
Net pension liability	7,018,443	8,993,329	16,011,772
Total liabilities	<u>11,179,905</u>	<u>16,236,879</u>	<u>27,416,784</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred OPEB inflows of resources	95,144	121,946	217,090
Deferred pension inflows of resources	3,058,318	3,918,884	6,977,202
Total deferred inflows	<u>3,153,462</u>	<u>4,040,830</u>	<u>7,194,292</u>
NET POSITION			
Net investment in capital assets	2,098,742	613,008	2,711,750
Restricted for:			
Debt service	94,479	96,253	190,732
Emergency reserve under TABOR	127,800	153,800	281,600
Repair and replacement	100,000	160,000	260,000
Capital projects	380,811	244,061	624,872
Unrestricted	(6,538,274)	(9,321,007)	(15,859,281)
Total net position	<u>\$ (3,736,442)</u>	<u>\$ (8,053,885)</u>	<u>\$ (11,790,327)</u>

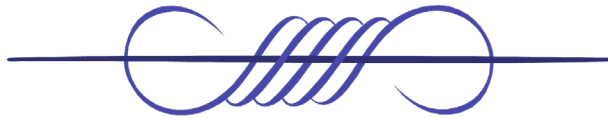
ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2021

	Littleton Academy Charter School	Littleton Preparatory Charter School	Total Component Units
REVENUES			
Intergovernmental revenue:			
State equalization aid	\$ 3,573,522	\$ 4,192,618	\$ 7,766,140
Supplemental funding from District	817,909	969,890	1,787,799
Fees for services	80,652	178,871	259,523
Investment earnings	5,345	3,881	9,226
Capital grants and contributions	137,968	161,871	299,839
Operating grants and contributions	381,080	284,476	665,556
Other	-	95,497	95,497
	<u>4,996,476</u>	<u>5,887,104</u>	<u>10,883,580</u>
EXPENSES			
Current:			
Instruction	3,219,589	3,001,187	6,220,776
Support services	888,402	1,281,238	2,169,640
Debt service:			
Interest charges	185,732	320,947	506,679
	<u>4,293,723</u>	<u>4,603,372</u>	<u>8,897,095</u>
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES	<u>702,753</u>	<u>1,283,732</u>	<u>1,986,485</u>
CHANGE IN NET POSITION	702,753	1,283,732	1,986,485
NET POSITION—BEGINNING	<u>(4,439,195)</u>	<u>(9,337,617)</u>	<u>(13,776,812)</u>
NET POSITION—END OF THE YEAR	<u><u>\$ (3,736,442)</u></u>	<u><u>\$ (8,053,885)</u></u>	<u><u>\$ (11,790,327)</u></u>

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STATISTICAL SECTION



ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Statistical Section

(Unaudited)

This part of the Arapahoe County School District Number Six's (the district) Annual Comprehensive 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>
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.	82–89
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	90–94
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current level of outstanding debt and the district's ability to issue additional debt in the future.	95–98
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the district's financial activities take place.	99–101
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the educational services provided and the activities performed.	102–104

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

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

	2012	2013	2014	2015 (a)
Governmental activities:				
Net investment in capital assets	\$ 15,993,324	\$ 16,784,912	\$ 17,125,693	\$ 14,567,407
Restricted	11,538,069	13,518,897	12,961,494	14,416,693
Unrestricted	37,861,152	38,273,133	39,579,060	(238,088,742)
Total governmental activities net position	<u>65,392,545</u>	<u>68,576,942</u>	<u>69,666,247</u>	<u>(209,104,642)</u>
Business-type activities:				
Net investment in capital assets	684,349	590,080	485,840	-
Unrestricted	2,272,209	2,230,341	2,480,355	-
Total business-type activities net position	<u>2,956,558</u>	<u>2,820,421</u>	<u>2,966,195</u>	<u>-</u>
Primary government:				
Net investment in capital assets	16,677,673	17,374,992	17,611,533	14,567,407
Restricted	11,538,069	13,518,897	12,961,494	14,416,693
Unrestricted	40,133,361	40,503,474	42,059,415	(238,088,742)
Total primary government net position	<u>\$ 68,349,103</u>	<u>\$ 71,397,363</u>	<u>\$ 72,632,442</u>	<u>\$ (209,104,642)</u>

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

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

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

2016	2017	2018 (b)	2019	2020	2021
\$ 12,428,571	\$ 5,825,329	\$ 1,847,800	\$ 1,147,396	\$ 8,672,164	\$ 15,832,523
15,789,139	16,869,202	19,679,141	26,722,644	36,978,173	41,313,358
(251,710,052)	(352,808,225)	(491,135,868)	(455,914,785)	(405,151,221)	(316,017,860)
(223,492,342)	(330,113,694)	(469,608,927)	(428,044,745)	(359,500,884)	(258,871,979)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,428,571	5,825,329	1,847,800	1,147,396	8,672,164	15,832,523
15,789,139	16,869,202	19,679,141	26,722,644	36,978,173	41,313,358
(251,710,052)	(352,808,225)	(491,135,868)	(455,914,785)	(405,151,221)	(316,017,860)
\$ (223,492,342)	\$ (330,113,694)	\$ (469,608,927)	\$ (428,044,745)	\$ (359,500,884)	\$ (258,871,979)

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

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

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

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

2016	2017	2018	2019	2020	2021
\$ 109,313,858	\$ 169,532,622	\$ 185,027,246	\$ 84,903,900	\$ 78,646,819	\$ 57,347,969
77,014,745	109,440,454	118,896,968	72,312,065	75,402,286	50,749,141
5,637,212	5,682,433	5,501,741	10,735,526	16,924,527	14,936,796
191,965,815	284,655,509	309,425,955	167,951,491	170,973,632	123,033,906
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
191,965,815	284,655,509	309,425,955	167,951,491	170,973,632	123,033,906
1,308,087	1,238,727	1,244,972	1,201,349	969,777	933,618
10,585,801	11,059,436	10,840,527	11,581,916	8,087,886	4,459,603
10,162,428	9,437,377	10,415,285	11,037,389	20,838,810	15,269,219
2,732,523	2,714,781	2,642,877	2,711,678	3,927,003	4,458,056
24,788,839	24,450,321	25,143,661	26,532,332	33,823,476	25,120,496
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,788,839	24,450,321	25,143,661	26,532,332	33,823,476	25,120,496
(167,176,976)	(260,205,188)	(284,282,294)	(141,419,159)	(137,150,156)	(97,913,410)
-	-	-	-	-	-
\$ (167,176,976)	\$ (260,205,188)	\$ (284,282,294)	\$ (141,419,159)	\$ (137,150,156)	\$ (97,913,410)

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

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

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

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

2016	2017	2018	2019	2020	2021
\$ (167,176,976)	\$ (260,205,188)	\$ (284,282,294)	\$ (141,419,159)	\$ (137,150,156)	\$ (97,913,410)
-	-	-	-	-	-
(167,176,976)	(260,205,188)	(284,282,294)	(141,419,159)	(137,150,156)	(97,913,410)
68,066,334	67,201,560	72,777,313	72,355,611	79,153,711	78,691,778
12,871,720	12,823,760	14,435,952	25,078,617	37,720,882	46,854,188
6,049,245	6,445,006	7,012,770	6,957,456	7,946,959	8,974,120
62,961,971	63,606,020	62,030,988	67,076,082	67,591,718	60,360,383
532,626	372,214	624,135	8,260,069	11,137,940	889,064
2,307,380	3,135,276	3,003,408	3,255,506	1,842,048	2,772,782
152,789,276	153,583,836	159,884,566	182,983,341	205,393,258	198,542,315
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(14,387,700)	(106,621,352)	(124,397,728)	41,564,182	68,243,102	100,628,905
-	-	-	-	-	-
\$ (14,387,700)	\$ (106,621,352)	\$ (124,397,728)	\$ 41,564,182	\$ 68,243,102	\$ 100,628,905

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

	Fiscal Year				
	2012	2013	2014 (a)	2015 (b)	2016 (c)
General Fund					
Nonspendable	\$ 572,739	\$ 456,306	\$ 443,498	\$ 427,218	\$ 446,501
Restricted	4,050,000	4,080,000	4,210,000	4,350,000	4,490,000
Committed	1,510,984	1,307,024	881,852	1,144,012	1,278,391
Assigned	15,638,543	15,661,018	13,648,357	11,532,298	10,060,820
Unassigned—unrestricted	15,291,760	18,511,203	21,512,079	23,464,550	23,837,029
Total general fund	<u>\$ 37,064,026</u>	<u>\$ 40,015,551</u>	<u>\$ 40,695,786</u>	<u>\$ 40,918,078</u>	<u>\$ 40,112,741</u>
All Other Governmental Funds					
Restricted	\$ 7,477,587	\$ 9,458,686	\$ 57,237,608	\$ 57,224,602	\$ 39,731,290
Committed	3,460,591	2,482,956	3,457,585	5,204,909	6,006,081
Assigned	623,329	41,051	57,281	53,164	45,772
Total all other governmental funds	<u>\$ 11,561,507</u>	<u>\$ 11,982,693</u>	<u>\$ 60,752,474</u>	<u>\$ 62,518,675</u>	<u>\$ 45,783,143</u>

	Fiscal Year				
	2017	2018	2019 (d)	2020	2021 (e)
General Fund					
Nonspendable	\$ 382,179	\$ 499,955	\$ 573,831	\$ 695,188	\$ 632,158
Restricted	4,520,000	4,630,000	4,950,000	5,070,000	4,660,000
Committed	1,544,826	1,637,643	1,085,875	1,377,301	2,528,456
Assigned	20,503,140	17,067,247	14,327,086	7,460,324	12,941,180
Unassigned—unrestricted	12,554,636	11,363,610	7,946,605	15,570,726	11,501,099
Total general fund	<u>\$ 39,504,781</u>	<u>\$ 35,198,455</u>	<u>\$ 28,883,397</u>	<u>\$ 30,173,539</u>	<u>\$ 32,262,893</u>
All Other Governmental Funds					
Restricted	\$ 20,846,953	\$ 17,980,183	\$ 382,765,365	\$ 362,306,961	\$ 264,509,596
Committed	6,492,454	7,065,975	7,982,713	6,022,499	5,683,297
Assigned	38,448	44,442	688	959	1,861
Total all other governmental funds	<u>\$ 27,377,855</u>	<u>\$ 25,090,600</u>	<u>\$ 390,748,766</u>	<u>\$ 368,330,419</u>	<u>\$ 270,194,754</u>

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

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

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

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

(e) Fiscal year 2021 the district refinanced the majority of outstanding G.O. bonds, Series 2010 on an advance refunding basis.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	\$ 71,229,303	\$ 72,329,790	\$ 73,352,585	\$ 72,747,131	\$ 80,262,499	\$ 80,365,923	\$ 85,532,502	\$ 98,536,032	\$ 115,828,921	\$ 126,881,312
Specific ownership taxes	4,605,805	4,953,385	5,254,030	5,675,945	6,049,245	6,445,006	7,012,770	6,957,456	7,946,959	8,974,120
Federal grants	6,651,337	5,608,361	5,815,636	6,872,388	6,399,597	6,725,781	6,525,588	6,538,924	11,468,764	11,860,428
State equalization aid	59,015,556	58,137,361	59,798,784	64,807,999	62,961,971	63,606,020	62,030,988	67,076,082	67,591,718	60,360,383
State education of students with disabilities	2,359,541	2,203,301	2,660,109	2,521,840	2,584,084	2,540,651	2,665,689	2,836,346	3,383,803	3,436,793
Other state entitlements and state grants	1,260,317	1,750,487	1,962,229	2,386,031	2,484,178	2,417,971	3,187,712	3,131,816	4,979,414	3,701,940
Food Sales	-	-	-	1,999,699	2,013,244	2,116,018	2,295,622	2,443,505	1,954,564	361,088
Donated Commodities	-	-	-	233,715	246,190	265,199	255,520	257,196	249,062	272,074
Student Care	-	-	-	4,936,787	5,149,373	5,476,593	5,694,761	6,177,021	3,142,991	2,073,619
Pupil activities	2,225,653	2,276,984	2,152,485	2,181,150	2,178,587	2,160,240	2,248,088	2,332,383	2,309,779	1,366,502
Investment earnings	50,898	69,676	84,479	197,283	532,626	372,214	624,135	826,069	11,137,940	889,064
State contributions	-	-	-	-	-	-	-	2,616,432	2,574,546	-
Other	4,826,419	5,102,963	6,256,155	6,119,286	6,032,967	5,883,144	5,274,089	5,844,331	4,527,396	4,820,834
Total revenues	152,224,829	152,432,308	157,336,492	170,679,254	176,894,561	178,374,760	183,347,464	213,007,593	237,095,857	224,998,157
Expenditures										
Instruction	82,334,769	84,062,986	87,143,475	90,180,055	92,505,891	93,727,094	96,231,804	104,784,725	104,079,570	105,946,132
Support services	50,048,640	52,299,833	55,286,415	65,630,762	68,491,757	69,224,107	73,567,884	78,889,400	81,863,051	72,139,864
Capital outlay	1,829,509	3,975,267	6,151,478	22,598,771	39,776,526	22,835,777	8,540,912	10,793,740	44,973,989	106,025,202
Debt service:										
Principal	6,756,041	5,639,530	7,340,000	5,210,000	5,475,000	5,680,000	5,860,000	6,045,000	6,230,000	10,310,000
Interest and fiscal charges	3,572,251	3,296,289	4,110,054	5,492,555	5,922,169	5,921,030	5,740,445	11,195,343	21,378,211	20,084,866
Bond issuance costs	-	-	363,993	174,525	152,621	-	-	1,582,620	-	232,172
Total expenditures	144,541,210	149,273,905	160,395,415	189,286,668	212,323,964	197,388,008	189,941,045	213,290,828	258,524,821	314,738,236
Other Financing Sources (Uses)										
Bonds issued	-	-	50,000,000	17,000,000	15,626,195	-	-	298,870,000	-	26,370,000
Premium	-	-	2,336,062	1,115,552	2,262,339	-	-	60,756,343	-	3,443,234
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(36,119,466)
Transfers in	4,572,578	4,981,338	4,516,637	4,707,814	4,446,532	4,434,529	4,572,462	4,145,905	4,597,339	2,789,086
Transfers out	(4,360,456)	(4,767,030)	(4,343,759)	(4,707,814)	(4,446,532)	(4,434,529)	(4,572,462)	(4,145,905)	(4,597,339)	(2,789,086)
Total other financing sources (uses)	212,122	214,308	52,508,940	18,115,552	17,888,534	-	-	359,626,343	-	(6,306,232)
Net change in fund balances	\$ 7,895,741	\$ 3,372,711	\$ 49,450,017	\$ (491,862)	\$ (17,540,869)	\$ (19,013,248)	\$ (6,593,581)	\$ 359,343,108	\$ (21,428,964)	\$ (96,046,311)
Debt service as a percentage of noncapital expenditures	7.1%	6.0%	7.4%	6.2%	6.5%	6.5%	6.3%	8.3%	12.4%	14.3%

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

Fiscal Year	Assessed Value (a)				Total Direct Tax Rate
	Residential Property	Commercial Property	Other Property (b)	Total Assessed Value	
2012	\$ 819,038,730	\$ 366,325,340	\$ 74,199,570	\$ 1,259,563,640	57.530
2013	821,790,000	358,479,420	95,083,650	1,275,353,070	56.935
2014	832,105,700	363,033,982	100,413,100	1,295,552,782	56.984
2015	833,309,337	358,475,451	97,954,968	1,289,739,756	56.601
2016	1,012,764,913	404,052,769	95,202,784	1,512,020,466	53.424
2017	1,017,276,107	406,455,233	96,243,256	1,519,974,596	53.030
2018	1,119,903,286	482,579,061	95,028,781	1,697,511,128	51.166
2019	1,128,771,195	501,536,998	93,577,496	1,723,885,689	56.945
2020	1,315,201,040	548,739,037	111,348,772	1,975,288,849	59.266
2021	1,325,886,090	543,951,238	93,622,542	1,963,459,870	64.744

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

Year	Residential	Commercial	Base Year
2012	7.96 %	29.00 %	2011
2013	7.96	29.00	2012
2014	7.96	29.00	2013
2015	7.96	29.00	2014
2016	7.96	29.00	2015
2017	7.96	29.00	2016
2018	7.20	29.00	2017
2019	7.20	29.00	2018
2020	7.15	29.00	2019
2021	7.15	29.00	2020

(a) Assessed and estimated actual taxable values are per the Arapahoe County Assessor's Office.

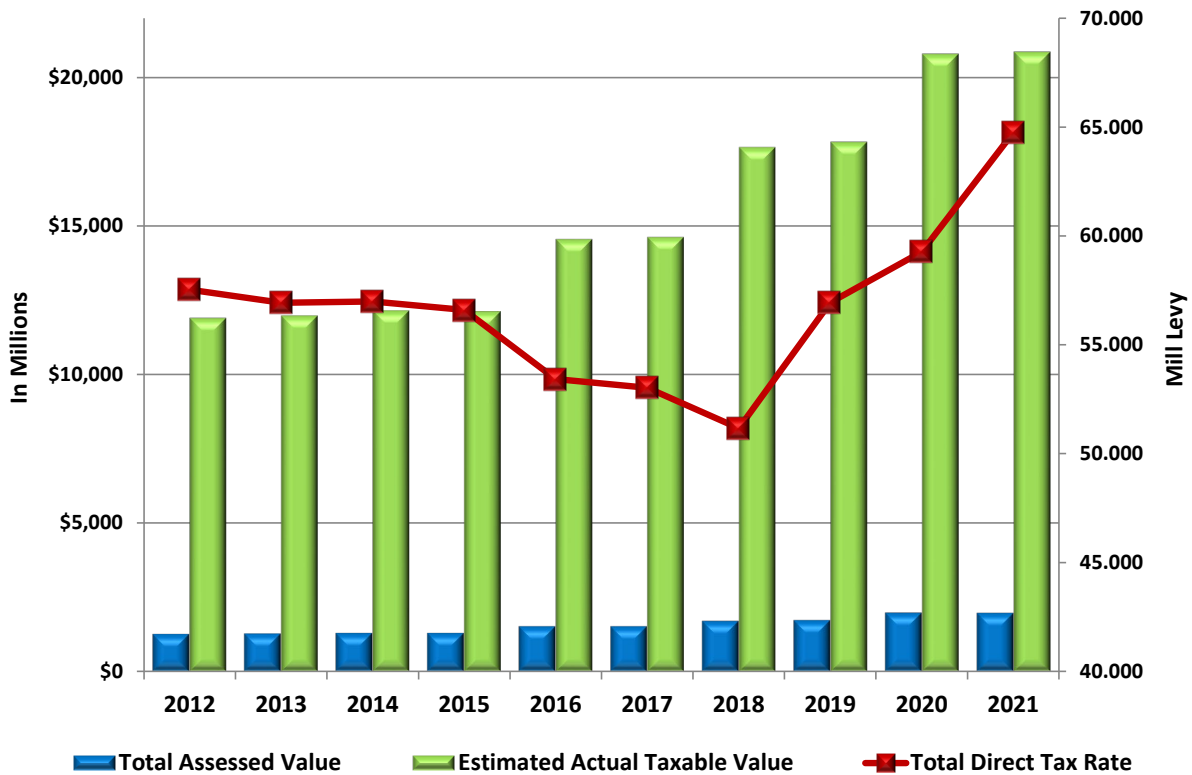
(b) Other property includes vacant land, industrial, agricultural, state assessed, and oil and gas property.

Source: Arapahoe County Assessor's Office

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

Estimated Actual Taxable Value (a)	Assessed Value as a Percent of Actual Taxable Value
\$ 11,935,264,707	10.55 %
12,014,618,242	10.62
12,182,666,828	10.63
12,155,370,401	10.61
14,582,623,716	10.37
14,647,201,908	10.38
17,668,425,091	9.61
17,849,401,924	9.66
20,802,560,159	9.50
20,871,059,970	9.41

Historical Assessed Value and Estimated Actual Value of Taxable Property



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

Collection Year	Arapahoe County School District Number Six				Overlapping Rates			Grand Totals (a)
	General Fund Millage	Bond Redemption Fund Millage	Operations & Technology Fund Millage	Total School District	Total Cities Millage	Total County Millage	Total Special Districts Millage	
2012	49.286	8.244	-	57.530	48.643	17.316	149.824	273.313
2013	48.438	8.497	-	56.935	49.339	17.150	148.546	271.970
2014	48.487	8.497	-	56.984	50.986	17.130	134.853	259.953
2015	48.104	8.497	-	56.601	57.438	16.950	135.957	266.946
2016	44.927	8.497	-	53.424	54.599	14.856	128.855	251.734
2017	44.533	8.497	-	53.030	59.590	15.039	128.112	255.771
2018	42.669	8.497	-	51.166	58.851	13.817	108.716	232.550
2019	42.303	14.642	(b)	56.945	59.200	14.301	108.115	238.561
2020	40.132	19.134	-	59.266	51.051	12.685	213.397	(c) 336.399
2021	40.618	18.126	6.000	(d) 64.744	53.511	13.013	215.340	346.608

- (a) The grand total represents the gross millage of all taxing entities within the district boundaries. It is not representative of the mill levy assessed to an individual taxpayer.
 - (b) Increase in 2019 bond millage results from the 2018 election.
 - (c) Inclusion of Littleton Village MDs #2 & #3
 - (d) Passage of Debt-Free Schools Mill Levy Override in 2020 election resulted in creation of Operations & Technology Fund.
- Source: Arapahoe County Assessor's Office

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

2021

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation of \$1,963,459,870
Public Service Co. of Colorado	\$ 25,939,980	1.32 %
Comcast Cable Communications	21,253,824	1.08
Aspen Grove Lifestyle Center	18,501,620	0.94
Qwest Corp.	14,964,137	0.76
Renco Southbridge LLC	10,082,720	0.51
Southglenn Property Holdings LLC	8,115,940	0.41
Century Link Comm FKA Qwest Comm	8,030,880	0.41
Republic National Distributing Company	7,952,449	0.41
Market at Southpark 1676 LLC	7,732,270	0.39
Cherry Hills Marketplace LLC	6,891,270	0.35
Totals	<u>\$ 129,465,090</u>	<u>6.59 %</u>

2012

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation of \$1,259,563,640
National Digital Television	\$ 20,082,100	1.59 %
Qwest Corp.	19,648,700	1.56
Public Service Co. of Colorado	14,000,020	1.11
Cherry Hills Marketplace LLC	8,207,000	0.65
AW Southglenn LLC	6,786,000	0.54
Southglenn Properties LLC	6,033,010	0.48
Aspen Grove Lifestyle	5,655,010	0.45
LTF Real Estate Company, Inc.	5,540,980	0.44
Renco Southbridge LLC	4,579,100	0.36
LMC Properties LLC	4,560,050	0.36
Totals	<u>\$ 95,091,970</u>	<u>7.55 %</u>

Source: Arapahoe County Assessor's Office

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

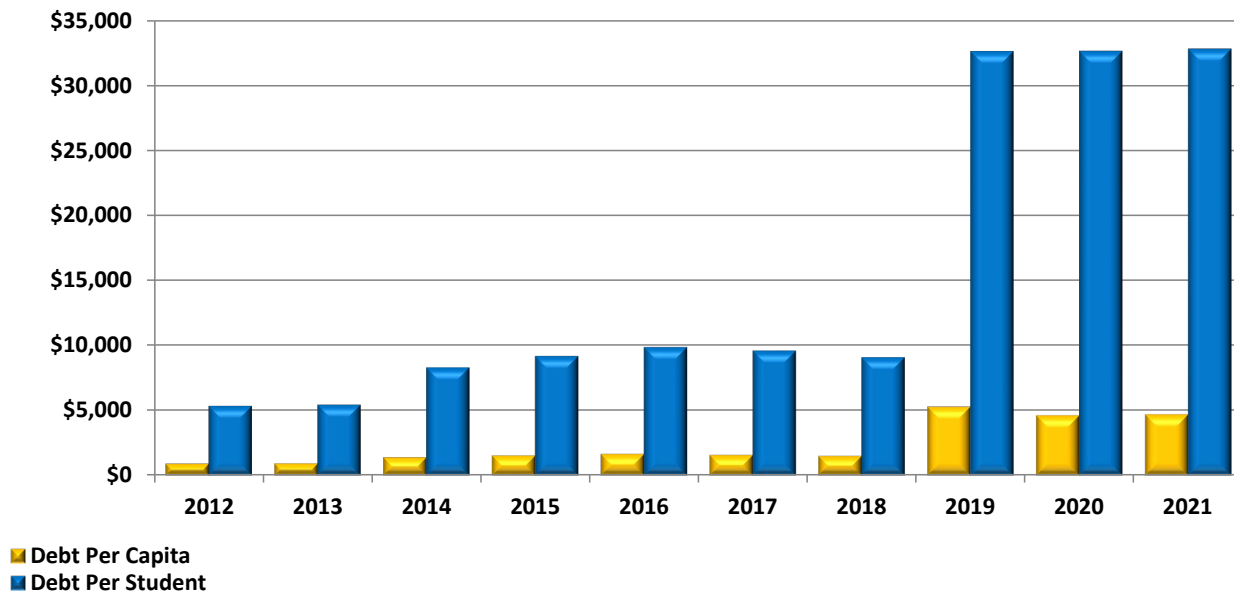
Calendar Year	Taxes Levied for the Calendar Year	Collected Within the Fiscal Year of the Levy		Collections Subsequent to Fiscal Year End (b)	Total Collections to Date	
		Amount (a)	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 72,462,697	\$ 69,817,937	96.35 %	\$ 1,272,924	\$ 71,090,861	98.11 %
2013	72,612,227	70,455,869	97.03	1,103,038	71,558,907	98.55
2014	73,827,075	71,732,754	97.16	1,252,617	72,985,371	98.86
2015	73,000,560	71,358,349	97.75	1,094,819	72,453,168	99.25
2016	80,778,181	78,786,108	97.53	1,213,133	79,999,241	99.04
2017	80,604,253	78,743,438	97.69	1,159,582	79,903,020	99.13
2018	86,854,854	83,497,350	96.13	2,508,503	86,005,853	99.02
2019	98,166,671	95,578,192	97.36	1,495,025	97,073,217	98.89
2020	117,067,469	113,482,752	96.94	2,185,311	115,668,063	98.80
2021	127,157,810	124,431,962	97.86	1,584,004	126,015,966	99.10

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

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

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of Debt to Actual Value (a)	Percentage of Personal Income (b)	Debt Per Capita (c)	Per Student (d)
	General Obligation Bonds	Capital Leases					
2012	\$ 82,610,000	\$ 124,530	\$ 82,734,530	6.57 %	1.76 %	\$ 899	\$ 5,398
2013	84,668,188 (e)	-	84,668,188	6.64	1.75	919	5,482
2014	128,805,363	-	128,805,363	9.94	2.48	1,396	8,348
2015	140,803,526	-	140,803,526	10.92	2.90	1,525	9,222
2016	152,383,312 (f)	-	152,383,312	10.07	3.03	1,647	9,914
2017	145,955,327	-	145,955,327	9.60	2.78	1,575	9,646
2018	139,347,343	-	139,347,343	8.21	2.49	1,499	9,129
2019	490,693,458 (g)	-	490,693,458	28.46	8.16	5,263	32,628
2020	479,499,666	-	479,499,666	24.27	- (h)	4,600	32,639
2021	456,584,508 (i)	-	456,584,508	23.25	- (h)	4,667	32,819

Historical Outstanding Debt by Type



- (a) See schedule on page 90 for assessed property value data.
- (b) See schedule on page 99 for personal income data.
- (c) See schedule on page 99 for estimated population data.
- (d) See schedule on page 99 for October 1 School Enrollment data.
- (e) Beginning in 2013, premium on bond sales is included in the General Obligation Bond amounts.
- (f) Beginning in 2016, accreted interest on bond sales is included in the General Obligation Bond amounts.
- (g) Fiscal year 2019 the district sold \$298.9 million in G.O. bonds.
- (h) Personal income data for Arapahoe County is not yet available from Bureau of Economic Analysis (BEA).
- (i) Fiscal year 2021 the district refunded the majority of the G.O. bonds, Series 2010

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

Fiscal Year	Governmental Activities		Less Debt Service Funds Available	Net Bonded Debt	Percentage of Estimated Actual Value of Taxable Property (a)	Percentage of Personal Income (b)	Debt Per Capita (c)	Per Student (d)
	General Obligation Bonds	Capital Leases						
2012	\$ 82,610,000	\$ 124,530	\$ -	\$ 82,734,530	0.69 %	1.76 %	\$ 899	\$ 5,398
2013	84,668,188 (e)	-	7,340,000 (f)	77,328,188	0.64	1.60	839	5,007
2014	128,805,363	-	5,210,000	123,595,363	1.01	2.38	1,340	8,011
2015	140,803,526	-	5,475,000	135,328,526	1.11	2.79	1,466	8,863
2016	152,383,312 (g)	-	5,680,000	146,703,312	1.01	2.91	1,587	9,555
2017	145,955,327	-	5,860,000	140,095,327	0.96	2.67	1,511	9,259
2018	139,347,343	-	6,045,000	133,302,343	0.75	2.38	1,434	8,733
2019	490,693,458 (h)	-	6,230,000	484,463,458	2.71	8.06	5,196	32,214
2020	479,499,666	-	16,710,000	462,789,666	2.22	- (i)	4,439	31,502
2021	456,584,508 (j)	-	14,985,000	441,599,508	2.12	- (i)	4,514	31,742

- (a) See schedule on page 90 for estimated actual taxable property value data.
- (b) See schedule on page 99 for personal income data.
- (c) See schedule on page 99 for estimated population data.
- (d) See schedule on page 99 for October 1 School Enrollment data.
- (e) Beginning in 2013, premium on bond sales is included in the General Obligation Bond amounts.
- (f) Beginning in 2013, debt service funds available are included to calculate the net debt for primary government.
- (g) Beginning in 2016, accreted interest on bond sales is included in the General Obligation Bond amounts.
- (h) Fiscal year 2019 the district sold \$298.9 million in G.O. bonds.
- (i) Personal income data for Arapahoe County is not yet available from Bureau of Economic Analysis (BEA).
- (j) Fiscal year 2021 the district refunded the majority of the G.O. bonds, Series 2010

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Direct and Overlapping Governmental Activities Debt
June 30, 2021
(Unaudited)

<u>Name of Governmental Entity</u>	<u>Debt Amount Outstanding</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Overlapping Debt:			
Aspen Grove Business Improvement District	\$ 4,485,000	99.2 %	\$ 4,450,230
Centennial Downs Metropolitan District	4,830,000	97.8	4,722,511
City of Englewood	41,529,611	5.6	2,345,985
Heritage Greens Metropolitan District	2,380,000	9.9	235,727
Highline Business Improvement District	1,916,000	87.1	1,668,335
Littleton Village Metro District #2	17,924,643	98.5	17,654,530
Polo Reserve Metropolitan District	240,000	99.6	238,971
South Suburban Metro Park & Recreation District	39,235,000	46.1	18,078,259
Southglenn Metropolitan District	66,240,000	95.5	63,239,873
Total overlapping debt	<u>178,780,254</u>		<u>112,634,421</u>
Direct Debt:			
Arapahoe County School District Number Six	<u>456,584,508</u>	100 %	<u>456,584,508</u>
Totals	<u>\$ 635,364,762</u>		<u>\$ 569,218,929</u>

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

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

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

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

Legal Debt Margin	
Calculation for Fiscal Year 2021	
Actual value	\$ 20,871,059,970 (a)
Debt limit (6% of actual value)	1,252,263,598
Debt applicable to limit	456,584,508
Legal debt margin	\$ 795,679,090

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 251,912,728	\$ 255,070,614	\$ 259,110,556	\$ 257,947,951	\$ 302,404,093	\$ 303,994,919	\$ 339,502,226	\$ 1,216,608,411	\$ 1,248,153,610	\$ 1,252,263,598
Total net debt applicable to limit	82,610,000	77,095,000	128,805,363	140,803,526	152,211,308	145,955,327	139,347,343	490,693,458	479,499,666	456,584,508
Legal debt margin	\$ 169,302,728	\$ 177,975,614	\$ 130,305,193	\$ 117,144,425	\$ 150,192,785	\$ 158,039,592	\$ 200,154,883	\$ 725,914,953	\$ 768,653,944	\$ 795,679,090
Total net debt applicable to the limit as a percentage of debt limit	32.79%	30.22%	49.71%	54.59%	50.33%	48.01%	41.04%	40.33%	38.42%	36.46%

Note: In accordance with Colorado Revised Statute (C.R.S.) 22-42-104, two calculation options are available for determining the legal debt limit available to the district. The district is allowed to use whichever calculation is greater.

Option 1: Utilized in all years prior to and including 2018, this option allows 20.0 percent of the latest valuation for assessment of the taxable property in the district, as certified by the county assessor to the board of county commissioners. Using this 20.0 percent calculation, the legal debt margin for fiscal year 2018 was \$200,154,883.

Option 2: Utilized in 2019–2021, this option allows 6.0 percent of the most recent determination of the actual value of the taxable property in the district, as certified by the county assessor to the board of county commissioners.

(a) Arapahoe County Assessor's Office 2021 Certification Report Actual

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

<u>Fiscal Year</u>	<u>Estimated Population (a)</u>	<u>Per Capita Personal Income (b)</u>	<u>Total Personal Income (thousands of \$)</u>	<u>October 1 School Enrollment</u>	<u>October 1 Official Pupil Count (c)</u>	<u>Unemployment Rate (d)</u>
2012	92,056	\$ 51,163	\$ 4,709,861	15,328	14,928	7.8
2013	92,151	52,437	4,832,122	15,445	14,882	6.5
2014	92,244	56,294	5,192,784	15,429	14,858	4.9
2015	92,338	52,545	4,851,900	15,269	14,800	3.6
2016	92,432	54,452	5,033,107	15,353	14,785	3.0
2017	92,699	56,642	5,250,657	15,131	14,735	2.6
2018	92,967	60,180	5,594,754	15,264	14,704	3.0
2019	93,235	64,477	6,011,513	15,039	14,643	2.6
2020	104,247	- (e)	- (e)	14,691	14,673	- (f)
2021	97,836 (g)	- (e)	- (e)	13,912	14,514	- (f)

Sources:

- (a) 2012–2020 population data from Denver Regional Council of Governments (DRCOG).
- (b) Bureau of Economic Analysis (BEA), U.S. Department of Commerce, reporting Arapahoe County, CO.
- (c) Average funded pupil count is determined from the number of full-time equivalents of pupil enrollment averaged over the last five years.
- (d) Bureau of Labor Statistics (BLS) for Arapahoe County, Colorado.
- (e) Personal income data is not yet available from BEA.
- (f) Unemployment data not available from BLS.
- (g) DRCOG no longer provides population data; effective 2021, population data from U.S. Census Bureau

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

	2021			2012		
	Rank	Employees (a)	Percentage of Employment (b)	Rank	Employees (a)	Percentage of Employment (b)
Century Link	1	2,100	7.90 %	1	1,663	7.45 %
Littleton Public Schools	2	1,864	(c) 7.02	3	1,500	(c) 6.72
Dish Network (EchoStar)	3	1,543	5.81	2	1,543	6.91
Littleton Adventist Hospital	4	1,242	4.67	4	1,035	4.63
Arapahoe Community College	5	706	2.66	5	632	2.83
Republic National Distributing	6	540	2.03	7	425	1.90
Arapahoe County	7	522	1.96	6	522	2.34
McDonald Automotive Group	8	360	1.36	-	-	-
All Health Network - Center Point	9	320	1.20	9	320	1.43
City of Littleton	10	277	1.04	8	398	1.78
Globus		-	-	10	309	1.38

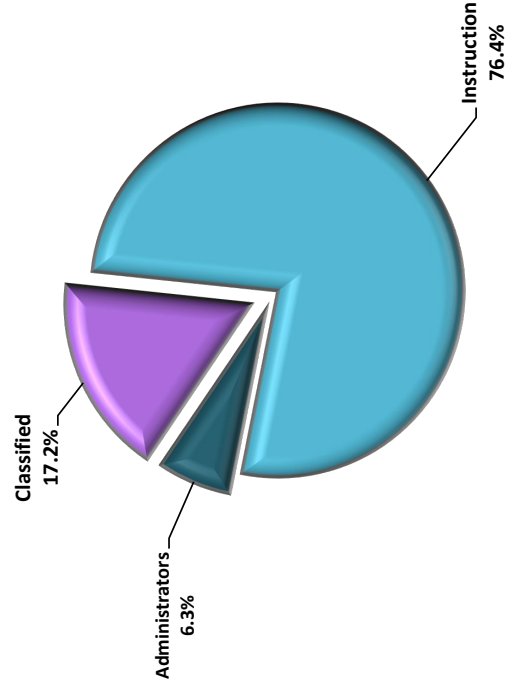
Note: Total employment for the City of Littleton in 2020 was 26,568 and for 2012 was 22,336 per the Bureau of Labor Statics Data.

Source:

- (a) City of Littleton 2020 Comprehensive Annual Financial Report
- (b) Bureau of Labor statistics data
- (c) Littleton Public Schools-provided employee data

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Teachers	861.5	864.3	873.6	888.5	900.6	894.3	889.5	905.4	920.4	903.6
Paraprofessionals	241.4	251.6	265.3	260.9	256.3	259.8	261.8	274.1	300.5	298.3
Total instruction	1,102.9	1,115.9	1,138.9	1,149.4	1,156.9	1,154.1	1,151.3	1,179.5	1,220.9	1,201.9
Administrators	59.4	59.2	61.6	61.0	61.7	62.3	63.7	68.3	69.7	63.3
Professional/Technical support	33.0	34.7	35.4	37.9	38.3	40.8	38.9	40.1	43.9	36.5
Bus drivers	51.5	51.5	53.0	53.5	53.0	54.0	54.0	54.0	81.7	82.7
Clerical/Other classified	117.8	113.6	111.7	121.9	125.9	126.9	125.5	128.4	121.9	115.4
Custodians	88.5	90.8	90.4	90.7	90.6	90.6	87.1	88.3	86.7	43.7
Maintenance	36.5	36.5	36.5	36.0	35.5	35.5	45.2	45.3	45.9	28.7
Total support services	386.7	386.3	388.6	401.0	405.0	410.1	414.4	424.4	449.7	370.3
Grand total	1,489.6	1,502.2	1,527.5	1,550.4	1,561.9	1,564.2	1,565.7	1,603.9	1,670.6	1,572.2



Source: Budget data

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

Fiscal Year	Enrollment	Operating Expenditures	Cost		Expenses	Cost		Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			Per Pupil	Percentage Change		Per Pupil	Percentage Change			
2012	15,328	\$131,351,767	\$8,569	2.63 %	\$144,817,541	\$9,448	3.28 %	867.2	18	23.3 %
2013	15,445	136,362,819	8,829	3.03	149,601,294	9,686	2.52	871.0	18	23.5
2014	15,429	142,429,890	9,231	4.56	156,347,860	10,133	4.62	873.6	18	24.2
2015	15,269	155,810,817	10,204	10.54	182,802,724	11,972	18.15	888.5	17	20.5
2016	15,353	160,997,648	10,486	2.76	191,965,815	12,503	4.44	900.6	17	19.3
2017	15,131	162,951,201	10,769	2.70	284,655,509	18,813	50.46	894.3	17	19.2
2018	15,264	169,799,688	11,124	3.29	309,425,955	20,272	7.75	889.5	17	18.0
2019	15,039	183,674,125	12,213	9.79	167,951,491 (a)	11,168	(44.91)	905.4	17	16.4
2020	14,691	185,942,621	12,657	3.63	170,973,632	11,638	4.21	920.4	16	16.6
2021	13,912	178,085,996	12,801	1.14	123,033,906	8,844	(24.01)	903.6	15	19.0

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

Source: District student records and payroll and budget data

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Schedule of Insurance

June 30, 2021

(Unaudited)

<u>Coverage Description</u>	<u>Carrier or Pool</u>	<u>Coverage Limit</u>	<u>Deductible</u>
General liability and School Leaders Errors and Omissions	Excess-of-Loss Self-Insurance Pool (ELSIP)	\$5,000,000 each occurrence \$5,000,000 aggregate limit	\$150,000
Property:	Travelers Insurance		
buildings, property, and turf		\$394,335,584	\$50,000
boiler and machinery		\$50,000,000	\$25,000
flood and earthquake		\$25,000,000	\$100,000
Automobile physical damage	Old Republic Union Insurance Company	\$2,000,000	\$25,000
Automobile liability	Excess-of-Loss Self-Insurance Pool (ELSIP)	\$5,000,000 each occurrence \$5,000,000 aggregate limit	\$150,000
Crime	Travelers Insurance	\$1,000,000	\$25,000
Fiduciary liability	Travelers Insurance	\$1,000,000	\$10,000
Worker's Compensation	Joint School Districts' Worker's Compensation Pool (JSDWCP)	\$1,000,000	\$500,000
Cyber liability	AIG	\$1,000,000	\$50,000

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Facilities Statistics

June 30, 2021

(Unaudited)

Schools

Elementary & Preschool

Buildings	14
Square feet	699,489
Capacity	6,332
Enrollment	4,930

Middle

Buildings	4
Square feet	518,950
Capacity	3,252
Enrollment	2,850

High

Buildings	4
Square feet	841,766
Capacity	5,968
Enrollment	5,052

Administration/Other

Buildings	2
Square feet	130,401

Transportation

Buildings	1
Square feet	23,385

Athletics

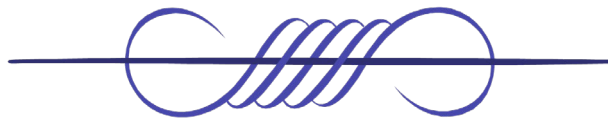
Athletics stadium	1
Football fields	5
Soccer fields	4
Running tracks	6
Swimming pools	3
Playgrounds	17

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

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

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

COMPLIANCE SECTION





Colorado Department of Education
Auditors Integrity Report
 District: 0140 – Littleton 6
 Fiscal Year 2020-21
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	28,721,571		145,796,436	144,858,236		29,659,770
18 Risk Mgmt Sub-Fund of General Fund	1,451,968		3,115,177	1,964,022		2,603,123
19 Colorado Preschool Program Fund	0		489,790	489,790		0
Sub-Total	30,173,539		149,401,403	147,312,048		32,262,893
11 Charter School Fund	5,220,689		10,001,150	9,894,914		5,326,925
20,26-29 Special Revenue Fund	1,770,679		2,530,809	2,738,408		1,563,081
06 Supplemental Cap Const, Tech, Main, Fund	0		11,535,388	5,165,394		6,369,994
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	1,152,897		3,594,528	3,275,942		1,471,483
22 Govt Designated-Purpose Grants Fund	0		9,191,834	9,191,834		0
23 Pupil Activity Special Revenue Fund	757,839		3,013,740	2,787,336		984,243
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	32,620,185		65,495,470	66,745,504		31,369,151
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	328,533,879		909,162	104,144,073		225,298,968
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	3,454,941		1,427,774	1,784,881		3,137,834
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	403,724,648		257,101,258	353,041,334		307,784,571
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		827,572	202,701		624,871
Totals	0		827,572	202,701		624,871
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

10/29/21

FINAL

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