



**AURORA**  
**PUBLIC SCHOOLS**  
— Power Your Potential —

Division of Finance  
15701 E. First Ave.  
Suite 106  
Aurora, CO 80011

Phone: 303-365-5810

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September 27, 2023

Dear Office of the State Auditor,

Based on our auditor's guidance, APS has reissued our Annual Comprehensive Financial Report (ACFR) for FY 2021-22 and the updated ACFR is attached.

Here are the changes from the originally issued FY 2021-22 ACFR for Aurora Public Schools:

1. FORVIS, LLP (our auditor) has reissued their ACFR auditor's report with dual dates of 11/11/2022 and 8/31/2023 at report page: 22
2. Schedule of Expenditures of Federal Awards (SEFA) – updated to include the grant Emergency Connectivity Fund Program of \$2,134,239 at report page: 147
3. Notes to Schedule of Expenditures of Federal Awards – updated to add the restatement Note 6 at report page: 148
4. FORVIS, LLP has provided a new auditor's report on the Report on Compliance for Each Major Program and Report on Internal Control Over Compliance with the date of 8/31/2023 from report page 151-154 specifically mentioning that Title I is now audited.
5. FORVIS, LLP updated their single audit threshold used to distinguish between Type A and Type B programs from \$2,601,706 to \$2,665,733.

Please let me know if you have any questions.

Thank you,

***Sandy Woods***

Sandy Woods  
Accounting Manager, Division of Finance

Attachment:  
Reissued ACFR for FY 2021-22



Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado

# Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

2021-22



**AURORA PUBLIC SCHOOLS**  
**15701 E. First Avenue, Suite 106**  
**Aurora, Colorado 80011**

**Joint School District No. 28-J**  
**of the Counties of Adams and Arapahoe, Colorado**

**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2022**

**BOARD OF EDUCATION**

Debra E. Gerkin, President

Stephanie Mason, Vice President

Nichelle Ortiz, Treasurer

Michael Carter, Secretary

Anne Keke, Ph.D., Director

Tramaine Duncan, Director

Vicki Reinhard, Director

**Superintendent**

D. Rico Munn

**Prepared by**

Division of Finance

**Cover Page Artwork by**

Isabella Gonzalez, 9th Grade (2021-2022 School Year), Vista Peak Preparatory

**JOINT SCHOOL DISTRICT No. 28-J OF THE  
COUNTIES OF ADAMS AND ARAPAHOE, COLORADO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2022**

<b>Table of Contents</b>	<b>Page</b>
<b>INTRODUCTORY SECTION</b> .....	<b>1</b>
Governing Board of Education - Function and Composition.....	3
Letter of Transmittal.....	5
Aurora Public Schools Organizational Chart .....	13
GFOA – Certificate of Achievement for Excellence in Financial Reporting.....	14
ASBO – Certificate of Excellence in Financial Reporting .....	15
<b>FINANCIAL SECTION</b> .....	<b>17</b>
Independent Auditor’s Report (Reissued) .....	19
Management’s Discussion and Analysis (Unaudited) .....	23
Basic Financial Statements .....	37
Government-wide Financial Statements	
Statement of Net Position.....	38
Statement of Financial Position – Aurora Public Schools Foundation .....	39
Statement of Activities .....	40
Statement of Activities – Aurora Public Schools Foundation.....	41
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	42
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	44
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	46
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	48
Statement of Fiduciary Net Position – Fiduciary Fund – Health Trust Fund .....	49
Statement of Changes in Fiduciary Net Position – Fiduciary Fund – Health Trust Fund ..	50
Notes to Basic Financial Statements.....	51
Required Supplementary Information .....	92
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund .....	93
Special Revenue Fund – Grants Fund.....	94
Special Revenue Fund – Nutrition Services Fund.....	95
Schedule of the District’s Proportionate Share of the Net Pension Liability .....	96
Schedule of the District’s Pension Contributions .....	97
Schedule of the District’s Proportionate Share of the Net OPEB Liability .....	98
Schedule of the District’s OPEB Contributions.....	99
Notes to the Required Supplementary Information.....	100
Supplementary Information.....	101
Major and Nonmajor Governmental Funds .....	102
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Debt Service Fund – Bond Redemption Fund .....	103
Capital Projects Fund – Building Fund .....	104
Capital Projects Fund – Capital Reserve Fund.....	105
Combining Balance Sheet – Nonmajor Governmental Funds .....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds .....	107
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Special Revenue Fund – Athletic Fund .....	108

**JOINT SCHOOL DISTRICT No. 28-J OF THE  
COUNTIES OF ADAMS AND ARAPAHOE, COLORADO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2022**

<b>Table of Contents</b>	<b>Page</b>
Special Revenue Fund – Medicaid Fund.....	109
Special Revenue Fund – Pickens Post-Secondary Fund .....	110
Special Revenue Fund – Pupil Activity Fund.....	111
Nonmajor Component Units – Charter Schools .....	113
Combining Statement of Net Position – Component Units – Charter Schools .....	114
Combining Statement of Activities – Component Units – Charter Schools .....	115
Colorado Department of Education – Auditor’s Integrity Report - Independent Auditor’s Report .....	116
Colorado Department of Education – Auditor’s Integrity Report.....	117
<b>STATISTICAL SECTION .....</b>	<b>119</b>
Net Position by Component .....	121
Expenses, Program Revenues and Net (Expense)/Revenue.....	122
General Revenues and Total Change in Net Position .....	123
Fund Balances, Governmental Funds.....	124
Governmental Funds Revenues .....	125
Governmental Funds Expenditures and Debt Service Ratio .....	126
Other Financing Sources (Uses) and Net Change in Fund Balances.....	127
Assessed Value and Actual Value of Taxable Property .....	128
Direct and Overlapping Property Tax Rates.....	130
Principal Property Taxpayers.....	132
Principal Tax Levies and Collections .....	133
Outstanding Debt by Type .....	134
General Bonded Debt.....	135
Direct and Overlapping Governmental Activities Debt .....	136
Legal Debt Margin Information.....	137
Demographic and Economic Statistics.....	138
Principal Employers.....	139
Full-time Equivalent District Employees by Type .....	140
Operating Statistics .....	141
Teacher Salaries .....	142
School Building Information .....	143
<b>REPORTS REQUIRED BY UNIFORM GUIDANCE.....</b>	<b>145</b>
Schedule of Expenditures of Federal Awards .....	146
Notes to Schedule of Expenditures of Federal Awards .....	148
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards - Independent Auditor’s Report .....	149
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance - Independent Auditor’s Report.....	151
Schedule of Findings and Questioned Costs .....	155
Summary of Schedule of Prior Audit Findings.....	159
Management Corrective Action Plan.....	160
<b>REPORT ON STATE-FUNDED STUDENT FINANCIAL ASSISTANCE PROGRAMS .....</b>	<b>161</b>
Introduction and Description of Programs .....	162
Report Summary .....	163
Report on the Statement of Allocations, Expenditures and Reversions of the State-Funded Student Financial Assistance Program - Independent Auditor’s Report.....	164

**JOINT SCHOOL DISTRICT No. 28-J OF THE  
COUNTIES OF ADAMS AND ARAPAHOE, COLORADO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2022**

<b>Table of Contents</b>	<b>Page</b>
Statement of Allocations, Expenditures and Reversions of the State-Funded Student Financial Assistance Programs and Reversions of the State-Funded Student Financial Assistance Programs .....	167
Notes to Statement of Allocations, Expenditures and Reversions of the State-Funded Student Financial Assistance Programs .....	168
Report on Compliance for Each State-Funded Student Assistance Program and Report on Internal Control over Compliance - Independent Auditor's Report .....	169

## **INTRODUCTORY SECTION**





Clockwise from top left:  
Vicki Reinhard, Stephanie Mason, Tramaine Duncan, Michael Carter, Board President Debra Gerkin, Anne Keke, Superintendent Rico Munn, and Nichelle Ortiz

The district is governed by a seven-member board of education. Directors are elected at successive biennial elections by registered voters residing in the district. Current directors serve staggered four-year terms of office. The board holds regular meetings on the third Tuesday of each month. Special meetings are held as needed. Directors elect board officers following each election. Members of the board of education receive no compensation for their services to the district. Among its duties, the board is empowered to:

- Employ all personnel required to maintain the operations and carry out the education programs of the district
- Determine and pay personnel compensatory wages
- Establish enrollment boundaries for each school's geographic area
- Determine educational programs to be provided by the district
- Prescribe textbooks for any course of instruction or study in such programs



# AUROLA

## PUBLIC SCHOOLS

— Power Your Potential —



Division of the Superintendent  
15701 E. First Ave.  
Suite 206  
Aurora, CO 80011

Phone: 303-365-7800  
Fax: 303-326-1280

November 11, 2022

### **To the Members of the Board of Education:**

The Annual Comprehensive Financial Report for Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, is hereby presented to the Board of Education and stakeholders of Aurora Public Schools. This report for fiscal year ended June 30, 2022, was prepared by the Division of Finance and includes the audit opinion of the independent auditors, FORVIS, LLP, who conducted the annual audit of the financial statements in accordance with generally accepted auditing standards and in compliance with state statutes.

FORVIS, LLP, certified public accountants, issued an unmodified (clean) opinion on the financial statements of the district for the fiscal year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of all the information presented in this report. 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 activities of the district's various funds. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities are included.

Management's discussion and analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the District**

Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, (Aurora Public Schools or APS), is a political subdivision of the state of Colorado with an independent governing Board of Education. The original school district was established in 1885 and was created in its current configuration in 1962. APS is one of the largest and most diverse school districts in Colorado. The district serves nearly 40,000 students representing families with longstanding connections to the community and families who come from more than 130 countries. The APS community is rich in culture, assets, and opportunity.

The district is located in Aurora, Colorado, a city on the eastern border of Denver, Colorado, and covers 160 square miles. APS provides a full range of educational programs to a funded enrollment of 38,016 students, as authorized by Colorado state statutes. The district is an independent school district that is a public corporation duly organized and existing under the constitution and laws of the state of Colorado.

During 2021-22, the district consists of four child development centers, 25 elementary schools, seven combination elementary and middle schools, six middle schools, one combination grades 6-12 school, six high schools, one technical college, one home school support program, one gifted and talented combination elementary and middle school, and 10 charter schools. In school year 2021-22, 2,419 teachers were employed by the district.

In addition to regular education, student offerings include special education, vocational education at the technical college, pre-school, gifted and talented, English language acquisition and International Baccalaureate programs.

The transportation department travels over 1.45 million miles annually, transporting over 7,980 general education students and over 865 special needs students to and from school each day. The district operates 56 general education buses and 20 special needs buses to deliver daily transportation services. In total, 145 buses and 24 Multi-Function School Activity Buses (MFSAB) are available to cover routes and support over an average of 3,200 field and activity trips per school year. Due to the national shortage in CDL-qualified bus drivers, APS have had to use third-party contracted transportation for some of our special-needs routes, high school shuttles and other hard-to-service routes. Our main objective is to transport students to and from school safely and efficiently as best as possible while continually recruiting bus drivers.

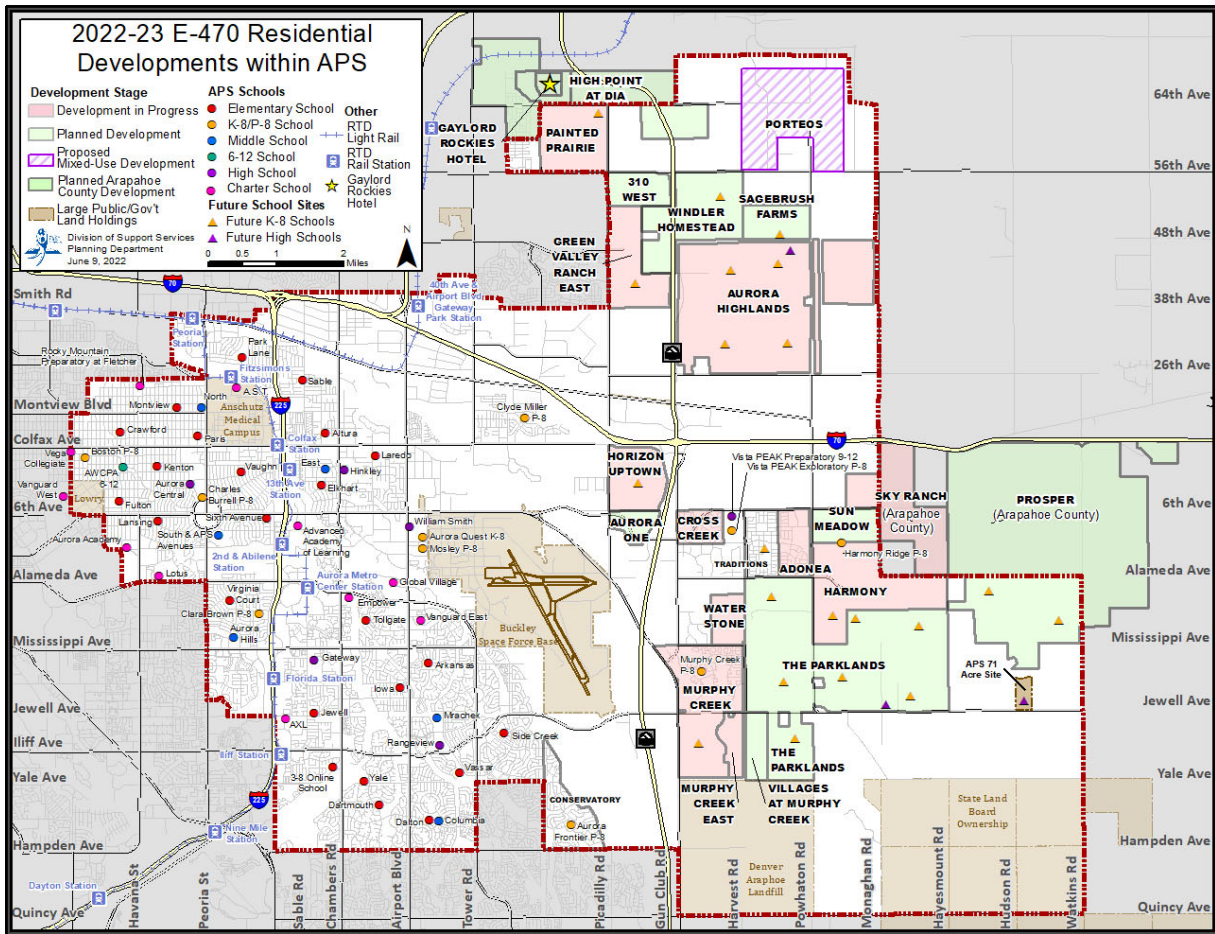
A seven-member Board of Education governs the district. Each board member is elected by the public and serves a four-year term. The Board of Education is required by state statute to adopt annual budgets that represent a complete financial plan for the ensuing fiscal year. § 22-44-110(4), C.R.S. The Board of Education must adopt a resolution specifying appropriations for each governmental fund. Pursuant to these requirements, the district uses a detailed programmatic and line-item budget for planning expenditures. The district maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in the district's financial plan. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is established at the individual fund level. Quarterly financial reports are prepared for each fund and distributed to the board and district administrators. While allowing minor deviations from budgets at the line-item level, department and program-level budget areas stay within their total appropriations ensured by continuing management control of expenditures. Budget-to-actual comparison reports are available online to all program directors and department supervisors. These reports highlight budgetary variances and the significant line-item deviations are discussed with appropriate supervisory administrators. This report includes all district funds and 11 component units: the Aurora Public Schools Foundation and 10 charter schools. The 10 charter schools are: Academy of Advanced Learning, Aurora Academy, Aurora Science and Tech. of Denver School of Science and Technology, Inc., AXL Charter School, Empower Community High School, Global Village Academy, Lotus School for Excellence, Rocky Mountain Preparatory School at Fletcher, Vanguard Classical School, and Vega Collegiate Academy.

## **Economy**

The district is located almost entirely within the city of Aurora and other portions are located in unincorporated Adams and Arapahoe counties. With over 386,000 residents, Aurora is the 51st largest city in the nation and the third largest in the state of Colorado. Over 188,000 of residents aged 16 and above are employed. The city of Aurora covers 160 square miles. Approximately 12,090 businesses employ over 188,000 people. City demographics indicate that 40 percent are college graduates. Median household income is \$67,723, and the median age is 34.8. Most of

Aurora’s new residential development continues to take place in southeast and northeast Aurora along the E-470 tollway, shown on the map on the next page, providing a major north-south thoroughfare in the center of the district. Approximately 55 percent of the area within the district boundaries is not developed. The Aurora Highlands, Painted Prairie, Green Valley Ranch East and Horizon Uptown are examples of mixed-use developments currently operating or planned along the E-470 corridor.

The map below shows the geographic locations of residential developments, Buckley Space Force Base and E-470 located within the borders of Aurora Public Schools.



Map provided by: Aurora Public Schools Planning Department

The Anschutz Medical Campus and Fitzsimons Innovation Community consists of one square mile undergoing a significant transformation in the heart of Aurora and the school district. The site, with almost 25,000 employees, is home to the University of Colorado Anschutz Medical Campus, UHealth University of Colorado Hospital, Children’s Hospital Colorado, U.S. Department of Veterans Affairs Rocky Mountain Regional VA Medical Center and several other centers for health care, biomedical research, and workforce development. The Anschutz/Fitzsimons site currently generates about \$7 billion in economic impact and is expected to employ approximately 45,000 people when fully developed. The site includes residential, hotel and retail spaces.

Buckley Space Force Base significantly contributes to the economic development in the city and attracts core aerospace-related industries. The base is home to Buckley Garrison that is

responsible for the operational mission of the Space Delta 4 Missile Warning Delta (DEL 4). DEL 4 provides strategic and theater missile warnings and provides tipping and cueing to missile defense forces, battlespace awareness, and technical intelligence. Buckley is home to more than 83 other tenants representing every branch of service and components – Active Duty, National Guard and Reserve as well as the Aerospace Data Facility – Colorado. The base has an annual economic impact of nearly \$1 billion to the region. Raytheon is the city's second largest private employer with more than 2,630 employees (Northrop Grumman has 1,000 and Lockheed Martin has 600). Lockheed Martin and The Boeing Company all have major operations in the city of Aurora.

Since March 2020, the COVID-19 pandemic and resulting disruptions have caused significant economic uncertainty and volatility in financial markets, economy, business and communities. By May 2021, COVID-19 vaccines generally became available in the US to the general public and restrictions began to be lifted. Management believes that the district is taking appropriate actions to mitigate the negative impact. However, the full impact of the COVID-19 pandemic is unknown and may continue to impact various aspects of the district operations including creating significant shortfall for school funding and staffing shortages.

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

The fund balance in the General Fund is a measure of the ability of the district's finances to sustain operations in the event of a financial downturn. Fund balance decreased by \$20.6 million, from \$180.5 million to \$159.9 million. Total fund balance in the General Fund is 33.7 percent of total ordinary General Fund revenues (excluding other financing sources), which includes fund balances that are restricted (e.g., three percent TABOR emergency reserve), assigned for identified needs (e.g., the Board's cash fund emergency reserve), and unassigned fund balances to cover contingencies caused by unpredictable revenues and potentially volatile expenditures.

Looking to the future, Colorado's K-12 funding remains uncertain. Long-term estimates of state funding for K-12 education will be predicated on sustained state-wide economic growth that is sufficient to cover inflation and student growth, while at the same time being able to meet other resource demands such as Medicaid, social programs, prisons, roads and higher education.

Outstanding general obligation debt including accreted interest as of June 30, 2022, is \$428.2 million. During 2021-22, \$44.9 million from the district's bond program authorized in 2016 and the BEST grant was expended to renovate existing schools. Approximately 88 percent of the district's 65 schools (and 88 percent of school buildings) are over 20 years old and roughly 47 percent (and 47 percent of school buildings) are over 40 years old. Every school will benefit from various projects funded from the 2016 bond program.

### **Financial Policies**

The district's system of internal controls is designed to provide reasonable, but not absolute, assurance that assets are adequately safeguarded, transactions are accurately recorded and expenditures are properly authorized. Those controls also assure the reliability of financial records for preparing financial statements and maintaining the accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework.

The district's accounting and budgeting systems are integrated, which facilitates budgetary control. Also, the systems include integrity checks and balances which help assure only valid transactions

become permanent records. The district's existing systems of budgetary and accounting controls are designed to provide reasonable assurance that error or irregularities of a material nature are prevented or are detected within a reasonable period. We believe that the district's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The district's internal control structure is subject to periodic review by management and independent external auditors.

The District Accountability Advisory Committee, comprised of parents, staff and community members, reviews the district's budget annually at its public budget hearings in May.

### **Colorado Public School Finance**

School funding in Colorado is primarily generated by the School Finance Act with per pupil revenues distributed to districts based upon a finance formula. This formula is designed to equalize school funding across districts for variations in local property values and student needs. However, revenue shortfalls at the state level caused by economic recessions continued to stress school district budgets in 2021-22. Statewide, Colorado school district funding was reduced by \$503.4 thousand through the application of the budget stabilization factor. The state reduced the budget stabilization factor in 2021-22 from 12.8 percent to 5.9 percent. The reduction to the factor increased the district's per pupil revenue. During 2021-22, the district received \$9,702 per pupil, \$1,112 more per pupil than the prior year.

Considering declining funded student enrollments, the district prepares budgets that use conservative revenue assumptions. These assumptions include decline in state per pupil revenue and modest estimates of district funded pupil count.

For fiscal year 2022-23, the district's per pupil funding is budgeted to increase by \$548, from \$9,702 to \$10,250. The 2022-23 budget projected a decrease in funded pupil count of 536. Overall, the district budgeted an increase in total pupil funding of \$15.3 million. The increase in per pupil funding does not restore state funding to the level that would have occurred if the state could fully fund the school finance formula.

The Public School Finance Act of 1994 provides state funding for charter schools authorized by the local Board of Education. Funding flows from the state, through the district, and then to the charter schools. Charter schools receive per pupil funding, a proportionate share of local mill levy override funding, state capital construction funding and federal start-up funds, if applicable. The district had 10 charter schools operating in 2021-22: Academy of Advanced Learning, Aurora Academy, Aurora Science and Tech. of Denver School of Science and Technology, Inc., AXL Charter School, Empower Community High School, Global Village Academy, Lotus School for Excellence, Rocky Mountain Preparatory School at Fletcher, Vanguard Classical School and Vega Collegiate Academy.

### **Local Property Tax Support**

Property taxes collected during the 2021-22 fiscal year were based on calendar 2021 assessed valuations which increased by 11.9 percent over the prior year.

The mill levy programs approved by APS voters in 1990, 2008, 2012 and 2018 provide funding for instruction-related programs that support student achievement. For example, mill levy dollars fund increased instruction in math, science and literacy, and classroom technology at most APS schools. Other examples of how APS mill levy funds benefit students include:

- Providing after-school tutoring and extended day learning opportunities for students who benefit from additional literacy and math support
- Expanding staff and training dedicated to student mental health
- Increasing pay to recruit and retain high quality teachers
- Expanding after-school learning programs for K-5 elementary students
- Adding and providing seat belts on buses
- Supporting school choice by providing mill levy funds to charter schools based on student enrollment

## Major Initiatives

APS' previous strategic plan, *APS 2020*, provided a foundation for change and momentum that APS has seen including helping APS move off of the district accountability clock for the 2017-18 school year. Graduation rates have seen significant increases over the last six school years, making significant progress to close the gap with the state average and closing the graduation gap between students who are white, Hispanic, and African American/Black.

In 2021, APS launched *APS 2026: Faces of the Future*, a new strategic plan that builds on the momentum, opportunity and impact that resulted from APS' previous strategic plan, *APS 2020*. *APS 2026* is also informed by the community's priorities, which are focused on early literacy, equity, and postsecondary workforce readiness. These priorities, as well as the community's values, were adopted by the APS Board of Education in 2021. *APS 2026: Faces of the Future* serves as the district's plan to guide everything we do to achieve our vision that: Every student shapes a successful future. *APS 2026* includes four strategic goals to ensure that we achieve our vision. Every student will have:

- Goal 1: A Plan for Their Future
- Goal 2: A Set of Skills to Implement Their Plan
- Goal 3: Credentials That Open Doors
- Goal 4: A Community of Support

Like school districts across the state and country, APS finds itself responding to the significant impacts that the COVID-19, which disrupted learning for three consecutive school years, has had on our students academically and behaviorally. In response to *Lessons Learned from the COVID-19 Pandemic*, APS is implementing the *APS Resiliency and Recovery Plan*, with financial support from the American Rescue Plan ESSER funds and prioritization of other district funds. APS' *Resiliency and Recovery Plan* will focus on closing the opportunity and resource divides created or exacerbated by the COVID-19 global pandemic by using one-time resources in a way that builds sustainable capacity to implement our strategic plan, meet the APS Board of Education directed results (student outcomes), and fulfill APS' mission. This will include focusing on responding to student learning loss—the continued social and academic progress that students would have made in absence of the disruption to student learning; supporting ongoing infrastructure needs and those elevated by the pandemic, and supporting system and capacity building for meeting student needs.

In addition to the *APS 2026* and *Resiliency and Recovery*, APS is implementing a new comprehensive, long-term education and facilities plan called *Blueprint APS*. The *Blueprint APS* considers the decline in enrollment for the district over the past several years that is particularly affecting schools in the western part of the district and anticipated growth in housing developments on the eastern part of the district. In June 2018, APS began engaging the community to get input on the future of APS and what they wanted for their children. With direction

from the community and the APS Board of Education, APS is implementing its *Blueprint APS Framework*. The *Blueprint APS Framework* includes shifting neighborhood schools to boundary schools, implementation of regions with specialties aligned to community assets, and more district-run schools for families to choose from, such as magnet schools. For APS, this will mean changes to align with *Blueprint APS* and the changes the community is experiencing, including repurposing of existing schools and building of new schools. APS has begun implementation of several components of the *Blueprint APS Framework*, with identification of regional specializations for all seven regions; building two new P-8 school buildings in two regions which will open for the 2023-24 school year; repurposing two schools into magnet schools which opened in 2022-23, one focused on arts and one on entrepreneurship and invention; implementation of a 6-12 new magnet program within an existing comprehensive high school in 2022-23, and the closing of three additional schools at the end of the 2022-23 school year. The magnet schools and programs will open for the 2022-23 school year.

APS is also continuing implementation of key activities to support the health and safety of our students as a result of the passage of APS' 2018 Mill Levy Override. The ballot measure included funding to support expanding staff and training dedicated to student mental health; increasing pay to recruit and retain high quality teachers; expanding after-school learning programs for K-5 elementary students; and adding and providing seat belts on buses. This work has been instrumental in APS being able to respond in real time to the behavioral health and childcare needs of our students and families during the COVID-19 pandemic.

APS, like every other school district in the nation, does not have unlimited time or resources. This reality demands that we be focused, creative, and above all else, strategic. Our students, families and community deserve better schools and higher achievement. This belief fuels our work. It also drives a deep sense of urgency to be ready, to be flexible and to maximize the talent needed to improve outcomes across the district so that every student shapes a successful future.

### **Awards and Acknowledgements**

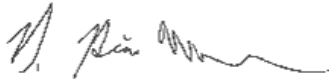
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 38th consecutive year that the district received this prestigious award. In order to receive a certificate of achievement, the district must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to generally accepted accounting principles and applicable legal requirements. This report must satisfy accounting principles generally accepted in the United States of America and applicable legal requirements.

In addition, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Aurora Public Schools for its annual comprehensive financial report for fiscal year ended June 30, 2021. This was the 4th consecutive year that the district received this prestigious award. This certificate is awarded to government units that publish an easy-to-read and well-organized annual comprehensive financial report whose content conforms to the program's standards. This report must satisfy accounting principles generally accepted in the United States of America and applicable legal requirements.

Certificates from both ASBO and GFOA are valid for a period of one year only. We believe that our current report continues to meet the certificate of achievement programs' requirements and we are submitting it to both ASBO and GFOA for review and certification.

The publishing of this document would not have been possible without many hours of work put forth by the district's finance department. In addition, the district appreciates its independent auditors, FORVIS, LLP, for their professional assistance in preparing this report. Furthermore, we would like to express our appreciation to the district's planning and transportation departments, city of Aurora, Adams and Arapahoe counties and other governmental agencies that provided supplemental information used in the preparation of this report. Finally, supplemental information from the Internet home pages of several agencies, organizations and city and state governments was accessed during the compilation of this report. Garnering this information via the Internet was an efficient method to acquire relevant data for our report.

Respectfully submitted,

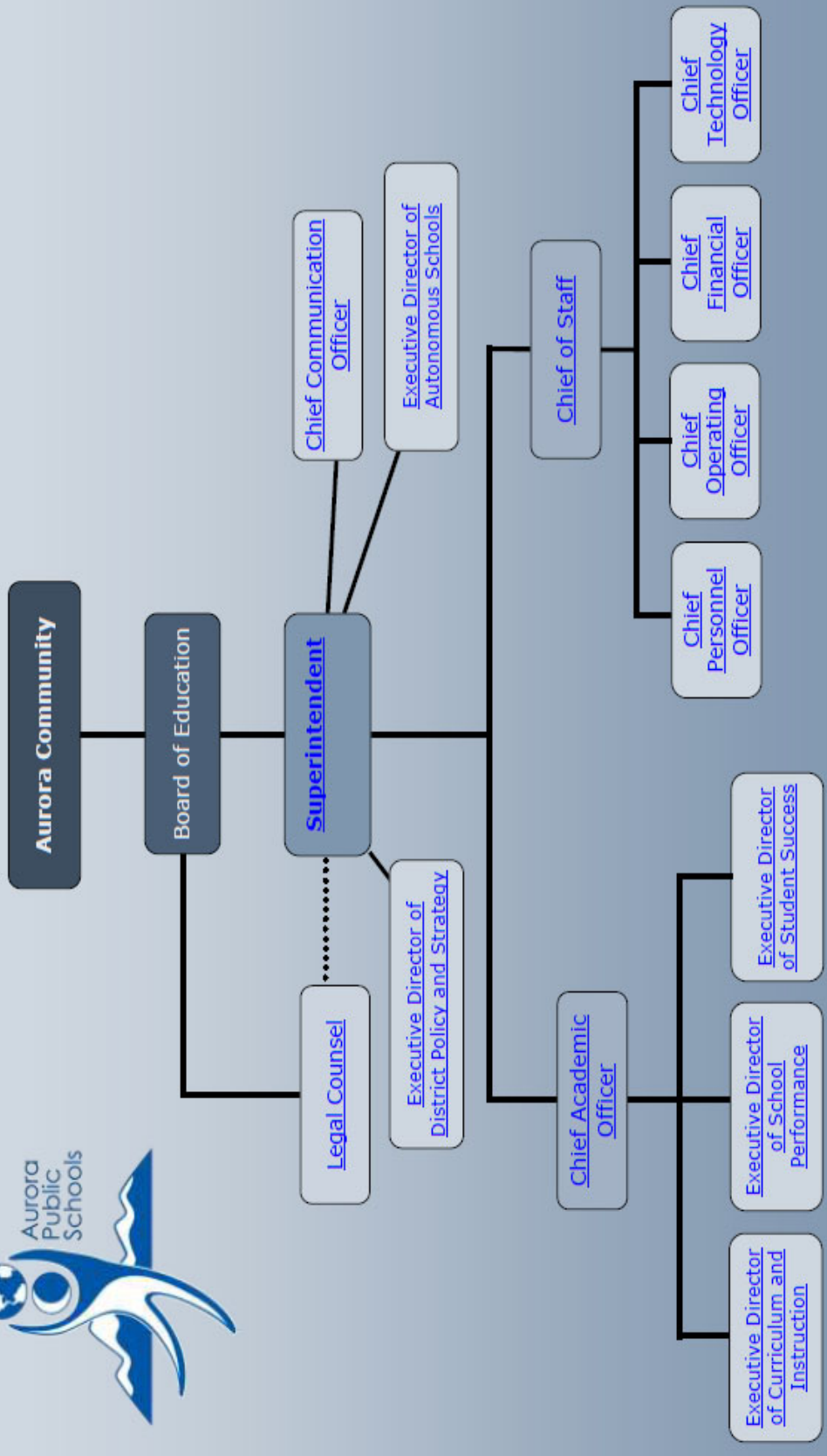


D. Rico Munn  
Superintendent of Schools



Brett Johnson  
Chief Financial Officer

# District Organizational Structure 2021-22 School Year





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Joint School District No. 28J  
of the Counties of Adams and Arapahoe  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Joint School District 28J of the Counties of  
Adams and Arapahoe, Colorado**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'William A. Sutter'.

**William A. Sutter**  
**President**

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

**David J. Lewis**  
**Executive Director**



# AUROLA

## PUBLIC SCHOOLS

— Power Your Potential —

**FINANCIAL  
SECTION**



## Independent Auditor's Report

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Aurora, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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.

We did not audit the financial statements of Aurora Academy, Global Village Academy, Academy of Advanced Learning, Lotus School for Excellence, Vanguard Classical School, AXL Academy, Rocky Mountain Preparatory School, Vega Collegiate Academy and Empower Community High School, which represent 96.54% and 92.12%, respectively of assets and revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2022. Those statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for Aurora Academy, Global Village Academy, Academy of Advanced Learning, Lotus School for Excellence, Vanguard Classical School, AXL Academy, Rocky Mountain Preparatory School, Vega Collegiate Academy, and Empower Community High School, is based solely on the reports of the other auditors.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Aurora Public Schools Foundation, Vanguard Classical School, and Empower Community High School included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

### ***Emphasis of a Matter – Change in Accounting Principle***

As discussed in Note 14 to the financial statements, effective July 1, 2021, the District adopted GASB Statement Number 87, *Leases* (GASB 87). Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual fund financial statements and schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual comprehensive annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**FORVIS,LLP**

Denver, Colorado  
November 11, 2022, except the Schedule of Expenditures of  
Federal Awards as to which the date is August 31, 2023

**Management's Discussion and  
Analysis**  
(Unaudited)

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

The management of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (Aurora Public Schools or APS), offers to readers this discussion and analysis of the district's financial performance for the year ended June 30, 2022. This discussion and analysis focuses on the primary government and does not include its discretely presented component units. We encourage readers to consider the information presented here in conjunction with the transmittal letter, basic financial statements, notes to the basic financial statements, the required supplementary information, supplementary information and the statistical section to further enhance their understanding of APS' financial performance.

### **Financial Highlights**

On the statement of net position, assets and deferred outflows of resources were less than the district's liabilities and deferred inflows of resources, resulting in a net position deficit of \$233.2 million. Total assets increased by \$95.3 million, deferred outflows of resources decreased by \$172.2 million, total liabilities decreased by \$177.6 million and deferred inflows of resources decreased by \$127.2 million.

On the statement of activities, general revenues totaling \$532.6 million accounted for 76.5 percent of all revenues of the primary government. Program revenues provided \$163.4 million, or 23.5 percent of all revenues, directly supporting the functions and programs of the primary government. Total expenses increased from \$414.7 million in 2020-21 to \$468.1 million in 2021-22.

The district issued \$121.1 million of general obligation and refunding bonds in 2021-22. The outstanding liability for general obligation bonds payable, including accreted interest and principal, increased by \$29.0 million due to the issuance of new debt, scheduled principal payments and the additions of accreted interest, leaving \$428.2 million in principal and accreted interest payments outstanding.

Governmental funds reported combined ending fund balances of \$433.4 million, an increase of \$69.7 million from the prior year. Unassigned fund balance of \$26.9 million in the General Fund is available for district use. Nonspendable fund balance for prepaid items totaled \$5.3 million; fund balances restricted for statutory requirements and committed for contractual agreements totaled \$271.9 million; fund balance amounts assigned by district management for various operations and contingencies totaled \$129.3 million. The issuance of general obligation debt of \$95.5 million and increased tax collections in the bond redemption fund contributed to the increase in fund balance year over year.

The COVID-19 pandemic, inflation, labor shortages, supply chain constraints and resulting disruptions have caused significant economic uncertainty and volatility in financial markets, U.S. economy and local economy. It is expected that the disruptions will create significant shortfall for school funding for the next several years.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the district's basic financial statements. This annual report consists of a series of financial statements and notes to those statements organized so the reader can understand the district as a whole. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also includes a section

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

of required supplementary information and a section of supplementary information intended to furnish additional detail to support the basic financial statements.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the district's finances using accounting methods similar to those used by private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

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

The statement of activities shows how the government's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities when the event occurs, regardless of the timing of when cash is received or paid. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused leave).

### **Fund Financial Statements**

The fund financial statements focus on the district's major funds and provide more detailed information about the district. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district has two kinds of funds: governmental funds and fiduciary funds.

#### *Governmental Funds*

Most of the district's activities are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending in future periods. The governmental fund statements provide a detailed, short-term view on the financial resources that can be spent in the near future on the district's programs.

The focus of governmental funds is narrower than that of the government-wide financial statements, so it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions.

Because there are differences between governmental activities (shown in the statement of net position and the statement of activities previously discussed) and governmental funds, two reconciliations are provided in the financial statements. The major differences between the financial reporting on governmental activities and governmental funds relate to the district's long-term liabilities and acquisition of capital assets. The district maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Bond Redemption, Grants, Nutrition Services, Building and Capital Reserve, all of which are considered to be major funds. Data for the other four governmental funds (Athletic, Medicaid,

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

Pickens Post-Secondary and Pupil Activity) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements included in this report.

*Fiduciary Fund*

The district operates one fiduciary fund, the Health Trust Fund. The district is the fiduciary for assets that belong to others. The district is responsible for ensuring that the assets reported in the Health Trust Fund are used only for their intended purposes. Additions to the Health Trust Fund are employer and employee contributions for the operations of the self-funded health insurance program. These assets cannot be used to finance district operations and are not included in the government-wide financial statements.

**Notes to Basic Financial Statements**

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

Effective July 1, 2021, the district implemented GASB Statement No. 87, *Leases* (GASB 87). GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Refer to footnotes 1, 4, 5 and 6 in the Notes to the Financial Statements for additional information on GASB 87.

**Required Supplementary Information and Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also includes required supplementary information containing the district's budgetary schedules for the district's General Fund, Grants Fund, and Nutrition Services Fund, as well as pension information as required by GASB 68 and OPEB information as required by GASB 75. Other supplementary information, including financial statements and budgetary comparisons for the district's other governmental funds, and financial statements for the district's fiduciary funds and component units, follows the required supplementary information. Legal compliance information for budgetary requirements and the Auditor's Integrity Report is included in other supplementary information.

***Government-wide Overall Financial Analysis***

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. Liabilities and deferred inflows of resources exceed assets and deferred outflows of resources by \$233.2 million.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

	<b>Primary Government</b>			
	<b>Governmental Activities</b>			
	June 30, 2022	June 30, 2021 *	Increase (Decrease)	% Change from prior year
Current assets	\$ 266,097,239	\$ 256,250,753	\$ 9,846,486	3.8%
Noncurrent assets, excluding capital and lease assets	230,741,776	168,997,611	61,744,165	36.5%
Capital and lease assets, net	517,842,166	494,117,243	23,724,923	4.8%
<b>Total assets</b>	<b>1,014,681,181</b>	<b>919,365,607</b>	<b>95,315,574</b>	<b>10.4%</b>
Deferred outflows of resources	139,152,800	311,397,565	(172,244,765)	-55.3%
Current liabilities	109,432,070	98,453,313	10,978,757	11.2%
Noncurrent liabilities outstanding	1,051,507,010	1,240,087,097	(188,580,087)	-15.2%
<b>Total liabilities</b>	<b>1,160,939,080</b>	<b>1,338,540,410</b>	<b>(177,601,330)</b>	<b>-13.3%</b>
Deferred inflows of resources	226,082,346	353,260,786	(127,178,440)	-36.0%
Net investment in capital assets	125,656,525	117,415,039	8,241,486	7.0%
Restricted	177,789,182	145,580,575	32,208,607	22.1%
Unrestricted (deficit)	(536,633,152)	(724,033,638)	187,400,486	-25.9%
<b>Total net position (deficit)</b>	<b>\$ (233,187,445)</b>	<b>\$ (461,038,024)</b>	<b>\$ 227,850,579</b>	<b>-49.4%</b>

\* Prior year has not been restated for GASB 87.

As of June 30, 2022, assets were not sufficient to fund liabilities. The sole reason for liabilities exceeding assets is due to amounts related to the PERA pension and OPEB. As required by GASB 68, the district recorded a noncurrent liability of \$566.3 million for its net pension liability. APS has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA. The district also recorded a noncurrent liability of \$27.4 million as required by GASB 75 for net OPEB liability. Deferred outflows of resources related to the pension plan and OPEB increased by \$193.4 million, due to the difference between projected and actual earnings on investments, change in assumptions and change in proportionate share of contributions. Deferred inflows of resources related to the pension plan and OPEB decreased by \$129.7 million, due to the difference between projected and actual earnings on investments, change in assumptions and change in proportionate share of contributions. Overall, the district's total net position improved from a deficit of \$461.0 million to a deficit of \$233.2 million. See footnotes 1, 10 and 11 in Notes to the Financial Statements for additional information on GASB 68 and GASB 75.

A significant portion of the district's assets are its investments in capital assets, such as land, buildings, vehicles and equipment. The value of capital assets, including non-depreciable and depreciable assets, net of depreciation, increased by \$23.7 million, from \$494.1 million to \$517.8 million. The change is primarily due to new assets of \$42.7 million offset by depreciation of \$22.2 million. The new assets include construction in progress of \$40.5 million, which is a result of the district using proceeds from the general obligation bonds approved by voters in November 2016. Noncurrent assets consisting of cash, cash equivalents and investments that are restricted for capital construction and renovations of schools and support buildings, bond debt service and charter school agreements totaled \$230.7 million, an increase of \$61.7 million over the previous year. This increase is due to increased property tax receipts for bond debt service, proceeds from issuance of bonds and restricted investment income receipts offset by capital spending of restricted cash.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

Current assets increased by \$9.8 million primarily due to increase in cash received on federal grants. Current liabilities increased by \$11.0 million primarily due to reclasses of noncurrent liabilities due within one year. Noncurrent liabilities decreased by \$188.6 million primarily due to the change in net pension liability.

The district's restricted net position includes seven categories: 1) Colorado Preschool Program funds, § 22-28-101, C.R.S., 2) a TABOR emergency reserve mandated by the Article X, Section 20, of the Colorado constitution, 3) Medicaid grant funds restricted for the improvement of student achievement, 4) student fees charged for instructional programs, restricted by § 22-32-117(2)(c), C.R.S, 5) funds restricted for charter school agreements, 6) funds for long-term debt service generated by bond redemption property taxes, and 7) funds restricted for nutrition services. In accordance with the TABOR emergency reserve mandate, the primary government reserved 3.0 percent of applicable expenditures, totaling \$12.2 million.

The district's net position for governmental activities increased by \$227.9 million. The reasons for this overall increase are discussed in the following sections for governmental activities.

**Comparative Summary of Activities and Changes in Net Position**

	<b>Primary Government</b>			
	<b>Governmental Activities</b>			
	Year Ended June 30, 2022	Year Ended June 30, 2021 *	Increase (Decrease)	% Change from prior year
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 22,579,702	\$ 16,564,181	\$ 6,015,521	36.3%
Operating grants & contributions	133,110,243	160,437,356	(27,327,113)	-17.0%
Capital grants & contributions	7,736,643	4,881,784	2,854,859	58.5%
General revenues:				
Property taxes	310,743,869	287,173,369	23,570,500	8.2%
State School Finance Act	220,807,146	210,519,931	10,287,215	4.9%
Other	1,020,965	1,377,336	(356,371)	-25.9%
<b>Total revenues</b>	<b>695,998,568</b>	<b>680,953,957</b>	<b>15,044,611</b>	
<b>EXPENSES</b>				
Instruction	176,911,630	167,588,694	9,322,936	5.6%
Pupil support	47,246,497	37,050,748	10,195,749	27.5%
Instructional staff support	24,790,473	20,561,462	4,229,011	20.6%
General administration	6,409,537	11,937,057	(5,527,520)	-46.3%
School administration	27,985,247	22,197,244	5,788,003	26.1%
Business administration	4,273,208	3,478,744	794,464	22.8%
Operations & maintenance	41,862,769	33,472,822	8,389,947	25.1%
Transportation	15,009,211	10,229,664	4,779,547	46.7%
Personnel/data/risk management	23,716,375	19,358,742	4,357,633	22.5%
Other support services	51,512,841	48,631,501	2,881,340	5.9%
Food service operations	24,167,167	20,696,760	3,470,407	16.8%
Interest on long-term debt	24,263,034	19,452,373	4,810,661	24.7%
<b>Total expenses</b>	<b>468,147,989</b>	<b>414,655,811</b>	<b>53,492,178</b>	<b>12.9%</b>
<b>Change in net position</b>	<b>227,850,579</b>	<b>266,298,146</b>	<b>(38,447,567)</b>	<b>-14.4%</b>
<b>Net position (deficit) - beginning of year</b>	<b>(461,038,024)</b>	<b>(727,336,170)</b>	<b>266,298,146</b>	<b>-36.6%</b>
<b>Net position (deficit) - end of year</b>	<b>\$ (233,187,445)</b>	<b>\$ (461,038,024)</b>	<b>\$ 227,850,579</b>	<b>-49.4%</b>

\* Prior year has not been restated for GASB 87.

Most revenues to Colorado's school districts are provided through the Public School Finance Act of 1994 (as amended). The district's adjusted total program funding for 2021-22 was \$365.7

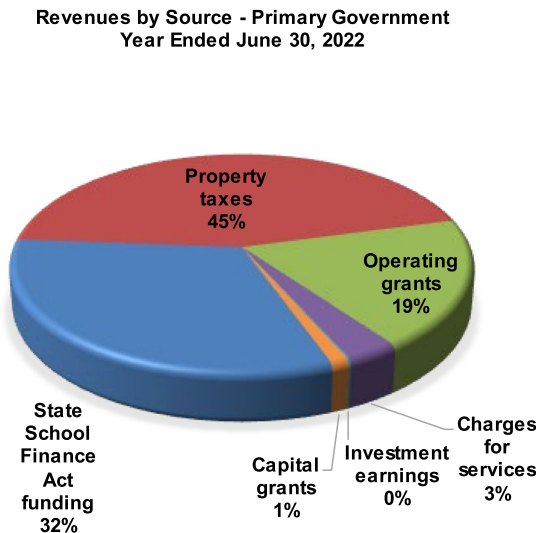
**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

million based on a funded pupil count of 38,021 and per pupil total program funding of \$9,617, compared to total program funding of \$331.2 million based on a funded pupil count of 38,551 and per pupil total program funding of \$8,593 for 2020-21. Of the \$365.7 million adjusted funding, \$259.5 million was funded through state equalization and the remainder through a combination of local property and specific ownership taxes compared to \$210.5 million funded through state equalization in 2020-21. The district distributes per pupil total program funding to its charters as state funding is received.

The primary government, which excludes charters, generated \$220.8 million in School Finance Act, unrestricted monies, for 2021-22 compared with \$210.6 million in 2020-21. General revenues also included property tax revenues of \$310.7 million in 2021-22 compared to \$287.2 million in 2020-21. Total property tax revenues include School Finance Act mills, Mill Levy Override Election mills, Tax Abatement mills and Bond Redemption Fund mills. The increase in property tax revenues is due to the mill levy overrides and increased assessed property value. Property tax revenue increased by \$23.6 million in 2021-22 due to increased net assessed valuation of property located within the district.

The state's budget balancing factor, the budget stabilization factor, decreased from the prior year. In 2021-22, the district's total per-pupil funding was reduced by 5.9 percent, or \$23.8 million prior to a state calculated allocation to state authorized charter schools, compared to a reduction of 12.8 percent, or \$49.7 million in the prior year due to the budget stabilization factor. The budget stabilization factor continues to have an adverse impact on the district's budget; state funding has not been restored to the level that would have occurred if the state could fully fund the state's school finance formula. If sufficient state revenues were available, the district would receive \$10,313 per pupil, compared to \$9,702 per pupil actually received in 2021-22.

The following chart illustrates the district's revenues by source.



Expenses for governmental activities increased by \$53.5 million as discussed in the governmental funds section below.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

The net expenses of governmental activities after program revenues are applied was \$304.7 million in 2021-22 compared with \$232.8 million in 2020-21. General revenues, such as property taxes and school finance act revenue, fund these net expenses.

### **Financial Analysis of Governmental Funds**

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

The focus of the district's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Unassigned fund balance may serve as a useful measure of the net resources available for spending. The governmental funds use the modified accrual basis of accounting. The fund financial statements provide detailed information about the district's most significant funds and summarize less significant funds into one column. The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

Governmental funds had total revenues and other financing sources of \$849.6 million and expenditures including other financing uses of \$779.9 million. As of the end of the current fiscal year, the district's ten governmental funds reported combined ending fund balances of \$433.4 million, an increase of \$69.7 million.

The Colorado constitution requires a TABOR emergency reserve of 3.0 percent of fiscal year revenues, with revenues for gifts, federal funds, and bonded debt service excluded from this requirement. The constitution refers to "fiscal year spending" that, definitionally, refers to revenue. On the district's Balance Sheet for Governmental Funds, the required amount of \$12.2 million is shown as fund balance restricted for TABOR emergency reserve. The General Fund's unassigned fund balance is \$26.9 million, which provides a measure of the district's net resources available for spending at the end of the fiscal year. In general, unassigned fund balances are necessary to cover contingencies caused by unpredictable revenues and potentially volatile expenditures. The district's board of education established a policy in November 2003, and revised it in April 2017, that requires a minimum total fund balance of 5.0 percent of revenue using the TABOR calculation.

The Building Fund is used to account for construction projects financed by the sale of general obligation bonds and proceeds from the BEST grant. The fund recorded an ending fund balance of \$93.9 million, an increase of \$59.2 million from the prior year. The district expended \$44.9 million that was offset by additional revenues of \$8.9 million and the sale of bonds with premium of \$95.2 million. Aurora voters approved \$300 million in general obligations bonds in November 2016. The district issued the bonds in January 2017 (\$200.0 million), December 2019 (\$26.5 million), and \$73.5 million (July 2021).

The Bond Redemption Fund had a fund balance increase of \$20.2 million due to property tax and other revenues exceeding required payments on outstanding debt. The Nutrition Services Fund had an increase of \$7.5 million in fund balance from operations primarily due to Federal grant revenues and other financing sources. Finally, the Capital Reserve Fund had an increase in fund balance of \$0.7 million due to other financing sources and revenue exceeding expenditures.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

Property tax revenue increased by \$24.3 million compared to last year. The increase is due to increases in net assessed valuations on the real property located within the district. Specific ownership tax revenue, taxes paid annually on motor vehicles, decreased by \$0.6 million from \$17.7 million to \$17.1 million, or a decrease of 3.3 percent, in 2021-22. Federal grants decreased \$43.2 million as the post-COVID stimulus programs wind down. The increase in other financing sources is due to the issuance of general obligation bonds.

<b>Revenues and Other Financing Sources</b>				
Governmental Funds				
Year Ended				
	June 30, 2022	June 30, 2021	Increase (Decrease)	% Change from prior year
Local:				
Property and specific				
ownership taxes	\$ 311,292,160	\$ 287,602,205	\$ 23,689,955	8.2%
Other	36,458,119	32,909,827	3,548,292	10.8%
State	246,709,008	223,372,468	23,336,540	10.4%
Federal	93,499,268	136,661,897	(43,162,629)	-31.6%
Subtotal	687,958,555	680,546,397	7,412,158	1.1%
Other financing sources	161,648,230	30,425,206	131,223,024	431.3%
Total	<u>\$ 849,606,785</u>	<u>\$ 710,971,603</u>	<u>\$ 138,635,182</u>	<u>19.5%</u>

<b>Expenditures and Other Financing Uses</b>				
Governmental Funds				
Year Ended				
	June 30, 2022	June 30, 2021	Increase (Decrease)	% Change from prior year
Instruction	\$ 265,668,240	\$ 260,329,744	\$ 5,338,496	2.1%
Pupil support	70,750,214	62,141,361	8,608,853	13.9%
Instructional staff support	35,704,057	32,873,855	2,830,202	8.6%
General administration	9,352,106	14,387,236	(5,035,130)	-35.0%
School administration	44,665,294	38,851,188	5,814,106	15.0%
Business administration	5,683,009	5,531,441	151,568	2.7%
Operations and maintenance	49,531,098	38,599,563	10,931,535	28.3%
Transportation services	17,804,668	14,431,018	3,373,650	23.4%
Personnel/data/risk management	29,146,677	24,424,242	4,722,435	19.3%
Other support services	27,147,772	27,535,663	(387,891)	-1.4%
Food service operations	28,387,402	21,463,580	6,923,822	32.3%
Facilities acquisition/improvement	63,158,231	46,705,577	16,452,654	35.2%
Debt service	67,757,812	55,963,575	11,794,237	21.1%
Subtotal	714,756,580	643,238,043	71,518,537	11.1%
Other financing uses	65,177,861	28,184,635	36,993,226	131.3%
Total	<u>\$ 779,934,441</u>	<u>\$ 671,422,678</u>	<u>\$ 108,511,763</u>	<u>16.2%</u>

Governmental fund expenditures increased by 11.1 percent or \$71.5 million not including a substantial increase in other financing uses. Other financing uses includes debt refunding of \$51.6 million offset by a decrease in transfers out of \$13.6 million. The district reduced expenditures for vehicles and equipment (\$11.0 million), indirect costs (\$6.0 million), and in payments to charter schools (\$4.6 million). Offsetting these reductions were increases to expenditures due to:

- Salaries and benefits increased by \$22.9 million

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

- Capital projects expenditures increased \$23.1 million to \$68.6 million from \$45.5 million as the district continues to spend building and capital reserve funds.
- Grant funded expenditures increased by \$14.0 million not related to salaries and benefits.
- Debt service increased \$11.2 million as expected according to the repayment schedule.
- Risk related expenditures grew by \$7.9 million to \$11.6 million from \$3.7 million
- Nutrition services expenditures grew by \$6.1 million to \$18.0 million from \$11.9 million
- Contracted transportation increased by \$5.5 million due to the inability to hire bus drivers increasing to \$7.0 million from \$1.5 million
- Other purchased services, utilities, travel, substitutes, and supplies account for the remaining \$8.1 million increase.

The majority of the district's governmental expenditures, 64.8 percent, are directed to the delivery of student instruction, providing additional student and staff supports, student nutrition and transportation. These programs increased expenditures by \$32.9 million compared to 2020-21 and are accounted for in the instruction, pupil support, instructional staff support, school administration, food service operations and transportation programs. The district's administrative expenditures decreased year over year by \$5.3 million and are 5.9 percent of total costs. These programs are accounted for in the general administration, business administration and other support services. The remaining 29.3 percent of expenditures relates to operations and maintenance, personnel/data/risk management, facilities acquisition and improvement, and debt service. These expenditures grew \$43.9 million with increased capital and debt expenditures.

### **General Fund Budgetary Highlights**

#### **General Fund – Original budget compared to final budget**

Differences between the original budget and the final budget are included in the January 2022 budget appropriations as approved by the Board of Education. Changes to the budget take into consideration the availability of revenues from certifying the mill levy, finalizing the pupil count and receiving updated estimates on state funding. The general fund revenue budget decreased due to the statutorily imposed limit on mill levy overrides, expected increases in state revenue, a potential risk recovery, and increases to amounts charged to charters. The final budget allocates appropriated reserves once the amount and purpose are finalized. For example, expenditure budgets are increased once salary and benefit increases are finalized. The final budget allocated \$22.1 million of reserves into operating expenditures.

#### **General Fund – Budget to Actual Analysis**

General fund revenues exceeded budget by \$14.5 million. State revenues exceeded budget by \$9.0 million due to increases in state share (i.e., the state's share of the district's per pupil total program funding) and one-time at-risk mitigation funds that offset the reduction in state vocational education funding. General fund federal revenue exceeded budget by \$3.7 million as certain federal grants were originally budgeted in the grants fund. Local tax revenue exceeded budget by \$3.6 million due to adjustments in assessed valuations and increased collections. Charges for services to charter schools increased by \$0.8 million because of higher district special education and district support. Other local revenues were less than budget by \$2.6 million as building rentals and interest earnings only partially offset an expected risk recovery that did not materialize in this fiscal year.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

Current general fund expenditures, excluding appropriated reserves, intentionally exceeded budget by \$15.3 million in line with the additional revenues received. Facilities acquisition and improvements and debt service exceeded budget by \$4.6 million as magnet and other related blueprint projects commenced. Contingencies are budgeted as the actual programmatic investments are not always known during the budgeting process. \$22.1 million of contingencies were allocated during the final budget adoption. This year, with the assistance of state grants, federal funds and additional property taxes, significant one-time investments were made in instruction, operations and maintenance, and information technology. Instructional expenditures, including special education services, special programs, pre-school, after school programming, school administration, pupil support, instructional staff support, and instructional technology exceeded budget by \$4.8 million. General and business administration expenditures were less than budget by \$2.2 million. Operations and maintenance exceeded budget by \$6.8 million as utilities, security, and maintenance projects increased due to cost pressures. Transportation expenditures continue to exceed budget (\$3.9 million) due to increased contracted transportation amidst a severe labor shortage.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the General Fund including other financing uses totaled \$496.0 million. Unassigned fund balance represents 5.6 percent of actual expenditures while total fund balance represents 34.2 percent of budget-based expenditures. A significant portion of fund balance is assigned for specific purposes because of the APS Blueprint set-asides (i.e., magnet school projects), instructional carryover and textbook adoption, and materials for new schools. These funds are assigned to these purposes and, contingent upon appropriations, would be spent on the designations listed. Additionally, assignments are made to mitigate future risks related to exceptional student services, insurance risks, and a reserve for the impending impact of the five-year averaging mechanism in the School Finance Act formula that will reduce the funded pupil count from a five-year average closer to the actual pupil count for the current year. As the district's enrollment continues to stabilize, the formula to calculate funded pupil count will change resulting in a funded pupil count of approximately 930 fewer pupils. This change will result in a decrease in per-pupil funding to the district of \$9.9 million.

### **Capital and Lease Assets and Debt Administration**

#### **Capital and Lease Assets**

Net of depreciation and amortization, the district's capital assets, including right-to-use assets, as of June 30, 2022, totaled \$517.8 million, which is invested in land, buildings, equipment, software, lease assets and construction-in-progress. Depreciation and amortization charges this year totaled \$22.8 million.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

<b>Capital Assets</b>				
(Net of Depreciation and Amortization)				
Primary Government				
Governmental Activities				
	June 30, 2022	June 30, 2021 *	Increase (Decrease)	% Change from prior year
Capital assets:				
Land	\$ 25,254,091	\$ 25,303,576	\$ (49,485)	-0.2%
Buildings & improvements	326,967,615	301,160,599	25,807,016	8.6%
Equipment, software & vehicles	11,652,360	12,386,634	(734,274)	-5.9%
Subtotal	363,874,066	338,850,809	25,023,257	7.4%
Construction-in-progress	150,632,322	155,266,434	(4,634,112)	-3.0%
Lease assets:				
Land	1,546,881	-	1,546,881	0.0%
Buildings	1,104,417	-	1,104,417	0.0%
Machinery and equipment	684,480	-	684,480	0.0%
Total	<u>\$ 517,842,166</u>	<u>\$ 494,117,243</u>	<u>\$ 23,724,923</u>	4.8%

\* Prior year has not been restated for GASB 87.

The most significant impact on capital assets this year was the additions made to construction-in-progress due to the start of renovations and improvements to school buildings and other facilities funded by the sale of general obligation bonds in January 2017 and December 2019. Additions to construction in progress totaled \$40.5 million. For more information on the district's capital and lease assets, refer to Note 5 Capital and Lease Assets in the Notes to the Financial Statements.

### Long-Term Debt

Long-term debt principal, accreted interest and premiums on general obligation debt totaled \$474.8 million in general obligations bonds, with \$27.4 million due in one year. Certificates of participation, leases, direct borrowing and debt financings totaled \$16.6 million, with \$2.2 million due in one year. For more information on the district's long-term debt, refer to Note 6 Noncurrent Liabilities in the Notes to the Financial Statements.

<b>Outstanding Debt as of June 30, 2022</b>				
Primary Government				
Governmental Activities				
	June 30, 2022	June 30, 2021 *	Increase (Decrease)	% Change from prior year
General obligation bonds	\$ 428,239,854	\$ 399,204,985	\$ 29,034,869	7.3%
Premiums/(discounts)	46,544,066	27,971,280	18,572,786	66.4%
Certificates of participation	7,575,000	7,575,000	-	0.0%
Debt financing for capital assets	4,742,955	5,549,571	(806,616)	-14.5%
Proceeds from financing for land purchase	905,286	905,286	-	0.0%
Leases	3,401,291	-	3,401,291	0.0%
Total	<u>\$ 491,408,452</u>	<u>\$ 441,206,122</u>	<u>\$ 50,202,330</u>	11.4%

\* Prior year has not been restated for GASB 87.

Moody's and Fitch have awarded an Aa2 and an AA- rating, respectively, to the district.

### Economic Factors and Fiscal Year 2022-23 Budget

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

The district follows a multi-step budget development process that involves receiving input on values and priorities from staff, parents and community members. District leadership prepares a budget plan that balances priorities of the community with federal, state and local regulations, desired academic outcomes, student safety and fiscal responsibility. The budget plan for 2022-2023 supports the educational commitments of student learning, professional practice and collective responsibility.

In 2010-11, the Colorado General Assembly implemented a budget stabilization factor for total per-pupil program funding. For 2022-23, the budget stabilization factor is estimated to reduce funding available to public education by \$571.2 million statewide. In 2021-22, the district's total program funding will be reduced by 4.0 percent, or \$16.6 million before allocations to state authorized charter schools. The budget stabilization factor continues to have an adverse impact on the district's budget; state funding has not been restored to the level that would have occurred if the state could fully fund the school finance formula. If sufficient revenue were available in Colorado's General Fund, the district would receive \$10,682 per pupil, compared to the projected amount of \$10,250.

Additionally, COVID-19 pandemic, inflation, labor shortages, supply chain constraints and resulting disruptions have caused significant economic uncertainty and volatility in financial markets, U.S. economy and local economy. It is expected that the disruptions will create significant shortfall for school funding for the next several years.

As with any plan, the 2022-23 budget is based upon key assumptions. These range from changes in enrollment and per pupil revenue amounts to assessed valuations and staffing ratios. Assumptions upon which the 2022-23 budget are based include:

- State per-pupil revenue: \$10,250
- Total mill levy override revenues: \$105.1 million
- Decrease in enrollment, excluding district charter schools and preschool: 590 students, a decrease of 1.9%.
- Net assessed value of property within APS boundaries: \$3.8 billion
- Property tax collection rate: 98.5 percent

Given continuing economic forecast uncertainties confronting the nation and Colorado, district leadership will continue to work closely with employee groups and members of the community to create options that maintain the financial health of Aurora Public Schools while continuing our progress in raising student achievement.

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

This financial report is designed to provide the district's citizens, taxpayers, parents, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional information, contact the Division of Finance, Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (dba Aurora Public Schools), 15701 East First Avenue, Suite 106, Aurora, Colorado, 80011, or visit our website at [www.aurorak12.org](http://www.aurorak12.org).



# AUROLA

## PUBLIC SCHOOLS

— Power Your Potential —

## **Basic Financial Statements**

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Net Position  
June 30, 2022**

	Primary Government Governmental Activities	Component Units Charter Schools
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 209,765,129	\$ 29,018,810
Due from other governments	-	782,051
Receivables (net of allowance for uncollectibles)	48,754,966	4,345,263
Inventories	1,621,515	-
Prepaid and deposit items	5,955,629	2,609,486
Total current assets	<u>266,097,239</u>	<u>36,755,610</u>
Noncurrent assets:		
Restricted: cash, cash equivalents and investments	230,741,776	5,825,007
Nondepreciable capital assets	175,886,413	9,240,992
Depreciable capital assets	338,619,975	77,935,063
Right-to-use assets - leases	3,335,778	12,922,314
Total noncurrent assets	<u>748,583,942</u>	<u>105,923,376</u>
<b>Total assets</b>	<u>1,014,681,181</u>	<u>142,678,986</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on bond refunding	1,594,758	945,521
Items related to pension plan	131,791,221	30,890,434
Items related to OPEB	5,766,821	1,526,537
Total deferred outflows of resources	<u>139,152,800</u>	<u>33,362,492</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and other current liabilities	16,649,518	2,612,266
Accrued salaries and benefits	26,664,306	2,392,812
Liability claims and premiums	1,641,413	-
Intergovernmental payable	2,438,960	503,978
Unearned revenue	9,183,576	172,667
Accrued interest payable	4,536,169	1,282,790
Noncurrent liabilities, due within one year:		
General obligation bonds	44,310,918	-
Compensated absences	1,782,132	-
Notes, leases and mortgages payable	2,225,078	3,232,021
Total current liabilities	<u>109,432,070</u>	<u>10,196,534</u>
Noncurrent liabilities, due beyond one year:		
Notes, leases and mortgages payable	6,824,454	99,229,156
General obligation bonds	430,473,002	-
Certificates of participation	7,575,000	-
Net pension liability	566,325,130	69,211,328
Net OPEB liability	27,399,177	3,240,596
Compensated absences	12,910,247	-
Total noncurrent liabilities	<u>1,051,507,010</u>	<u>171,681,080</u>
<b>Total liabilities</b>	<u>1,160,939,080</u>	<u>181,877,614</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Items related to pension plan	212,921,332	31,215,819
Items related to OPEB	10,592,273	1,215,573
Items related to leases	2,568,741	644,770
Total deferred inflows of resources	<u>226,082,346</u>	<u>33,076,162</u>
<b>NET POSITION</b>		
Net investment in capital assets	125,656,525	1,070,409
Restricted for:		
Colorado Preschool Program	1,803,047	-
TABOR emergency reserve	12,181,693	2,808,878
Medicaid	11,153,144	-
Student fees	8,483,423	-
Charter school agreements	1,137,768	-
Debt service	123,462,543	-
Nutrition services	19,567,564	-
Other	-	437,110
Unrestricted (deficit)	<u>(536,633,152)</u>	<u>(43,228,695)</u>
<b>Total net position (deficit)</b>	<u>\$ (233,187,445)</u>	<u>\$ (38,912,298)</u>

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

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Statement of Financial Position – Aurora Public Schools Foundation  
 June 30, 2022**

**ASSETS**

Cash and cash equivalents	\$ 1,618,231
Investments	203,932
Other receivables	470,430
Prepaid expenses	<u>3,905</u>
<b>Total current assets</b>	<b><u>\$ 2,296,498</u></b>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable	\$ 29,467
Other accrued liabilities and payables	<u>462,075</u>
<b>Total liabilities</b>	<b><u>491,542</u></b>
Net Assets:	
Without donor restrictions	537,040
With donor restrictions	
Perpetual in nature	100,000
Purpose restricted	<u>1,167,916</u>
<b>Total net assets</b>	<b><u>1,804,956</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,296,498</u></b>

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Activities  
For the Fiscal Year Ended June 30, 2022**

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units Charter Schools
<b>Functions/Programs</b>						
<b>Primary government:</b>						
Governmental activities:						
Instruction	\$ 176,911,630	9,635,658	\$ 80,101,632	\$ -	\$ (87,174,340)	\$ -
Pupil support	47,246,497	-	11,205,065	-	(36,041,432)	-
Instructional staff support	24,790,473	-	1,515,319	-	(23,275,154)	-
General administration	6,409,537	-	259,248	-	(6,150,289)	-
School administration	27,985,247	-	2,087,235	-	(25,898,012)	-
Business administration	4,273,208	-	184,329	-	(4,088,879)	-
Operations and maintenance	41,862,769	1,562,043	859,250	-	(39,441,476)	-
Transportation	15,009,211	-	535,350	-	(14,473,861)	-
Personnel/data services/risk management	23,716,375	-	507,136	-	(23,209,239)	-
Other support services	51,512,841	11,050,022	256,368	7,736,643	(32,469,808)	-
Food service operations	24,167,167	331,979	35,599,311	-	11,764,123	-
Interest on long-term debt	24,263,034	-	-	-	(24,263,034)	-
Total governmental activities	468,147,989	22,579,702	133,110,243	7,736,643	(304,721,401)	-
<b>Component units:</b>						
Charter schools	\$ 86,651,223	\$ 4,747,013	\$ 14,415,867	\$ 3,159,659	-	(64,328,684)
<b>General revenues:</b>						
Property taxes, levied for general use					225,391,331	-
Property taxes, levied for debt service					85,352,538	-
School Finance Act, unrestricted					220,807,146	60,853,862
Net earnings on investments					1,020,965	120,141
Grants and contributions not restricted to programs					-	1,590,530
Other - component units					-	18,752,460
Total general revenues					532,571,980	81,316,993
Change in net position					227,850,579	16,988,309
Net position (deficit) - July 1, 2021					(461,038,024)	(55,900,607)
Net position (deficit) - June 30, 2022					\$ (233,187,445)	\$ (38,912,298)

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Activities – Aurora Public Schools Foundation  
For the Fiscal Year Ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains and other support:</b>			
Contributions – general	\$ 111,854	\$ 1,407,770	\$ 1,519,624
Contributions non-financial assets	73,728	27,300	101,028
Pass-through fee income	21,161	-	21,161
Special events revenue	222,708	164,545	387,253
Less special events direct expenses	(73,058)	-	(73,058)
Investment income, net	(2,028)	(27,918)	(29,946)
Net assets released from restrictions	2,022,957	(2,022,957)	-
	<u>2,377,322</u>	<u>(451,260)</u>	<u>1,926,062</u>
Total revenues, gains and other support			
<b>Expenses:</b>			
Program services:			
College and career centers	208,640	-	208,640
Scholarships	144,353	-	144,353
Special projects	1,165,919	-	1,165,919
Food crisis relief	485,046	-	485,046
	<u>2,003,958</u>	<u>-</u>	<u>2,003,958</u>
Total program services			
<b>Support services:</b>			
General and administrative	157,021	-	157,021
Fundraising	112,541	-	112,541
	<u>2,273,520</u>	<u>-</u>	<u>2,273,520</u>
Total expenses			
Change in net assets	103,802	(451,260)	(347,458)
Net assets, beginning of the year	<u>433,238</u>	<u>1,719,176</u>	<u>2,152,414</u>
Net assets, end of the year	<u>\$ 537,040</u>	<u>\$ 1,267,916</u>	<u>\$ 1,804,956</u>

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Balance Sheet – Governmental Funds  
June 30, 2022**

	General	Debt Service	Special Revenue	
		Bond Redemption	Grants	Nutrition Services
<b>ASSETS</b>				
Assets:				
Cash and cash equivalents	\$ 156,980,310	\$ -	\$ -	\$ 13,592,981
Deposits	31,168	-	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	10,645,687	3,048,947	-	-
Grants	3,106,820	-	20,899,503	5,878,973
Interfund receivable	16,015,363	-	-	-
Other	4,138,813	-	-	15,674
Prepaid items	5,799,205	-	-	19,601
Inventories	-	-	-	1,621,515
Restricted: Cash, cash equivalents and investments	1,288,142	121,294,342	-	-
Total assets	<u>\$ 198,005,508</u>	<u>\$ 124,343,289</u>	<u>\$ 20,899,503</u>	<u>\$ 21,128,744</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 5,070,217	\$ -	\$ 233,488	\$ 239,429
Intergovernmental payable	2,438,960	-	-	-
Retainages payable	31,018	-	-	-
Interfund payable	-	-	16,015,363	-
Accrued compensation	22,932,010	-	2,729,028	616,752
Unearned revenue - grants	-	-	1,921,624	551,820
Unearned revenue - other	10,760	-	-	133,578
Future claims liability	1,641,413	-	-	-
Compensated absences	517,676	-	-	-
Total liabilities	<u>32,642,054</u>	<u>-</u>	<u>20,899,503</u>	<u>1,541,579</u>
Deferred inflows of resources:				
Unavailable fund resources	2,870,034	880,746	-	-
Leases	2,568,741	-	-	-
Fund balances:				
Nonspendable - Prepaid items	5,204,104	-	-	19,601
Restricted for:				
Colorado Preschool Program	1,803,047	-	-	-
TABOR emergency reserve	12,181,693	-	-	-
Medicaid	-	-	-	-
Student fees	-	-	-	-
Charter school agreements	1,137,768	-	-	-
Debt service	-	123,462,543	-	-
Capital projects	-	-	-	-
Nutrition services	-	-	-	19,567,564
Committed for - Contractual agreement	200,000	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Magnet school projects	23,000,000	-	-	-
Leadership priorities	32,000,000	-	-	-
Athletic activity	-	-	-	-
Pupil activity	-	-	-	-
Exceptional student services	7,500,000	-	-	-
Future land purchases	1,875,000	-	-	-
Instructional carryover	440,000	-	-	-
Instructional textbook adoption	8,900,000	-	-	-
New school curriculum and supplies	7,200,000	-	-	-
Risk related activity	13,500,000	-	-	-
Fiscal management	8,121,128	-	-	-
School Finance Act averaging reserves	9,934,783	-	-	-
Unassigned	26,927,156	-	-	-
Total fund balances	<u>159,924,679</u>	<u>123,462,543</u>	<u>-</u>	<u>19,587,165</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 198,005,508</u>	<u>\$ 124,343,289</u>	<u>\$ 20,899,503</u>	<u>\$ 21,128,744</u>

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

Capital Projects			
Building	Capital Reserve	Other Governmental	Total Governmental
\$ -	\$ 14,951,664	\$ 24,240,174	\$ 209,765,129
-	-	-	31,168
-	-	-	13,694,634
887,338	-	-	30,772,634
-	-	-	16,015,363
-	26,626	106,585	4,287,698
-	60,712	44,943	5,924,461
-	-	-	1,621,515
108,159,292	-	-	230,741,776
<u>\$ 109,046,630</u>	<u>\$ 15,039,002</u>	<u>\$ 24,391,702</u>	<u>\$ 512,854,378</u>
\$ 7,464,692	\$ 800,033	\$ 575,144	\$ 14,383,003
-	-	-	2,438,960
2,175,763	157	59,576	2,266,514
-	-	-	16,015,363
1,338	-	385,178	26,664,306
5,520,946	1,041,468	-	9,035,858
-	-	3,380	147,718
-	-	-	1,641,413
-	-	-	517,676
<u>15,162,739</u>	<u>1,841,658</u>	<u>1,023,278</u>	<u>73,110,811</u>
-	-	-	3,750,780
-	-	-	2,568,741
-	60,712	44,943	5,329,360
-	-	-	1,803,047
-	-	-	12,181,693
-	-	11,153,144	11,153,144
-	-	8,483,423	8,483,423
-	-	-	1,137,768
-	-	-	123,462,543
93,883,891	-	-	93,883,891
-	-	-	19,567,564
-	-	-	200,000
-	13,136,632	-	13,136,632
-	-	-	23,000,000
-	-	-	32,000,000
-	-	423,385	423,385
-	-	3,263,529	3,263,529
-	-	-	7,500,000
-	-	-	1,875,000
-	-	-	440,000
-	-	-	8,900,000
-	-	-	7,200,000
-	-	-	13,500,000
-	-	-	8,121,128
-	-	-	9,934,783
-	-	-	26,927,156
<u>93,883,891</u>	<u>13,197,344</u>	<u>23,368,424</u>	<u>433,424,046</u>
<u>\$ 109,046,630</u>	<u>\$ 15,039,002</u>	<u>\$ 24,391,702</u>	<u>\$ 512,854,378</u>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Reconciliation of the Governmental Funds Balance Sheet to the  
Statement of Net Position  
June 30, 2022**

Amounts reported for governmental activities in the statement of net position differ because:

Total fund balances for governmental funds		\$ 433,424,046
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		514,506,387
Lease assets (right-of-use), net of accumulated amortization, used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		3,335,778
Deferred losses on debt refundings are not recognized in the fund statements but are deferred outflows of resources in the government-wide financial statements.		1,594,758
Noncurrent liabilities related to debt applicable to the district's governmental activities are not reported in the fund statements. However, these items are reported in the statement of net position.		(491,408,452)
Certain deferred inflows related to unavailable fund resources do not provide current financial resources and the revenues are not recognized on the fund financial statements but are recognized on the government-wide financial statements.		3,750,780
Certain long-term activities related to the district's pension plan are not reported in the governmental funds as they are not available in the current period, do not provide financial resources to the district, or are not due and payable in the current period. Those long-term activities include:		
Deferred outflows of resources	\$ 131,791,221	
Deferred inflows of resources	(212,921,332)	
Net pension liability	<u>(566,325,130)</u>	
Total pension effects		(647,455,241)
Certain long-term activities related to the district's OPEB plan are not reported in the governmental funds as they are not available in the current period, do not provide financial resources to the district, or are not due and payable in the current period. Those long-term activities include:		
Deferred outflows of resources	5,766,821	
Deferred inflows of resources	(10,592,273)	
Net OPEB liability	<u>(27,399,177)</u>	
Total OPEB effects		(32,224,629)
The current operating resources measurement focus in the governmental fund statements does not require the recognition of accrued interest payable for long-term debt. This amount represents the amount of interest payable accrued in the government-wide financial statements for long-term debt for general obligation debt.		(4,536,169)
Compensated absences are included in the fund statements to the extent they are due and payable and the remainder are only included in the government-wide statement of net position.		<u>(14,174,703)</u>
Total net position (deficit) of governmental activities		<u>\$ (233,187,445)</u>

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



# AUROLA

## PUBLIC SCHOOLS

— Power Your Potential —

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Fund  
For the Fiscal Year Ended June 30, 2022**

	General	Debt Service	Special Revenue	
		Bond Redemption	Grants	Nutrition Services
<b>REVENUES</b>				
Local:				
Property taxes	\$ 208,853,353	\$ 85,352,538	\$ -	\$ -
Specific ownership	17,086,269	-	-	-
Pupil activities	6,982	-	-	-
Tuition	188,758	-	-	-
Gifts and grants	16,239	-	4,270,305	99,712
Charges for services	10,299,387	-	-	331,979
Other	4,653,301	-	-	4,291
Cash in lieu of land dedication	-	-	-	-
Rental of buildings	1,536,000	-	-	-
Net earnings on investments	458,404	231,152	-	32,646
State:				
State equalization	201,900,907	-	-	-
Vocational education	424,649	-	-	-
Special education	10,311,620	-	627,200	-
Grants	6,976,943	-	10,416,373	144,704
Transportation	2,058,211	-	-	-
English Language Proficiency Act	3,366,820	-	-	-
READ Act	2,359,936	-	-	-
Gifted and talented	385,002	-	-	-
Federal grants	3,774,505	-	47,891,257	35,161,289
Medicaid reimbursements	-	-	-	-
Total revenues	<u>474,657,286</u>	<u>85,583,690</u>	<u>63,205,135</u>	<u>35,774,621</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	231,152,469	-	25,004,351	-
Pupil support	49,367,122	-	17,429,401	-
Instructional staff support	25,466,186	-	8,125,947	-
General administration	7,437,811	13,491	1,513,476	-
School administration	41,847,434	-	2,418,736	-
Business administration	5,381,523	-	82,620	-
Operations and maintenance	42,608,284	-	4,902,951	-
Transportation services	14,553,211	-	1,798,730	-
Personnel/data/risk management	28,332,227	-	583,938	-
Other support services	25,447,925	-	1,155,155	-
Food service operations	5,740	-	157,265	28,224,397
Facilities acquisition and improvements	10,238,384	-	9,383	-
Debt service:				
Principal	449,463	45,290,783	15,434	19,866
Interest	132,243	20,068,467	7,748	2,241
Bond issuance costs	-	246,624	-	-
Total expenditures	<u>482,420,022</u>	<u>65,619,365</u>	<u>63,205,135</u>	<u>28,246,504</u>
Excess (deficiency) of revenues over (under) expenditures	(7,762,736)	19,964,325	-	7,528,117
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt financing from leases	720,360	-	-	-
Proceeds from issuance of long-term debt	-	47,620,000	-	-
Premium on long-term debt	-	4,235,868	-	-
Payments to escrow	-	(51,609,244)	-	-
Transfers in:				
General fund	-	-	-	-
Capital Reserve Fund	-	-	-	-
Transfers out:				
Capital Reserve Fund	(7,750,000)	-	-	-
Nonmajor governmental funds	(5,818,617)	-	-	-
Total other financing sources (uses)	<u>(12,848,257)</u>	<u>246,624</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(20,610,993)	20,210,949	-	7,528,117
Fund balances - July 1, 2021	<u>180,535,672</u>	<u>103,251,594</u>	<u>-</u>	<u>12,059,048</u>
Fund balances - June 30, 2022	<u>\$ 159,924,679</u>	<u>\$ 123,462,543</u>	<u>\$ -</u>	<u>\$ 19,587,165</u>

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

Capital Projects			
Building	Capital Reserve	Other Governmental	Total Governmental
\$ -	\$ -	\$ -	\$ 294,205,891
-	-	-	17,086,269
-	-	3,173,907	3,180,889
-	-	6,219,288	6,408,046
1,011,875	-	116,256	5,514,387
-	-	-	10,631,366
-	2,373	607,830	5,267,795
-	2,898,671	-	2,898,671
-	-	-	1,536,000
257,512	41,251	-	1,020,965
-	-	-	-
-	-	-	201,900,907
-	-	-	424,649
-	-	-	10,938,820
7,630,610	106,033	-	25,274,663
-	-	-	2,058,211
-	-	-	3,366,820
-	-	-	2,359,936
-	-	-	385,002
-	-	-	86,827,051
-	-	6,672,217	6,672,217
<u>8,899,997</u>	<u>3,048,328</u>	<u>16,789,498</u>	<u>687,958,555</u>
-	-	9,511,420	265,668,240
-	-	3,953,691	70,750,214
-	-	2,111,924	35,704,057
-	55,282	332,046	9,352,106
-	350	398,774	44,665,294
77	-	218,789	5,683,009
-	2,006,963	12,900	49,531,098
-	448,950	1,003,777	17,804,668
92,909	27,456	110,147	29,146,677
-	-	544,692	27,147,772
-	-	-	28,387,402
44,709,869	6,399,675	1,800,920	63,158,231
-	-	-	-
-	818,436	859	46,594,841
-	329,909	182	20,540,790
375,557	-	-	622,181
<u>45,178,412</u>	<u>10,087,021</u>	<u>20,000,121</u>	<u>714,756,580</u>
(36,278,415)	(7,038,693)	(3,210,623)	(26,798,025)
-	-	-	720,360
73,475,000	-	-	121,095,000
22,028,385	-	-	26,264,253
-	-	-	(51,609,244)
-	-	5,818,617	5,818,617
-	7,750,000	-	7,750,000
-	-	-	(7,750,000)
-	-	-	(5,818,617)
<u>95,503,385</u>	<u>7,750,000</u>	<u>5,818,617</u>	<u>96,470,369</u>
<u>59,224,970</u>	<u>711,307</u>	<u>2,607,994</u>	<u>69,672,344</u>
<u>34,658,921</u>	<u>12,486,037</u>	<u>20,760,430</u>	<u>363,751,702</u>
<u>\$ 93,883,891</u>	<u>\$ 13,197,344</u>	<u>\$ 23,368,424</u>	<u>\$ 433,424,046</u>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
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, 2022**

Amounts reported for governmental activities in the statement of activities differ because:

Net changes in fund balances - total governmental funds		\$ 69,672,344
Repayment of long-term debt is an expenditure in the governmental funds but reduces the liability in the statement of net position.		46,594,841
Governmental funds report the effect of bond issuances, premiums, discounts, and deferred gain (loss) on refunding issued as an other financing source (use). However, in the statement of activities, the funds associated with the issuances are recorded as long-term liabilities and amounts associated with premiums, discounts, and deferred gain (loss) on refunding are allocated over the life of the debt and netted with interest expense. Also, in the statement of activities interest is accreted on the capital appreciation bonds, but is not reported in the governmental funds.		
Issuance of financing from leases	(720,360)	
Proceeds from long-term debt	(121,095,000)	
Premium on issuance of long-term debt, including refunding debt	(26,264,253)	
Accreted interest on capital appreciation bonds	(4,410,652)	
Payment to refunded bond escrow agent	51,609,244	
Amortization of bond discount/premium and deferred loss on refunding	<u>3,951,129</u>	
		(96,929,892)
Unavailable revenue does not provide current financial resources on the governmental fund financial statements, but this change in unavailable revenue from year to year is recognized on the government-wide financial statements.		(548,291)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period and also includes asset retirement activity and non-cash capital contributions, which is reported differently between the fund and government-wide financial statements.		
Capital outlays	42,668,983	
Depreciation expense	(22,230,353)	
Asset retirement activity	<u>(49,485)</u>	
Total capital outlay reported as expenditures		20,389,145
Governmental funds report right-to-use assets (leases) as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as amortization expense. This is the amount by which capital outlays exceeded amortization in the current period and also includes asset retirement activity and non-cash capital contributions, which is reported differently between the fund and government-wide financial statements.		
Capital outlays - Right-to-use Assets	720,360	
Amortization expense	<u>(562,954)</u>	
Total capital outlay reported as expenditures		157,406
A portion of the expense or expense offset related to pension (pension expense credit of \$189,104,428) and OPEB (OPEB expense credit of \$2,938,395) recorded in the statement of activities does not require use of current financial resources and therefore is not reported as an expenditure in the governmental funds.		192,042,823
The current operating resources measurement focus in the governmental fund statements does not require the recognition of accrued interest payable for long-term debt. This amount represents the change in amount of interest payable accrued in the government-wide statements for long-term debt for general obligation debt (\$4,536,169) from the previous year's balance (\$1,647,168).		(2,889,001)
A portion of the change in compensated absences is not recognized as an expenditure in the fund financial statements but is recognized in the statement of activities.		<u>(638,796)</u>
Change in net position of governmental activities		<u>\$ 227,850,579</u>

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

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Statement of Fiduciary Net Position  
 Fiduciary Fund – Health Trust Fund  
 June 30, 2022**

	<u>Health Trust</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,765,033
Receivables	<u>6,232</u>
Total assets	<u>\$ 2,771,265</u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 327,622</u>
Total liabilities	<u>327,622</u>
<b>NET POSITION</b>	
Net position restricted and held in trust for employee benefits	<u>2,443,643</u>
Total net position and liabilities	<u>\$ 2,771,265</u>

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

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Fund – Health Trust Fund  
 For the Fiscal Year Ended June 30, 2022**

	<u>Health Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Employer contributions	\$ 1,137,442
Employee contributions	<u>1,646,863</u>
Total contributions and additions	2,784,305
<b>DEDUCTIONS</b>	
Benefits	2,317,994
Administrative expense	143,802
Banking fees	<u>1,371</u>
Total deductions	<u>2,463,167</u>
Change in net position	321,138
Total net position, July 1, 2021	<u>2,122,505</u>
Total net position, June 30, 2022	<u><u>\$ 2,443,643</u></u>

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

**NOTES TO BASIC  
FINANCIAL STATEMENTS**

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). In addition, the district conforms to the Colorado Financial Policies and Procedures Handbook as required by Colorado statutes. A summary of the significant accounting policies applied in the preparation of the basic financial statements is described below.

**Reporting Entity**

Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, is a political subdivision and corporate body of the state of Colorado. The public elects a seven-member board of education, which has the authority to make decisions, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. The board members are elected for four-year terms. The district superintendent serves as the executive officer of the board. The superintendent does not maintain any voting privileges.

The district receives local, state, and federal funding and must comply with regulations established by all of these entities. The district is not included as a component unit in any other governmental reporting entity. In accordance with accounting principles generally accepted in the United States of America, these financial statements present all funds of the district and its component units.

**Discretely Presented Component Units – Charter Schools**

In 1993, the Colorado state legislature enacted the Charter School Act, § 22-30.5-101 *et seq.*, C.R.S., which permits the district to contract with individuals and organizations for the operation of charter schools within the district. A charter school operates as a public school within the district and is accountable to the school district’s local board of education for purposes of ensuring compliance with applicable laws and charter provisions. The charter schools have separate governing boards but a financial benefit/burden relationship exists as the district provides the majority of their funding, and their exclusion would render the district’s financial statements incomplete. Charter schools are considered discretely presented component units for external financial reporting purposes. The district considers each of the component units to be nonmajor component units because none of the schools individually has a financial relationship with the district that is significant to require separate reporting within the basic financial statements. Combining schedules are included within the supplementary section of this annual comprehensive financial report.

Each charter school prepares its own separately issued financial statements. These statements can be obtained by sending a request to:

<b><u>School Name</u></b>	<b><u>Address</u></b>
Academy of Advanced Learning	441 Sable Blvd. Aurora, CO 80011
Aurora Academy	10251 E. First Ave. Aurora, CO 80010
Aurora Science and Technology of Denver School of Science and Technology, Inc.	3401 Quebec St., Suite 2000 Denver, CO 80207
Empower Community High School	450 S. Chambers Rd. Aurora, CO 80017
AXL Charter School	14100 E. Jewell Ave. Aurora, CO 80012
Global Village Academy	16401E Alameda Pl. Aurora, CO 80017

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

Lotus School for Excellence	11001 E. Alameda Ave.	Aurora, CO 80012
Rocky Mountain Preparatory School at Fletcher	10455 E. 25th Ave.	Aurora, CO 80010
Vanguard Classical Schools	801 Yosemite St.	Aurora, CO 80230
Vega Collegiate Academy	1345 Macon St.	Aurora, CO 80010

**Discretely Presented Component Unit – Aurora Public Schools Foundation**

The Aurora Public Schools Foundation was incorporated in 1987 as a non-profit organization. The foundation is a community-based advocate for quality public education for students within the district. Programs administered by the foundation provide a financial benefit to the district in the form of grants, scholarships and special projects which support innovative classroom initiatives and enhance the educational opportunities of district students and staff. In addition, donations to the foundation support various educational programs within the district. Even though the foundation is a separate legal entity and the district is not financially accountable for the foundation, the foundation's financial statements are included as part of the district's financial reporting entity because of the nature and significance of the relationship between the primary government and the foundation. The foundation solicits donations and manages those funds for the benefit of the students and district.

Complete financial statements for this component unit may be obtained from Aurora Public Schools Foundation administrative offices located at 15701 E. First Avenue, Suite 206, Aurora, Colorado 80011.

**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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from the discretely presented component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and the district's fiduciary funds. The fiduciary funds' statements are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

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

Governmental funds account for the district's general governmental activities and use the flow of current financial resources measurement focus. This measurement focus means that only current assets and current liabilities are included in these balance sheets. The reported fund balances are considered a measure of available spendable resources. Governmental fund operating statements show increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of available spendable resources during the reporting period.

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined, while available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual include property taxes and payments from the state for equalization funding, special education and vocational education reimbursements. Other revenues susceptible to accrual include tuition payments received from other school districts and rental receipts for building usage that occurred in the fiscal year but were paid after year-end. The district considers these other revenues available if they are collected within 60 days after year-end. Grant revenues are recognized if they are collected within a one year period after the expenditures occur. Other local receipts are not susceptible to accrual since they are generally not measurable until received. The district considers all property tax revenues available if they are collected within 60 days after year-end. In addition, under the modified accrual basis of accounting, expenditures are recorded when the liability is incurred with two exceptions. These exceptions include (1) interest on general long-term obligations which is recognized when due, and (2) compensated absences such as accrued unused vacation pay and paid leave which are recognized when the obligations are expected to be liquidated when matured.

**Governmental Funds**

The General Fund is the government's primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

The Bond Redemption Fund is the government's debt service fund. It accounts for the accumulation of resources to pay general long-term debt principal, interest, and related costs. Because of its large cash balance, the Bond Redemption Fund is presented as a major fund on the governmental statements.

The Grants Fund is classified as a major special revenue fund and is used to account for revenues and expenditures related to federal, state and local grants. Special revenue funds are used to account for proceeds of special revenue sources that are legally or otherwise restricted to expenditures for specified purposes. Revenue restrictions in this fund are imposed by the grantor for the specific purposes of the grant.

The Nutrition Services Fund is classified as a major special revenue fund and is used to account for revenues and expenditures related to providing students with healthy and nutritious meals. Special revenue funds are used to account for proceeds that are legally or otherwise restricted to

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

expenditures for specified purposes. Revenues in the Nutrition Services Fund are primarily from federal, state, and local sources specifically for school cafeteria operations. The fund balance of Nutrition Services operations is restricted for that fund's use only.

The Building Fund is a capital projects fund and accounts for construction and renovation projects funded by the sale of general obligation bonds.

The Capital Reserve Fund is a capital projects fund and accounts for ongoing capital outlay needs of the district such as equipment purchases and debt repayments.

**Fiduciary Fund**

The Health Trust Fund is an other employee benefit trust fiduciary fund, was created on July 1, 2010, and is used to account for the district's self-insured dental insurance program and the employee-funded medical flexible spending accounts. Both employee and employer dental premiums fund dental claims that are processed through the dental insurance carrier. Medical flexible spending accounts are processed by a third-party administrator. The Health Trust Fund reports assets held by the district in a fiduciary capacity for employees and therefore cannot be used to support the government's own programs. The fund uses the economic resources measurement focus and the accrual basis of accounting.

**Major and Nonmajor Funds**

The district reports the following major funds.

<u>Fund Group</u>	<u>District Fund Name</u>	<u>Fund Type</u>
<i>Governmental Funds</i>	General Fund	General
	Bond Redemption Fund	Debt Service
	Grants Fund	Special Revenue
	Nutrition Services Fund	Special Revenue
	Building Fund	Capital Projects
	Capital Reserve Fund	Capital Projects

Additionally, the district reports four nonmajor government funds and one fiduciary fund.

<u>Fund Group</u>	<u>District Fund Name</u>	<u>Fund Type</u>
<i>Governmental Funds</i>	Athletic Fund	Special Revenue
	Medicaid Funds	Special Revenue
	Pickens Post-Secondary Fund	Special Revenue
	Pupil Activity	Special Revenue
	<i>Fiduciary Fund</i>	Health Trust

**Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity**

Cash and Investments

As mandated by § 22-45-103, C.R.S., the district maintains deposits for the Bond Redemption Fund in a third-party custodial bank. In order to maximize interest earnings, all other funds' cash deposits are maintained in a cash and investment pool.

The district maintains accountability for each fund's equity in pooled cash and investments. Interest earnings for combined deposits are generally distributed based on monthly cash balances.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

All pooled cash investments are considered cash equivalents for accounting purposes. Investments are carried at fair value based on current market quotations.

The district is required to deposit funds in eligible public depositories as defined by § 11-10.5-104, C.R.S. The eligible depository is required to pledge collateral having a market value that exceeds 102 percent of uninsured aggregate public deposits to the Colorado Division of Banking. Eligible collateral types include obligations of the United States, the state of Colorado, local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. The collateral is not held in the name of the district but is part of a collateral pool. The district's bank deposits are entirely covered by federal depository insurance or collateralized in accordance with the statute.

The district maintains deposits in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment trust established by state statute for local governments in Colorado to pool surplus funds for investment purposes. COLOTRUST operates similarly to demand deposit accounts where each share is equal to one dollar. COLOTRUST invests in U.S. Treasury securities, written repurchase agreements, certain approved obligations of agencies of the U.S. government and commercial paper rated in the highest rating category. The district considers COLOTRUST funds, U.S. government securities and certificates of deposit with an original maturity of three months or less to be cash equivalents. Investments are reported at fair value (generally based on quoted market prices) except for the position in local government investment pools.

It is the policy of the district to invest public funds in a manner which will provide the highest investment return with the maximum security, meet the daily cash flow demands of the district, and conform to all federal, state and local statutes governing the investment of public funds. This policy applies to the investment of all financial assets and all funds of the district over which it exercises financial control. Investment activities are governed by § 24-75-601, C.R.S.

Interfund Transactions

Transactions between funds that are representative of lending or borrowing arrangements result in interfund balances. Balances representing the current portion of interfund loans are reported as due to/from other funds, while advances to/from other funds represent the noncurrent portion of interfund loans. Another type of interfund transaction is a transfer, which occurs when resources of one fund are transferred to another fund. For the fiscal year ended June 30, 2022, the district reported both interfund transfers and current interfund loans.

Receivables and Payables

Property taxes are levied on December 15 and are payable in full by April 30, or in two equal installments due February 28 and June 15. Taxes are considered past due on June 15. Personal property taxes that remain unpaid as of October 1 will be subject to distraint, seizure and sale to satisfy taxes due. Adams and Arapahoe counties bill and collect property taxes for all taxing entities in the counties. Property tax receipts collected by the counties on behalf of the district are remitted to the district in the subsequent month. A fee of 0.25 percent on General Fund collections is retained by both counties as compensation for collecting the taxes and is reflected as an expenditure in the General Fund.

In the governmental statements, which use the modified accrual basis of accounting, property taxes are reported as receivables and deferred inflows of resources when taxes are levied. Taxes

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

received within 60 days after year-end are reported as revenue and as county treasurers' receivables. In the government-wide financial statements, which use the full accrual basis of accounting, property taxes are recognized as revenue for the full levy amount in the period for which they are levied. All property tax receivables are shown net of an allowance for doubtful accounts, calculated as 0.88 percent of the year's total levy amount.

For federal and state grants and entitlements, a receivable is established when related expenditures exceed receipts, and revenue is recognized to the extent of related expenditures when eligibility requirements are met. Grant revenues are recognized if they are collected within a one year period after the expenditures occur.

Unearned Revenue – Grants and Other

Unearned federal grant, state grant and entitlement revenues are established when receipts exceed expenditures and all eligibility requirements have not been met. Unearned revenue also includes community use rentals, tuition and other fees received in advance, but not yet earned.

Inventories

Inventories consist of expendable supplies held for consumption. Expenditures for supplies are recorded upon the release of these items to various schools and departments. Inventories for governmental activities are stated at cost as determined by the weighted average cost method. Expenses for food items are recorded when used. Inventories for food items are stated at cost as determined by the first-in, first-out method. Inventory balance at year end relates to Nutrition Services with the amount included with Nutrition Services' restricted fund balance as it is restricted for that fund's use only.

Prepayments

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The district records prepaid items using the consumption method. Fund balance is classified as nonspendable for certain prepayments. At June 30, 2022, prepaid amounts of \$595,101 are considered spendable as they relate to excess cash in an insurance pool that can either be applied to future claims or refunded to the district.

Capital Assets

The primary government considers capital equipment and vehicles to be those items having a useful life greater than one year and having an original item value greater than \$5,000. Capital renovations are considered to be those items that significantly enhance the value of previously existing assets and have a project value greater than \$25,000. In addition, capital improvements are those items that add new functionality to existing assets and have a project value greater than \$10,000. All capital assets are recorded at either original cost or an estimated historical cost in the case of assets for which actual cost was not determinable. Intangible assets, such as purchased software licenses or internally generated software applications having a cost or development value of \$5,000 or more, are capitalized and amortized over a three- to fifteen-year period. Donated assets have been recorded at acquisition value on the date of receipt. Expenditures that significantly enhance the value of an asset whether land, building, or equipment

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

are capitalized according to the district’s policies. However, expenditures for repairs, maintenance and expendable supplies are not capitalized.

Capital assets of the district are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Buildings and site improvements/renovations	10-20
Vehicles	7-12
Equipment	5-12
Intangible assets-software and software development	3-15

Each component unit has established its own capital asset policy and method of depreciation. Please refer to the financial statements of the component units for more information.

Deferred Outflows/Inflows of Resources

Deferred inflows of resources represent acquisition of net assets that applies to future periods and deferred outflows of resources represent consumption of net assets that applies to future periods. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as deferred inflows of resources, including leases.

Deferred outflows of resources of the entity consist of a deferred charge on refunding, pension items and OPEB items 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.

Refer to Notes 10 and 11 for information on deferred outflows of resources and deferred inflows of resources related to pension items and OPEB items, respectively.

Implementation of GASB No. 87 Leases

Effective July 1, 2021, the district implemented GASB Statement No. 87, *Leases* (GASB 87). GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. There is no effect on fund balance or net position as a result of the implementation of this standard. Refer to Notes 4, 5 and 6 for information on lease receivables, lease assets and noncurrent liabilities on leases, respectively.

Lessor Leases

The district is the lessor for noncancellable leases of buildings and land. The district recognizes a lease receivable and a deferred inflows of resources in the government-wide and governmental fund financial statements. The district recognizes lease receivables with an initial, individual value of \$15,000 or more.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

At the commencement of a lease, the district initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the district determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The district uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the leases. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessees.

The district monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee Leases

The district is the lessee for noncancellable leases of vehicles, equipment, buildings, and land. The district recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The district recognizes lease assets with an initial, individual value of \$5,000 or more for vehicles and equipment. The district recognizes lease assets with an initial, individual value of \$25,000 or more for buildings and land.

At the commencement of a lease, the district initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the district determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The district uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the district uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the district is reasonably certain to exercise.

The district monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with noncurrent liabilities on the statement of net position.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

Accrued Compensation

Salaries and benefits of certain contractually employed personnel are paid over a 12-month period (for example, from August to July) for both the district and its charter school component units, but are earned during a school year of approximately 10 months.

Compensated Absences – Accumulated Unused Paid Leave and Vacation Pay

District policy allows employees to accumulate unused paid leave and vacation pay to specified limits. Upon retirement or termination of employment, employees with at least 10 years of service are entitled to be paid for a portion of their accumulated unused paid leave in excess of 30 days. Unused vacation leave is expected to be used in the year in which it was earned but may be accumulated and carried over to specified limits. Unused vacation is paid in full to specified limits upon an employee's retirement or termination of employment.

In the governmental funds, which use the modified accrual basis of accounting, only the amounts due at the end of the fiscal year are accrued as current-year expenditures. These amounts are shown as fund liabilities. The General Fund is used to liquidate the compensated absences liabilities of the governmental funds.

In the government-wide financial statements, the district has estimated a portion of the total unused vacation pay and paid leave liability as due within one year with the remainder of the liability recorded as a long-term liability.

Noncurrent Liabilities

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 and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Bond premiums and discounts are recognized as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

General obligation bonds are serviced from property taxes and other revenues of the Bond Redemption Debt Service Fund. Refunded bonds are serviced by irrevocable refunding escrow accounts established at the time of refunding.

Accumulated unused vacation and paid leave for governmental funds are serviced from the General Fund.

The district has no legal obligation to fund the balance of the net pension liability recorded in the government-wide financial statements. Annual contributions to the pension plan are made from the fund in which an employee is paid.

Fund Balances and Net Position

Fund balances are the excess of assets plus deferred outflows of resources minus liabilities and deferred inflows of resources and are shown only in the governmental funds statements. Governmental funds balances are classified into five categories: restricted, committed, assigned, unassigned or nonspendable. Fund balance is reported as restricted when constraints placed on the use are either externally imposed by creditors, grantors, contributors, or laws or regulations

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

of other governments or imposed by law through constitutional provisions or enabling legislation. Assets that are required by outside sources to be used for a specific purpose are shown on the balance sheet as restricted assets. Any formal action, ordinance or resolution, of the board of education, the highest level of decision making authority, which places constraints on the use of funds to a specific purpose is categorized as committed fund balance. Actions to remove the constraints, regardless if they were imposed by an ordinance or a resolution, would require the same level of difficulty needed to place constraints on the use of funds to a specific purpose. Fund balance is reported as assigned when the board or board designee intends to use the funds for a specific purpose. Under the board's adopted policy, only the board of education, superintendent, or the chief financial officer may assign amounts for specific purposes. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes and may only be reported in the General Fund.

The district does not have a policy for its use of unrestricted fund balance amounts, but considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balances could be used. When both restricted and unrestricted resources are available for use, it is the district's policy to use restricted resources first, and then use unrestricted resources as they are needed.

Net position is the excess of assets minus liabilities and is shown in the government-wide and fiduciary fund financial statements. Net position includes the following three classifications: (a) net investment in capital assets which consists of capital assets, net of accumulated depreciation, and reduced by the outstanding amount of debt which was issued to acquire or construct the capital assets, (b) restricted net position report amounts legally segregated for a specific future use, and (c) remaining net position is reported as unrestricted.

On-Behalf Payments

U.S. GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the district by the State of Colorado has been recorded as expenditures and revenue of \$6.931 million in the fund financial statements.

Estimates

Preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Encumbrances

Outstanding encumbrances represent a commitment for the estimated amount of expenditures, which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year. Lapsed encumbrances are then reviewed by department supervisors to determine which will remain canceled and which will be reinstated and paid from the subsequent year's appropriations. Encumbrances are not considered expenditures until an actual liability is incurred.

Legal Compliance – Article X, Section 20 of the Colorado Constitution (the 1992 Taxpayers' Bill of Rights Amendment)

To comply with the Taxpayer Bill of Rights (TABOR) amendment, the district has budgeted and continues to report an emergency reserve. Recognition of this year's reserve of \$12,181,693 is shown as restricted fund balance in the General Fund. The emergency reserve cannot be used for adverse economic conditions, revenue shortfalls, or district salary or fringe benefit increases. The TABOR reserve is a permanent cash reserve that can only be used for declared unforeseen emergencies excluding adverse economic conditions, revenue shortfalls, and district salary or fringe benefit increases. The district interprets the declared emergency limitation as prohibiting the use of the TABOR reserve for any purpose.

<b>TABOR Fund Balance Reserve for Emergencies</b>		
Qualifying revenues, all district funds		\$ 841,686,830
Less excludable amounts:		
Federal Sources	\$ 93,499,269	
Override Funding	103,413,084	
Gifts	5,601,565	
Property Sales	573,164	
Voter approved debt issuance	146,959,639	
Bond Redemption	85,583,691	
Total excludable amounts	<u>435,630,412</u>	
Revenues subject to TABOR		406,056,418
TABOR reserve percentage		3%
Amount reserved for emergencies - district		<u>12,181,693</u>
Total amount reserved for emergencies		<u>\$ 12,181,693</u>

Another restriction within the TABOR amendment addresses long-term or multi-year leases. District management carefully considers any such arrangements to prevent any noncompliance with this amendment. Since passage of the TABOR amendment, long-term agreements are structured through escrow arrangements and annual agreements. The amendment is subject to judicial interpretation; however, district management believes it is in compliance with these limitations.

In the November 2001 general election, voters approved an exemption from TABOR revenue and spending limitations for the district.

Minimum Fund Balance/Cash Fund Emergency Policy

As designated in district policy, DA-Fiscal Management Goals/Priority Objectives, the superintendent is required to maintain a minimum General Fund or cash fund emergency reserve

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

of 5.0 percent of current year General Fund revenues less the 3.0 percent restricted amount required by the TABOR. The policy does not specify the circumstances under which these funds can be used or the method of repayment, if the funds are used. For the current fiscal year, the 5.0 percent reserve total for the district is \$20,302,821 presented as the district's TABOR and fiscal management of \$12,181,693 and \$8,121,128 respectively. The fiscal management amount of \$8,121,128 is shown as an assigned fund balance on the Balance Sheet for Governmental Funds.

Subsequent Year Expenditures

Budgets for each subsequent fiscal year are approved by the board of education. Some governmental funds have budgeted expenditures in excess of budgeted revenues; it is the intent of the district to utilize the ending fund balances from the prior fiscal year to provide for the excess expenditures. Of significance is the General Fund, Building Fund and the Capital Reserve Fund. The General Fund is primary funded by local property taxes and state aid. The General Fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The Building Fund is funded by the sale of general obligation bonds in 2010, 2017 and 2019. The Capital Reserve Fund is a capital projects fund and accounts for ongoing capital outlay needs of the district such as equipment purchases and debt repayments. These funds for the Building Fund and the Capital Reserve Fund are included in restricted fund balances that are restricted specifically for capital projects, debt repayments and improvements of district facilities. Also, the Bond Redemption Fund has appropriated all of its fund balance for the purpose of scheduled payments of bond principal and interest.

**NOTE 3: DEPOSITS AND INVESTMENTS**

Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments as of June 30, 2022, are classified in the financial statements as follows.

	Primary Government	Fiduciary Fund	Total
Cash and cash equivalents	\$ 209,765,129	\$ -	\$ 209,765,129
Restricted: Cash, cash equivalents and investments	230,741,776	-	230,741,776
Fiduciary fund	-	2,765,033	2,765,033
Total	<u>\$ 440,506,905</u>	<u>\$ 2,765,033</u>	<u>\$ 443,271,938</u>

Unspent proceeds of the 2017 and 2019 general obligation bonds in the Building Fund and the cash balances in the Bond Redemption Fund are restricted cash on the basic financial statements.

Deposits and Cash with Fiscal Agent

The Colorado General Assembly passed the Public Deposit Protection Act (the PDPA) in 1975. The purpose of the PDPA is to protect all public funds held on deposit in financial institutions. In the event eligible banks or savings and loan institutions default, statutes provide for the expedited repayment of public deposits not covered by the Federal Deposit Insurance Corporation. The district has no custodial credit risk because all deposits are insured by the Federal Deposit Insurance Corporation or are held in PDPA-eligible institutions. The district's cash deposits had a

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

carrying amount of \$33,813,387 and a corresponding bank balance of \$44,101,060. Of the bank balance, \$43,760,060 was uninsured but collateralized in accordance with provisions of the PDPA.

Cash with fiscal agent is deposits held by an outside custodian in the district's name. Due to grant requirements whereby funds are disbursed after the custodian approves the expenditures, these funds are restricted.

**Reconciliation of Deposits to Cash, Cash Equivalents and Investments**

**Primary Government and Fiduciary Fund**

<u>Description</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking, money market and trust accounts	\$ 33,813,387	\$ 44,010,060
Cash with fiscal agent	16,103,232	-
Cash on hand	16,050	-
Total	<u>\$ 49,932,669</u>	<u>\$ 44,010,060</u>

**Investments**

During the year, the district investments comprised of fixed income accounts and COLOTRUST and are rated at least AA+ by Standard & Poor's. The district's investment policy requires all investments to comply with federal, state and local statutes governing the investment of public funds. As of June 30, 2022, the district investments of \$393,339,269 are invested in COLOTRUST.

Investments are subject to many different types of risk, including credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The district's fixed income investments and COLOTRUST are highly rated by Standard & Poor's, an indication of low credit risk. The district has no foreign currency risk. Concentration of credit risk exists when 5.0 percent or more of the primary government's total investments is concentrated in any one issuer. When investments are concentrated in one issuer, a heightened potential for loss exists. The district has no concentration of credit risk. In general, investments issued or guaranteed by the U.S. government and other pooled investments are excluded from the concentration of credit risk.

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

At June 30, 2022, the District's investment balances and maturities, in years for those investments subject to interest rate risk were as follows:

<u>Asset</u>	<u>Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less Than 1</u>
ColoTrust Plus+ (external investment pool)	\$ 393,339,269	\$	393,339,269
Total	<u>\$ 393,339,269</u>	<u>\$</u>	<u>393,339,269</u>

Overall credit risk is the chance that an issuer of an investment will not fulfill its obligations. To minimize overall credit risk, state law and district policies require that the district limit its investments to issuers, which have received one of the three highest rating categories by one, or

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

more nationally recognized organizations that rate such issuers. Presented below is the actual rating at year-end for each investment type.

<u>Asset</u>	<u>Value</u>	<u>Standard &amp; Poor's Rating</u>	
		<u>AAAm</u>	
ColoTrust Plus+ (external investment pool)	\$ 393,339,269	\$	393,339,269
Total investments	\$ 393,339,269	\$	393,339,269

Investment in Local Government Investment Pool

At June 30, 2022, the district holds investments at COLOTRUST in the amount of \$393,339,269 which are measured at net asset value. The district utilizes one local government investment pool when a high degree of liquidity is prudent. COLOTRUST is a local government investment pool with a stable net asset value (NAV) and its NAV is measured at fair value per share. 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, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. COLOTRUST may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of the U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as a custodian for COLOTRUST's portfolio pursuant to a custodian agreement. The custodian acts as a safekeeping agent for COLOTRUST's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST does not have any limitations or restrictions on participant withdrawals.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

At June 30, 2022, the district had no investments with recurring fair value measurements.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

**NOTE 4: RECEIVABLES, PAYABLES AND INTERFUND TRANSACTIONS**

Receivables

Receivables for the district's individual major and nonmajor governmental funds, including allowances for uncollectible accounts and interfund receivables, are as follows:

	Governmental Funds							Total Governmental Funds
	General	Bond Redemption	Grants	Nutrition Services	Building	Capital Reserve	Nonmajor Governmental	
<b>Receivables:</b>								
Property taxes, paid within 60 days of year-end	\$ 8,612,054	\$ 2,168,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,780,255
Property taxes, due within one year	3,863,674	1,633,472	-	-	-	-	-	5,497,146
Reimbursements for federal and state grants	3,106,820	-	20,899,503	5,878,973	887,338	-	-	30,772,634
Interfund	16,015,363	-	-	-	-	-	-	16,015,363
Other	4,138,813	-	-	15,674	-	26,626	106,585	4,287,698
Gross receivables	35,736,724	3,801,673	20,899,503	5,894,647	887,338	26,626	106,585	67,353,096
Less allowance for uncollectibles	(1,830,041)	(752,726)	-	-	-	-	-	(2,582,767)
Net total receivables	<u>\$ 33,906,683</u>	<u>\$ 3,048,947</u>	<u>\$ 20,899,503</u>	<u>\$ 5,894,647</u>	<u>\$ 887,338</u>	<u>\$ 26,626</u>	<u>\$ 106,585</u>	<u>\$ 64,770,329</u>

Balances due to/from other funds are presented as interfund receivable and payable amounts on the balance sheet for governmental funds. Many federal and state grants operate on a reimbursement basis, causing the need for a short-term loan from the General Fund. Balance due to the General Fund from the Grants Fund at June 30, 2022 was \$16,015,363.

Interfund Transactions

Transfers are used to move unrestricted revenues from the fund that collects them to specific programs accounted for in other funds in accordance with budget authorizations. The General Fund transferred money to the Athletic Fund, Pickens Post-Secondary Fund, and Pupil Activity Fund to provide subsidies for operations and transfer revenues related to programs offered by those specific funds. The General Fund transferred money to the Capital Reserve Fund to meet current and future capital needs. Transfers processed during the fiscal year ended June 30, 2022, were as follows:

Transfers out:	Transfers in:				Total
	Capital Reserve Fund	Athletic Fund	Pickens Post- Secondary	Pupil Activity Fund	
General Fund	\$ 7,750,000	\$ 5,317,364	\$ 123,770	\$ 377,483	\$ 13,568,617
Total	<u>\$ 7,750,000</u>	<u>\$ 5,317,364</u>	<u>\$ 123,770</u>	<u>\$ 377,483</u>	<u>\$ 13,568,617</u>

Lease Receivables

The district leases buildings and land to third parties. The lease period range from three to eighty-nine years and the district receives periodic payments with a total of \$300,000 per annum from these leases. The district initially recorded a lease receivable and deferred inflow of resources of

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

\$6,504,433 at July 1, 2021. The district recognized \$101,204 in lease revenue and \$172,228 in interest revenue during the fiscal year related to these leases. In addition, the district has various short term rental arrangements that are also included in rental of buildings.

As of June 30, 2022, the district's receivable for lease payments was \$2,829,659 included in other receivables. Also, the district has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$2,568,741.

The future minimum lease receivable payments as of June 30, 2022, were as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 177,314	\$ 129,230	\$ 306,544
2024	191,815	120,558	312,373
2025	201,045	111,374	312,419
2026	219,976	101,535	321,511
2027	240,081	90,752	330,833
2028-2032	612,540	314,961	927,501
2033-2037	65,953	272,030	337,983
2038-2042	108,066	251,869	359,935
2043-2047	157,686	220,399	378,085
2048-2052	194,875	179,778	374,653
2053-2057	249,522	125,853	375,375
2058-2062	199,943	68,397	268,340
2063-2067	38,751	45,249	84,000
2068-2072	48,995	35,005	84,000
2073-2077	61,945	22,055	84,000
2078-2082	61,152	6,048	67,200
Total	<u>\$ 2,829,659</u>	<u>\$ 2,095,093</u>	<u>\$ 4,924,752</u>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

**NOTE 5: CAPITAL AND LEASE ASSETS AND NET INVESTMENT IN CAPITAL ASSETS**

A summary of the changes in capital and lease assets during the fiscal year ended June 30, 2022, follows:

	Balance July 1, 2021 - Restated	Additions	Deletions	Transfers	Balance June 30, 2022
<b>Governmental activities:</b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 25,303,576	\$ -	\$ (49,485)	\$ -	\$ 25,254,091
Construction in progress	154,624,355	40,495,983	-	(44,488,016)	150,632,322
Construction in progress-intangible assets	642,079	-	-	(642,079)	-
Total capital assets, not being depreciated	<u>180,570,010</u>	<u>40,495,983</u>	<u>(49,485)</u>	<u>(45,130,095)</u>	<u>175,886,413</u>
<b>Capital assets, being depreciated:</b>					
Buildings and site improvements	692,560,507	-	-	44,488,016	737,048,523
Machinery, equipment and vehicles	38,315,483	2,173,000	(858,459)	-	39,630,024
Intangible assets - software	6,757,129	-	-	642,079	7,399,208
Total capital assets, being depreciated	<u>737,633,119</u>	<u>2,173,000</u>	<u>(858,459)</u>	<u>45,130,095</u>	<u>784,077,755</u>
<b>Less accumulated depreciation for:</b>					
Building and site improvements	(391,399,908)	(18,681,000)	-	-	(410,080,908)
Machinery, equipment and vehicles	(26,599,488)	(3,290,126)	858,459	-	(29,031,155)
Intangible assets - software	(6,086,490)	(259,227)	-	-	(6,345,717)
Total accumulated depreciation	<u>(424,085,886)</u>	<u>(22,230,353)</u>	<u>858,459</u>	<u>-</u>	<u>(445,457,780)</u>
Total capital assets, being depreciated, net	<u>313,547,233</u>	<u>(20,057,353)</u>	<u>-</u>	<u>45,130,095</u>	<u>338,619,975</u>
<b>Lease assets (right-to-use assets), being amortized</b>					
Land	1,583,711	-	-	-	1,583,711
Buildings	1,447,353	-	-	-	1,447,353
Machinery and equipment	147,308	720,360	-	-	867,668
Total lease assets, being amortized	<u>3,178,372</u>	<u>720,360</u>	<u>-</u>	<u>-</u>	<u>3,898,732</u>
<b>Less accumulated amortization for:</b>					
Land	-	(36,830)	-	-	(36,830)
Buildings	-	(342,936)	-	-	(342,936)
Machinery and equipment	-	(183,188)	-	-	(183,188)
Total accumulated amortization	<u>-</u>	<u>(562,954)</u>	<u>-</u>	<u>-</u>	<u>(562,954)</u>
Total lease assets being amortized, net	<u>3,178,372</u>	<u>157,406</u>	<u>-</u>	<u>-</u>	<u>3,335,778</u>
Governmental activities capital and lease assets, net	<u>\$ 497,295,615</u>	<u>\$ 20,596,036</u>	<u>\$ (49,485)</u>	<u>\$ -</u>	<u>\$ 517,842,166</u>

Depreciation and amortization expenses were charged to functions/programs of the primary government as follows:

Governmental activities:	Depreciation	Amortization
Instruction	\$ 13,094,639	\$ -
Instructional staff support	327,145	-
General administration	307,605	-
Business administration	199,834	562,954
Operations & maintenance	5,355,280	-
Transportation	2,151,396	-
Personnel/data services/risk management	417,400	-
Food service operations	153,540	-
Facilities Acquisition and Construction Services	223,514	-
Total depreciation and amortization expense - governmental activities	<u>\$ 22,230,353</u>	<u>\$ 562,954</u>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

Net investment in capital assets consists of capital and lease assets, net of accumulated depreciation/amortization, unspent bond proceeds and reduced by outstanding balances of bonds, notes, leases and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in the determination of net investment in capital assets.

**Net Investment in Capital Assets:**

Governmental activities capital and lease assets, net	\$ 517,842,166
Reductions:	
Outstanding principal of capital-related borrowings related to the government's own capital and lease assets	(474,783,920)
2020 Certificates of participation	(7,575,000)
Debt financing for capital assets	(4,742,955)
Debt financing for land purchase	(905,286)
Leases	(3,401,291)
Deferred loss on bond refunding	1,594,758
Building Fund accounts payable	(7,464,692)
Capital Reserve Fund accounts payable	(800,033)
Retainages payable for all funds	(2,266,514)
Additions:	
Building Fund restricted cash	108,159,292
Net investment in capital assets	<u>\$ 125,656,525</u>

**NOTE 6: NONCURRENT LIABILITIES**

**General Obligation Bonds**

The district issues bonds to finance construction, renovation, and repair of schools and support site facilities. When market and interest rates are favorable, the district may refinance outstanding debt with new debt to reduce interest payments or restructure the debt service requirement of the Bond Redemption Fund. The bonds are serviced from property tax revenues. As of June 30, 2022, total general obligation bonds outstanding are \$413,810,353, total unamortized premium is \$46,544,066, and total accreted interest is \$14,429,501.

Management of the district believes it has complied with all significant financial bond covenants regarding its original bond issues and refunding bond issues. In general, bond covenants for each of the following issues include:

- The district will not take any action or omit to take any action that jeopardizes the federal and state tax-free status of the bonds or bond coupons to the bondholder.
- The district will provide annual financial information to each bond repository.
- The district will prepare and file an annual budget and annual financial report with the appropriate state agency.
- The district will comply with the continuing disclosure certificate, which will be executed by the officers of the district in connection with the delivery of the bonds.

**General Obligation Bonds**

A description of each issue follows.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

- In May 2010, the 2010 Series Refunding Bonds were issued with a total face value of \$101,460,000. As of June 30, 2022, outstanding principal balance for the 2010 Series Refunding Bonds was \$680,000. Maturity dates began December 1, 2010, and will continue through December 1, 2022. Interest rates are 4.0 percent. Remaining annual payments for principal and interest are \$693,600.
- On September 15, 2010, the district issued \$38,000,000 in the 2010B Series General Obligation Bonds – Direct Pay Build America Bonds. The final payment, including interest, was made as part of the 2021B refunding bonds transaction on July 27, 2021.
- On December 22, 2010, the district issued \$37,315,000 in the 2010D Series General Obligation Bonds – Direct Pay Build America Bonds. The final payment, including interest, was made as part of the 2021B refunding bonds transaction on July 27, 2021.
- In February 2012, the 2012 Series Refunding Bonds were issued with a total face value of \$149,535,000. Concurrently, the district issued capital appreciation bonds with an original principal amount of \$385,000. The capital appreciation bonds will accrete interest over the term of 10 years to the maturity date of December 1, 2022, to the redeemable amount of \$17,250,000. Total current outstanding principal balance for both types of bonds is \$131,825,000. Maturity dates began December 1, 2012, and will continue through December 1, 2028. Interest rates range from 3.0 percent to 5.0 percent. Remaining annual payments for principal and interest range from \$11,745,675 to \$27,458,625. As of June 30, 2022, accreted interest for the capital appreciation bonds was \$14,429,501.
- In January 2017, the district issued \$200,000,000 in the 2017A General Obligation Bonds. Current outstanding balance is \$147,900,000. These bonds began maturing on December 1, 2017, with the final principal payment due on December 1, 2036. The interest rate is 5.0 percent. Remaining annual payments for principal and interest range from \$1,025,000 to \$40,400,750.
- In December 2019, the district issued \$26,521,099 in the 2019 General Obligation Bonds. Current outstanding balance is \$24,500,353. These bonds began maturing on December 1, 2020, with the final principal payment due on December 1, 2039. The interest rate is 2.952 percent. Remaining annual payments for principal and interest range from \$1,748,731 to \$1,759,100.
- On July 27, 2021, the district issued \$73,475,000 in the General Obligation Bonds, Series 2021A. These bonds begin maturing on December 1, 2025, with the final principal payment due on December 1, 2029. The interest rate is 5.0 percent. Remaining annual payments for principal and interest range from \$3,102,278 to \$35,393,250.
- On July 27, 2021, the district also issued \$47,620,000 in the General Obligation Refunding Bonds, Series 2021B. These bonds began maturing on December 1, 2021, with the final principal payment due on December 1, 2024. The interest rate on the bonds is 5.0 percent. Remaining annual payments for principal and interest range from \$12,699,750 to \$12,730,500.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

Calculation of Cash Flow Difference

Old debt service cash flows	\$ 65,700,420
New debt service cash flows	<u>52,040,622</u>
Cash flow difference	<u>\$ 13,659,798</u>

Calculation of Economic Gain

Present value of old debt service cash flows	\$ 63,686,595
Present value of new debt service cash flows	<u>51,400,931</u>
Net present value savings	<u>\$ 12,285,664</u>

Certificates of Participation

On June 25, 2020, the district sold certificates of participation (COP) with a par value of \$7,575,000. The proceeds from the COPs are being used to build a new 6-12 school. The outstanding amount due on the COP is collateralized by related future rental income and the property that the funds are being used to construct. The COP matures on December 1, 2029 and bears interest at a per annum fixed rate of 2.77 percent. Annual principal and interest payments range from \$195,839 to \$1,193,070. Remaining annual payments for principal and interest range from \$209,828 to \$1,191,274.

Debt Financing for Capital Assets

The Board of Education approved a master purchase agreement for financing the costs of acquiring approximately 80 buses and support vehicles for school purposes and other essential need equipment in an amount not to exceed \$12.0 million over approximately a five year period. The titles to the capital assets are held by the creditor and they will not be released until the debts are fully repaid.

On September 1, 2016, the district financed 14 buses and 36 support vehicles in the amount of \$2,411,380 with an interest rate of 1.726 percent per year to be repaid over the next 10 years.

On September 11, 2017, the district financed 16 buses and 7 support vehicles in the amount of \$1,931,000 with an interest rate of 2.098 percent per year to be repaid over the next 10 years.

On June 21, 2018, the district financed 18 buses and 3 support vehicles in the amount of \$1,837,761 with an interest rate of 3.414 percent per year to be repaid over the next 10 years.

On January 26, 2021, the district financed 16 buses and 3 support vehicles in the amount of \$2,240,571 with an interest rate of 1.670 percent per year to be repaid over the next 10 years.

Debt Financing for Land Purchase

On February 20, 2020, the district purchased land for the building of a future school. The purchase price was \$4,750,245 with an initial payment made at closing of \$3,844,959 and an additional \$905,286 due to the seller in the future in the form of cash-in-lieu payments received. This financing has no interest due or maturity date. The timing of these future payments are unknown, as cash-in-lieu payments yet to be received by the district depend on the timing of development of certain residential units as per the purchase agreement. The \$905,286 debt financing for the land purchase is reflected as non-current liabilities due within a year.

Lease Payables

The district is lessee to various vehicles, equipment, buildings and land for the use of such leased assets. An initial lease liability was recorded in the amount of \$3,178,372 during the fiscal year

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

2021-22. Additionally, lease liability of \$720,360 was added during the year. As of June 30, 2022, the value of the lease liability was \$3,401,291. The district is required to make monthly principal and interest payments of \$55,000. The leases have interest rates in the range of 4.70% to 7.66%.

Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the district has recorded the accrued liability for compensated absences in the accompanying basic financial statements. The subsequent table summarizes total liabilities and current year activity for compensated absences. Per GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, the amount of \$517,676 recorded in the General Fund in the governmental statements represents the mature portion of total compensated absences liabilities.

Computation of Legal Debt Margin

Pursuant to state law, a school district has a limit of bonded indebtedness of the greater of 20 percent of its valuation for taxable property as it exists on the December 10 prior to the date of issuance or 6.0 percent of its statutory actual valuation of the taxable property in the district as of the December 10 prior to the date of issuance. Additionally, the limit on bonded indebtedness is increased to 25 percent of its valuation for taxable property of the district if such district qualifies as a “high growth” district. In the November 2016 Election, voters approved the use of the higher 6.0 percent limit. The debt limit is only applicable at the time of issuance of bonds. Refunding bonds may be issued notwithstanding the debt limit because they are issued at a lower interest rate and would save the district money.

The percentages and amounts used in the following calculation are based on the December 2021 actual valuation and the June 30, 2022 outstanding general obligation bonds payable.

<u>Debt Limit Factors</u>	<u>Actual Valuation</u>	<u>Percentage of Actual Valuation</u>
Valuation - Adams County	\$ 8,157,172,875	
Valuation - Arapahoe County	22,909,237,468	
Total valuation	31,066,410,343	
Apply percentage	6.0%	
Legal debt limit	1,863,984,621	6.0%
Less general obligation bonds payable	428,239,853	1.4%
Debt margin	\$ 1,435,744,768	4.6%

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

**Changes in Noncurrent Liabilities**

Noncurrent liability activity for the year ended June 30, 2022, was as follows:

<u>Issues:</u>	Balance July 1, 2021 - Restated	Additions	Deletions	Balance June 30, 2022	Amount Due Within One Year
2010 Series refunding bonds	\$ 15,615,000	\$ -	\$ 14,935,000	\$ 680,000	\$ 680,000
2010B Build America Bonds	27,610,000	-	27,610,000	-	-
2010D Build America Bonds	23,570,000	-	23,570,000	-	-
2012 Refunding bonds	137,140,000	-	5,315,000	131,825,000	18,920,001
2017A General obligation bonds	159,730,000	-	11,830,000	147,900,000	12,420,000
2019 Matching money bonds	25,521,136	-	1,020,783	24,500,353	1,050,917
2021A General obligation bonds	-	73,475,000	-	73,475,000	-
2021B Refunding bonds	-	47,620,000	12,190,000	35,430,000	11,240,000
2012 Refunding bonds accreted interest	10,018,849	4,410,652	-	14,429,501	-
Subtotal general obligation debt	399,204,985	125,505,652	96,470,783	428,239,854	44,310,918
Premiums/(discounts) on GO debt	27,971,280	26,264,253	7,691,467	46,544,066	-
Subtotal general obligation debt, net	427,176,265	151,769,905	104,162,250	474,783,920	44,310,918
2020 Certificates of participation	7,575,000	-	-	7,575,000	-
Subtotal COPs	7,575,000	-	-	7,575,000	-
Direct borrowing for capital assets	5,549,571	-	806,616	4,742,955	824,051
Subtotal debt financing	5,549,571	-	806,616	4,742,955	824,051
Debt financing for land purchase	905,286	-	-	905,286	905,286
Subtotal debt for land purchase	905,286	-	-	905,286	905,286
Leases	3,178,372	720,360	497,441	3,401,291	495,741
Subtotal leases	3,178,372	720,360	497,441	3,401,291	495,741
Total debt outstanding	444,384,494	152,490,265	105,466,307	491,408,452	46,535,996
<u>Compensated absences:</u>					
Unpaid vacation	6,852,036	1,190,338	1,313,494	6,728,880	1,051,307
Unpaid sick leave	7,642,706	1,251,748	930,955	7,963,499	730,825
Total compensated absences	14,494,742	2,442,086	2,244,449	14,692,379	1,782,132
Total changes in noncurrent liabilities	\$ 458,879,236	\$ 154,932,351	\$ 107,710,756	\$ 506,100,831	\$ 48,318,128

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

Summary of Debt Service Requirements to Maturity

The following schedules reflects the debt service requirements of the district's long-term debt. The long-term debt is included in the governmental activities, as of June 30, 2022:

Date	General		
	Obligation Debt	Total Interest	Total
2023	\$ 44,310,918	\$ 36,099,489	\$ 80,410,407
2024	47,666,940	17,399,883	65,066,823
2025	50,028,879	15,029,973	65,058,852
2026	30,526,760	13,167,980	43,694,740
2027	31,870,613	11,710,629	43,581,242
2028-2032	181,906,878	32,904,803	214,811,681
2033-2037	39,341,300	2,601,607	41,942,907
2038-2040	5,023,065	225,297	5,248,362
Total	430,675,353	\$ 129,139,661	\$ 559,815,014

Unaccreted interest on 2012 bonds (2,435,499)

Total outstanding principal \$ 428,239,854

Date	Certificates of		
	Participation	Total Interest	Total
2023	\$ -	\$ 209,828	\$ 209,828
2024	995,000	196,047	1,191,047
2025	1,025,000	168,070	1,193,070
2026	1,050,000	139,331	1,189,331
2027	1,080,000	109,830	1,189,830
2028-2030	3,425,000	144,108	3,569,108
Total	\$ 7,575,000	\$ 967,214	\$ 8,542,214

Date	Direct Borrowing		
	for Capital Assets	Total Interest	Total
2023	\$ 824,051	\$ 100,804	\$ 924,855
2024	841,899	82,956	924,855
2025	860,173	64,682	924,855
2026	878,882	45,973	924,855
2027	638,092	26,826	664,918
2028-2030	699,859	23,504	723,362
Total	\$ 4,742,956	\$ 344,745	\$ 5,087,700

Date	Lease Principal		
	Total Interest	Total	
2023	\$ 495,741	\$ 150,391	\$ 646,132
2024	516,082	126,295	642,377
2025	487,525	101,606	589,131
2026	173,081	85,720	258,801
2027	30,686	80,323	111,009
2028-2032	59,256	389,475	448,731
2033-2037	20,188	383,573	403,761
2038-2042	72,495	372,896	445,391
2043-2047	143,459	347,792	491,251
2048-2052	238,500	303,254	541,754
2053-2057	364,515	232,832	597,347
2058-2062	530,277	128,240	658,517
2063-2067	269,486	12,398	281,884
Total	\$ 3,401,291	\$ 2,714,795	\$ 6,116,086

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

**NOTE 7: SHORT-TERM DEBT**

In order to meet short-term General Fund cash flow needs, the district participates in the state of Colorado Interest-Free Loan Program. There was no draw request during 2021-22.

**NOTE 8: RISK MANAGEMENT**

The district is exposed to various risks of loss such as theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by a combination of risk retention programs, purchased insurance coverages from independent carriers, and by participating in two risk pools. Property and casualty losses, claims and purchased insurance protection are accounted for in the district's General Fund. Settled claims from these risks have not exceeded commercial coverage for each of the past three fiscal years. Some insurance coverage has had additional exclusions in the policies making the district's risk retention slightly higher.

The Colorado Governmental Immunity Act provides protection against several types of claims and establishes damage limits for claims not protected under the Act. In accordance with C.R.S. 24-10-114(l)(b), the limitations on judgments set forth in C.R.S. 24-10-114(1(a)(I)&(II) are as follows:

*For all claims for relief that accrue before January 1, 2018, the adjusted limitation is:*

- \$350,000 for any injury to one person in any single occurrence.
- \$990,000 for any injury to two or more persons in any single occurrence; except that, in such instance, no person may recover in excess of \$350,000.

*For all claims for relief that accrue on or after January 1, 2018, and before January 1, 2022, the adjusted limitation is:*

- \$387,000 for any injury to one person in any single occurrence.
- \$1,093,000 for any injury to two or more persons in any single occurrence; except that, in such instance, no person may recover in excess of \$387,000.

*For all claims for relief that accrue on or after January 1, 2022, and before January 1, 2026, the adjusted limitation is:*

- \$424,000 for any injury to one person in any single occurrence.
- \$1,195,000 for any injury to two or more persons in any single occurrence; except that, in such instance, no person may recover in excess of \$424,000.

**Self-insurance Programs and Purchased Insurance Coverages**

The district self-insures the first \$50,000 of each property loss/claim and purchases insurance for any additional property loss/claim up to \$1,000,000,000. For any loss caused by wind or hail, the deductible is 3% of the value of property damaged, with a \$150,000 minimum deductible. The district purchases other insurance policies for crime, first and third party cyber, fiduciary, foreign travel, pollution, boiler & machinery and student professional liability with varying deductibles and limits.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

Workers' Compensation

In 1986, the district joined other Colorado school districts to form the Joint School Districts' Workers' Compensation Self-Insurance Pool (JSD) with the purpose to control costs related to workers' compensation incidents. JSD is managed by an independent manager chosen by the pool's board of directors. Board membership consists of one member from each of the four participating school districts. Each member's initial contribution and subsequent share of expenses and contributions is based on JSD's and respective member's payroll, projected losses, standard premiums, experience modifications, and other variable expenses as estimated by JSD management and approved by the JSD board. The district's share of expenses is reported in the district's basic financial statements. JSD has no current or long-term debt. Each member of JSD is responsible for the first \$100,000 of each loss. Losses between \$100,000 and \$550,000 are shared between the member districts and losses in excess of \$550,000 are reinsured for up to statutory limits. This pool is audited each year by Clifton Larson Allen LLP. Actuarial services are performed by Willis Towers Watson. Requests for JSD financial statements can be sent to Brown and Brown , 8000 E. Maplewood Avenue, Suite 350, Greenwood Village, Colorado 80111.

Liability

The district self-insures the first \$150,000 of each liability loss/claim and purchases insurance for the next \$10,000,000 of each loss/claim. General liability, auto liability and errors and omissions coverage is purchased through the Excess-of-Loss Self Insurance Pool (ELSIP), a public entity risk pool. ELSIP is managed by an independent manager chosen by ELSIP's board of directors. The board is comprised of one member from each of three participating districts. Each member's initial and subsequent share of expenses is determined by its student enrollment, as approved by the board. This pool is audited each year by Clifton Larson Allen LLP. Provision for estimated insurance claims incurred but not reported includes components for each type of coverage in effect (see Note 9.) Requests for ELSIP financial statements can be sent to Secteur Insurance Consulting, 10541 Kicking Horse Drive, Littleton, CO 80125.

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

Grants

The district has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead grantor agencies to request reimbursement for disallowed expenditures. District management believes disallowances, if any, would not materially affect the overall financial position or results of operations of the district.

Litigation

Certain lawsuits are presently pending against the district. The district and its legal counsel believe that any liability resulting from such lawsuits would not materially affect the overall financial position or results of operations of the district.

Insurance Claims

Liabilities for retained risk claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities for claims incurred but not reported are estimated by applying industry-published loss development standards to current outstanding claims. In addition, incurred claims in the table below include loss amounts that develop into actual payments within the 60-day accrual period. Actual payments can vary from the original estimated amount. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Unpaid claims, beginning of the year	\$ 1,105,970	\$ 1,353,813
Incurred claims, including changes in IBNR	1,002,758	109,246
Claim payments	<u>(467,315)</u>	<u>(357,089)</u>
Unpaid claims, end of the year	<u>\$ 1,641,413</u>	<u>\$ 1,105,970</u>

COVID-19 Pandemic

Since March 2020, the COVID-19 pandemic and resulting disruptions have caused significant economic uncertainty and volatility in financial markets, economy, business and communities. By May 2021, COVID-19 vaccines generally became available in the US to the general public and restrictions began to be lifted. Management believes that the district is taking appropriate actions to mitigate the negative impact. However, the full impact of the COVID-19 pandemic is unknown and may continue to impact various aspects of the district operations including creating significant shortfall for school funding and staffing shortages.

Construction Commitments

As of June 30, 2022, the district had various commitments for the acquisition and construction of capital projects. Resources in the Building and Capital Reserve Capital Projects Funds are restricted for construction commitments. The following table provides a detail of significant commitments:

<u>Project Description</u>	<u>Project to Date Expenditures</u>	<u>Commitments at June 30, 2022</u>
Technology Equipment Renewal	\$ 9,088,318	\$ 425,313
Application Upgrades	1,656,037	289,744
IT Infrastructure Upgrades	3,655,926	1,362,975
Districtwide Improvements - Safety	5,275,268	285,086
Harmony Ridge P-8	35,238,485	12,334
AST 6-12 School	24,081,703	652
Century Building Renewal	78,171	2,685
Dartmouth Building Renewal	102,246	355
Lansing Building Renewal	36,568	2,500
Lyn Knoll Replacement School	7,767,166	35,028,985
Paris ECE Addition, Turf Field & Renewal	42,083	175
Vassar HVAC Repairs & Renewal	3,275,362	13,282
Virginia Court Whole Building Remodel	9,822,994	362,050
Boston K8 ECE Addition, Turf Field & Renewal	35,680	20,485
Mosley P-8 Building Renewal	-	52,331
East MS Whole Building Remodel	29,354,126	4,972
ACHS Mechanical Repairs, Addition & Renewal	7,715,069	2,881
Pickens Repairs & Renewal	570,568	916
New P-8 - Aurora Highlands	5,545,993	40,597,419
BEST Fire Alarms	1,748,755	65,482
AST Phase II	48,251	17,175,928
Total	<u>\$ 145,138,769</u>	<u>\$ 95,706,550</u>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

**NOTE 10: DEFINED BENEFIT PENSION PLAN**

Summary of Significant Accounting Policies - Pension

The district participates 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 (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

*Plan description.* Eligible employees of the district are provided with pensions through 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 (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2021.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1,

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contributions provisions as of June 30, 2022.* Eligible employees of the district and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401 et seq. and § 24-51-413. Eligible employees are required to contribute 10.50 percent of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	July 1, 2021 to June 30, 2022
Employer Contribution Rate <sup>1</sup>	10.90%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	-1.02%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	5.50%
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	19.88%

<sup>1</sup>Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district were \$61,507,074 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

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. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

Pension Liabilities, Pension Expense, 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, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The district proportion of the net pension liability was based on the district contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the district reported a liability of \$566,325,130 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the district as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the district were as follows:

District's proportionate share of the net pension liability	\$	566,325,130
State's proportionate share of the net pension liability		<u>64,921,943</u>
Total	\$	<u><u>631,247,073</u></u>

At December 31, 2021, the districts proportion was 4.866 percent, which was an decrease of 0.397 percent from its proportionate share measured as of December 31, 2020.

For the year ended June 30, 2022, the district recognized its own portion of pension expense credit of \$127,597,354 and revenue of \$ \$15,519,550 for the support from the State as a nonemployer contributing entity. At June 30, 2022, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 21,681,197	\$ -
Changes of assumptions or other inputs	43,234,695	-
Net difference between projected and actual earnings on pension plan investments	-	212,921,332
Changes in proportion and differences between contributions recognized and proportionate share of contributions	35,765,454	-
Contributions subsequent to the measurement date	<u>31,109,875</u>	<u>-</u>
Total	<u>\$ 131,791,221</u>	<u>\$ 212,921,332</u>

The \$31,109,875 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Fiscal Year Ending June 30,	Amount
2023	\$ 22,874,411
2024	(51,255,223)
2025	(58,015,084)
2026	(25,844,090)
2027	-
	<u>\$ (112,239,986)</u>

*Actuarial assumptions.* The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost methods, actuarial assumptions and other inputs:

**Actuarial Assumptions:**

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 1/1/07; and DPS benefit structure (compounded annually) <sup>1</sup>	1.00 percent
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Finance by the Annual Increase Reserve

<sup>1</sup> 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.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting. The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

Note: 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 TPL 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%.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. 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 districts 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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 833,584,275	\$ 566,325,130	\$ 343,307,351

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

**NOTE 11: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN**

Summary of Significant Accounting Policies - Defined Benefit Other Post Employment Benefit (OPEB)

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

General Information about the OPEB Plan

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

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program 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 maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the district were \$3,155,794 for the year ended June 30, 2022.

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

At June 30, 2022, the district reported a liability of \$27,399,177 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the OTL to December 31, 2021. The district's proportion of the net OPEB liability was based on the district's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

At December 31, 2021, the district's proportion was 3.18 percent, which was an increase of 0.14 percent from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the district recognized OPEB expense of \$217,399. At June 30, 2022, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 41,753	\$ 6,496,678
Changes of assumptions or other inputs	567,267	1,486,245
Net difference between projected and actual earnings on OPEB plan investments	-	1,696,019
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,561,621	913,331
Contributions subsequent to the measurement date	1,596,180	-
Total	<u>\$ 5,766,821</u>	<u>\$ 10,592,273</u>

The amount of \$1,596,180 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ending June 30,	Amount
2023	\$ (2,186,741)
2024	(2,070,635)
2025	(1,642,407)
2026	(586,186)
2027	50,190
Thereafter	14,147
	<u>\$ (6,421,632)</u>

*Actuarial assumptions.* The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

**Actuarial Assumptions:**

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 OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	4.50 percent in 2021, 6.00 percent in 2022 gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.75 percent in 2021, gradually increasing to 4.50 percent in 2029

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

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

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, 2020 valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Costs	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	\$ 633	\$ 230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month. All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, 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 TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee 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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 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 PERA Board's actuary, as discussed above. The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

Note: 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 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage lower or one percentage higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 26,612,349	\$ 27,399,177	\$ 28,310,656

*Discount rate.* The discount rate used to measure the TOL 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, 2021, 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%.
- 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.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 31,821,276	\$ 27,399,177	\$ 23,621,938

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

**NOTE 12: DEFINED CONTRIBUTION PLANS & DEFERRED COMPENSATION PLAN**

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The district does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2022, program members contributed \$1,617,357.

Deferred Compensation Plan

Plan Description – Employees may participate in the state of Colorado's 457(b) eligible deferred compensation benefit plan. Plan participation is voluntary and contributions are separate from

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Basic Financial Statements  
June 30, 2022**

others made to PERA. The plan uses a third-party administrator, and all costs of administration and funding are borne by the plan participants. The plan is subject to the Colorado State Deferred Compensation Program, as defined in §24-10-102, C.R.S., and its governing board. The state's governing board has full authority to make changes to the plan. PERA issues a publicly available annual comprehensive financial report for the 457 plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Funding Policy – The deferred compensation plan is funded by voluntary member contributions up to the maximum limit set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The district does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$934,019.

**403(b) Defined Contribution Plan**

In addition, employees may contribute to a tax-sheltered annuity in accordance with plan and district policies and regulations, an Internal Revenue Code 403(b) defined contribution plan. The plan is held for the benefits of the participants and beneficiaries and all investments are participant-directed. The 403(b) plan is funded by voluntary member contributions up to the maximum limit set by the Internal Revenue Service. The district does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$2,844,679.

**NOTE 13: RELATED-PARTY TRANSACTIONS**

The district provides administrative and other services to its ten charter schools, shown as discretely presented component units. The amount of charges for services, in accordance with governing state statutes, for the fiscal year ended June 30, 2022 was \$10,382,385 which have been recorded in the district's financial statements.

**NOTE 14: SUBSEQUENT EVENTS**

On September 20, 2022, the district issued General Obligation Refunding Bonds, Series 2022, in the aggregate principal amount of \$126,260,000. The interest rate on the bonds is 5.0% and the final maturity date is December 1, 2028.

Annual principal and interest payments for the General Obligation Refunding Bonds Series 2022 are due starting from December 1, 2022 to December 1, 2028 and range from \$202,250 to \$38,800,875.

## **Required Supplementary Information**

This section presents the budgetary comparison schedules for the General Fund and the Grants and Nutrition Services Funds, the major special revenue funds. It also includes schedules regarding the district's proportionate share of PERA's net pension liability and their annual contributions.

### **Budgetary Comparisons**

#### **General Fund**

All activities of the district are reported in the General Fund unless there is a legal or contractual requirement to use another fund. Most instructional and administrative expenditures are processed through the General Fund. Primary revenue sources are local property taxes and state aid.

#### **Grants Fund**

This fund is used to account for revenues and expenditures related to federal, state and local grants.

#### **Nutrition Services Fund**

Nutrition Services operates the school lunch and breakfast programs and serves nutritious meals to district students and adults. In addition, summer meal programs, after school snack programs, nutrition education, in-service programs and emergency feeding sites are offered.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local:				
Property taxes	\$ 218,167,940	\$ 204,839,827	\$ 208,853,353	\$ 4,013,526
Specific ownership	17,500,000	17,500,000	17,086,269	(413,731)
Pupil Activities	-	-	6,982	6,982
Tuition	195,000	115,000	188,758	73,758
Gifts and grants	-	-	16,239	16,239
Charges for services	7,250,000	9,450,000	10,299,387	849,387
Other	3,942,014	8,792,014	4,653,301	(4,138,713)
Rental of buildings	548,625	548,625	1,536,000	987,375
Net earnings on investments	1,263,500	44,650	458,404	413,754
State:				
State equalization	192,021,946	198,753,128	201,900,907	3,147,779
Vocational education	1,556,000	1,556,000	424,649	(1,131,351)
Special education	9,566,779	10,296,078	10,311,620	15,542
Transportation	1,830,524	1,992,581	2,058,211	65,630
English Language Proficiency Act	6,887,281	3,366,820	3,366,820	-
READ Act	2,391,376	2,359,936	2,359,936	-
Gifted and talented	383,514	385,002	385,002	-
Grants	-	18,617	6,976,943	6,958,326
Federal grants	130,000	96,000	3,774,505	3,678,505
Total revenues	<u>463,634,499</u>	<u>460,114,278</u>	<u>474,657,286</u>	<u>14,543,008</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	213,984,828	219,111,847	231,152,469	(12,040,622)
Pupil support	50,061,372	48,240,874	49,367,122	(1,126,248)
Instructional staff support	29,644,932	32,334,333	25,466,186	6,868,147
General administration	7,493,169	7,935,418	7,437,811	497,607
School administration	41,292,316	43,376,467	41,847,434	1,529,033
Business administration	7,350,701	7,062,893	5,381,523	1,681,370
Operations and maintenance	34,495,976	35,834,292	42,608,284	(6,773,992)
Transportation services	11,242,403	10,646,852	14,553,211	(3,906,359)
Personnel/data/risk management	21,972,865	29,512,829	28,332,227	1,180,602
Other support services	30,582,214	26,902,105	25,447,925	1,454,180
Food service operations	-	-	5,740	(5,740)
Facilities acquisition and improvements	736,242	6,203,435	10,238,384	(4,034,949)
Debt service:				
Principal	-	-	449,463	(449,463)
Interest	-	-	132,243	(132,243)
Contingencies and appropriated reserves	181,837,644	159,774,483	-	159,774,483
Total expenditures	<u>630,694,662</u>	<u>626,935,828</u>	<u>482,420,022</u>	<u>144,515,806</u>
Excess (deficiency) of revenues over (under) expenditures	(167,060,163)	(166,821,550)	(7,762,736)	159,058,814
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt financing from leases	-	-	720,360	720,360
Transfers out	(13,714,122)	(13,714,122)	(13,568,617)	145,505
Total other financing sources (uses)	<u>(13,714,122)</u>	<u>(13,714,122)</u>	<u>(12,848,257)</u>	<u>865,865</u>
Net change in fund balance	<u>\$ (180,774,285)</u>	<u>\$ (180,535,672)</u>	<u>(20,610,993)</u>	<u>\$ 159,924,679</u>
Fund balance - July 1, 2021			180,535,672	
Fund balance - June 30, 2022			<u>\$ 159,924,679</u>	

The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Special Revenue Fund – Grants Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local:				
Gifts and grants	\$ 5,333,459	\$ 9,177,345	\$ 4,270,305	\$ (4,907,040)
State:				
Special education	-	-	627,200	627,200
State grants	11,465,350	13,006,751	10,416,373	(2,590,378)
Federal grants	71,475,973	111,060,308	47,891,257	(63,169,051)
Total revenues	<u>88,274,782</u>	<u>133,244,404</u>	<u>63,205,135</u>	<u>(70,039,269)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	29,680,443	71,644,630	25,004,351	46,640,279
Pupil support	6,793,736	31,018,056	17,429,401	13,588,655
Instructional staff support	7,098,413	9,754,779	8,125,947	1,628,832
General administration	963,039	1,573,012	1,513,476	59,536
School administration	130,147	2,249,438	2,418,736	(169,298)
Business administration	-	-	82,620	(82,620)
Operations and maintenance	40,000	11,762,529	4,902,951	6,859,578
Transportation services	2,142,501	2,286,973	1,798,730	488,243
Personnel/data/risk management	556,937	740,871	583,938	156,933
Other support services	2,160,766	2,214,116	1,155,155	1,058,961
Food service operations	-	-	157,265	(157,265)
Facilities acquisition and improvements	-	-	9,383	(9,383)
Debt service:				
Principal	-	-	15,434	(15,434)
Interest	-	-	7,748	(7,748)
Contingencies	38,708,800	-	-	-
Total expenditures	<u>88,274,782</u>	<u>133,244,404</u>	<u>63,205,135</u>	<u>70,039,269</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - July 1, 2021			-	
Fund balance - June 30, 2022			<u>\$ -</u>	

The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Special Revenue Fund – Nutrition Services Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local:				
Gifts and grants	\$ -	\$ -	\$ 99,712	\$ 99,712
Charges for services	1,854,000	765,000	331,979	(433,021)
Other	-	-	4,291	4,291
Net earnings on investments	10,000	1,800	32,646	30,846
State:				
State grants	320,000	145,000	144,704	(296)
Federal grants	17,304,978	34,162,978	35,161,289	998,311
Total revenues	<u>19,488,978</u>	<u>35,074,778</u>	<u>35,774,621</u>	<u>699,843</u>
<b>EXPENDITURES</b>				
Current:				
Food service operations	27,411,689	47,633,826	28,224,397	19,409,429
Debt service:				
Principal	-	-	19,866	(19,866)
Interest	-	-	2,241	(2,241)
Total expenditures	<u>27,411,689</u>	<u>47,633,826</u>	<u>28,246,504</u>	<u>19,387,322</u>
Excess (deficiency) of revenues over (under) expenditures	(7,922,711)	(12,559,048)	7,528,117	20,087,165
<b>OTHER FINANCING SOURCES</b>				
Transfers in	500,000	500,000	-	(500,000)
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>\$ (500,000)</u>
Net change in fund balance	<u>\$ (7,422,711)</u>	<u>\$ (12,059,048)</u>	<u>7,528,117</u>	<u>\$ 19,587,165</u>
Fund balance - July 1, 2021			12,059,048	
Fund balance - June 30, 2022			<u>\$ 19,587,165</u>	

The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 PERA – School Division Trust Fund  
 For the Year Ended December 31**

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	4.866%	5.263%	4.424%	4.259%	5.070%	5.378%	5.383%	5.243%
District's proportionate share of the net pension liability	\$ 566,325,130	\$ 795,638,277	\$ 660,924,055	\$ 754,076,588	\$ 1,639,450,659	\$ 1,601,209,456	\$ 823,387,622	\$ 710,633,013
State's proportionate share of the net pension liability	64,921,943	-	83,829,810	103,109,501	-	-	-	-
Total	\$ 631,247,073	\$ 795,638,277	\$ 744,753,865	\$ 857,186,089	\$ 1,639,450,659	\$ 1,601,209,456	\$ 823,387,622	\$ 710,633,013
District's covered payroll	\$ 304,138,860	\$ 281,367,527	\$ 259,915,969	\$ 234,119,925	\$ 233,872,275	\$ 241,369,031	\$ 234,613,404	\$ 219,654,425
District's proportionate share of the net pension liability as a percentage of its covered payroll	186.21%	282.78%	254.28%	322.00%	701.00%	663.39%	350.96%	323.52%
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.84%

Note 1: Information above is presented as of the measurement date.

Note 2: Information is not currently available for years prior to 2014; additional years will be displayed as they become available.

Note 3: The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Schedule of the District's Pension Contributions  
 PERA – School Division Trust Fund  
 For the Fiscal Year Ended June 30**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 61,507,704	\$ 58,802,255	\$ 52,623,554	\$ 46,667,818	\$ 43,185,850	\$ 44,036,255	\$ 42,960,962	\$ 38,200,248
Contributions in relation to the contractually required contribution	(61,507,704)	(58,802,255)	(52,623,554)	(46,667,818)	(43,185,850)	(44,036,255)	(42,960,962)	(38,200,248)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 309,391,589	\$ 295,788,912	\$ 271,535,443	\$ 243,951,629	\$ 228,710,727	\$ 239,566,489	\$ 242,250,288	\$ 226,217,490
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.89%

Note 1: Information above is presented as of the district's fiscal year.

Note 2: Information is not currently available for years prior to 2015; additional years will be displayed as they become available.

Note 3: The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Schedule of the District's Proportionate Share of the Net OPEB Liability  
 Health Care Trust  
 For the Year Ended December 31**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	3.177%	3.043%	2.891%	2.768%	2.881%
District's proportionate share of the net OPEB liability	\$ 27,399,177	\$ 28,911,987	\$ 32,490,947	\$ 37,661,634	\$ 37,438,154
District's covered payroll	\$ 304,138,860	\$ 281,367,527	\$ 259,915,969	\$ 234,119,925	\$ 233,872,275
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	9.01%	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.50%

Note 1: Information above is presented as of the measurement date.

Note 2: Information is not currently available for years prior to 2017; additional years will be displayed as they become available.

Note 3: The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Schedule of the District's OPEB Contributions  
 Health Care Trust Fund  
 For the Fiscal Year Ended June 30**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 3,155,794	\$ 3,017,047	\$ 2,769,661	\$ 2,488,307	\$ 2,332,850
Contributions in relation to the statutorily required contribution	<u>(3,155,794)</u>	<u>(3,017,047)</u>	<u>(2,769,661)</u>	<u>(2,488,307)</u>	<u>(2,332,850)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 309,391,589	\$ 295,788,912	\$ 271,535,443	\$ 243,951,629	\$ 228,710,727
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

Note 1: Information above is presented as of the district's fiscal year.

Note 2: Information is not currently available for years prior to 2018; additional years will be displayed as they become available.

Note 3: The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to the Required Supplementary Information  
June 30, 2022**

**NOTE 1: BUDGETARY INFORMATION**

The district follows these procedures in establishing the budgetary data reflected in the financial statements.

- i. Per state statute (§ 22-44-105, C.R.S.), legally adopted budgets are required for all funds. During May, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July. Budgets include estimated expenditures and the means of financing them.
- ii. Public hearings are conducted by the board of education to obtain taxpayer comments.
- iii. Prior to June 30th, the budget is adopted by formal resolution of the board of education, and the district issues a separate budget document.
- iv. Authorizations to transfer budgeted amounts between Colorado Department of Education defined function groups or budget transfers, which change the total fund appropriation, must be approved by the board of education. The superintendent of schools must approve all other line item budget transfers. Actual expenditures and operating transfers out may not legally exceed appropriations at the individual fund level. Budgetary control is maintained at the supervisory department level.
- v. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- vi. Budget amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year.
- vii. Appropriations for all funds lapse at fiscal year-end.

**NOTE 2: SIGNIFICANT CHANGES AFFECTING TRENDS IN ACTUARIAL INFORMATION**

*Changes of assumptions or other inputs since the December 31, 2020 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- The assumption used to value the AI cap benefit provision was changed from 1.25 percent to 1.00 percent.

**Defined Benefit Other Post-Employment Benefits (OPEB) Pension Plan:**

- There were no changes made to the actuarial methods or assumptions.

## **SUPPLEMENTARY INFORMATION**

This section presents the major and nonmajor fund financial statements. These statements show a more detailed look at the funds.

## **Major Governmental Funds**

### **Bond Redemption Fund**

This fund is used to account for property tax revenues and expenditures related to general long-term debt principal, interest, and related costs.

### **Building Fund**

This fund is used to account for expenditures related to major construction, repair, or remodel of district sites. Funding for these projects was provided by the sale of the 2010, 2017 and 2019 General Obligation Bonds.

### **Capital Reserve Fund**

This fund is used to account for the transfers from the General Fund and other revenue sources allocated or earned in this fund. Associated expenditures are for the ongoing capital needs of the district, such as reserve for debt payments, technology, capital projects, deferred maintenance, heating, ventilation and air conditioning (HVAC) projects, vehicles and roofing projects.

## **Nonmajor Governmental Funds**

### **Athletic Fund**

This fund is used to account for activities of the middle school intramural program and high school interscholastic athletic program. Financing is provided through a general fund subsidy and user fees.

### **Medicaid Fund**

In 1997, the Colorado Legislature enacted legislation authorizing school district to receive and encumber Medicaid reimbursements. This fund is used to account for Medicaid reimbursements which support local school health and related services. Funding also is intended to increase access to preventative and primary care services for low-income, under-insured and uninsured school aged children.

### **Pickens Post-Secondary Fund**

This fund is used to account for the tuition-based activities of the Pickens Post-Secondary Fund. Pickens Technical College provides vocational programs offered for post-secondary credit under the standards established by the state board for community college and occupational education.

### **Pupil Activity Fund**

This fund is used to record financial transactions related to school-sponsored pupil organizations and activities. These activities are self-supporting and do not receive direct or indirect district support. Beginning July 1, 2019, per guidance from GASB No. 84, *Fiduciary Activities*, this fund is now reported as a special revenue fund rather than a fiduciary fund.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Debt Service Fund – Bond Redemption Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local:				
Property taxes	\$ 86,678,637	\$ 84,254,015	\$ 85,352,538	\$ 1,098,523
Net earnings on investments	130,000	24,795	231,152	206,357
Total revenues	<u>86,808,637</u>	<u>84,278,810</u>	<u>85,583,690</u>	<u>1,304,880</u>
<b>EXPENDITURES</b>				
Current:				
General administration	11,500	12,025	13,491	(1,466)
Debt service:				
Principal	53,725,783	45,290,783	45,290,783	-
Interest	17,938,753	20,068,467	20,068,467	-
Bond issuance costs	-	89,478	246,624	(157,146)
Contingency	118,231,590	122,159,129	-	122,159,129
Total expenditures	<u>189,907,626</u>	<u>187,619,882</u>	<u>65,619,365</u>	<u>122,000,517</u>
Excess (deficiency) of revenues over (under) expenditures	(103,098,989)	(103,341,072)	19,964,325	123,305,397
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of refunding bonds	-	47,620,000	47,620,000	-
Premium on refunding bonds	-	4,078,722	4,235,868	(157,146)
Payments to escrow	-	(51,609,244)	(51,609,244)	-
Total other financing sources (uses)	-	89,478	246,624	(157,146)
Net change in fund balance	<u>\$ (103,098,989)</u>	<u>\$ (103,251,594)</u>	<u>20,210,949</u>	<u>\$ 123,148,251</u>
Fund balance - July 1, 2021			103,251,594	
Fund balance - June 30, 2022			<u>\$ 123,462,543</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Capital Projects Fund – Building Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local:				
Gifts and grants	\$ 1,000,000	\$ 1,000,000	\$ 1,011,875	\$ 11,875
Net earnings on investments	18,000	18,000	257,512	239,512
State:				
State Grants	15,829,800	16,079,800	7,630,610	(8,449,190)
Total revenues	<u>16,847,800</u>	<u>17,097,800</u>	<u>8,899,997</u>	<u>(8,197,803)</u>
<b>EXPENDITURES</b>				
Current:				
Business administration	60,000	-	77	(77)
Personnel/data/risk management	950,286	1,010,286	92,909	917,377
Facilities acquisition and improvements	122,841,515	145,870,832	44,709,869	101,160,963
Debt service:				
Bond issuance costs	-	136,520	375,557	(239,037)
Total expenditures	<u>123,851,801</u>	<u>147,017,638</u>	<u>45,178,412</u>	<u>101,839,226</u>
Excess (deficiency) of revenues over (under) expenditures	(107,004,001)	(129,919,838)	(36,278,415)	93,641,423
<b>OTHER FINANCING SOURCES</b>				
Issuance of long-term debt	73,475,000	73,475,000	73,475,000	-
Premium on long-term debt	-	21,785,917	22,028,385	242,468
Total other financing sources	<u>73,475,000</u>	<u>95,260,917</u>	<u>95,503,385</u>	<u>242,468</u>
Net change in fund balance	<u>\$ (33,529,001)</u>	<u>\$ (34,658,921)</u>	<u>59,224,970</u>	<u>\$ 93,883,891</u>
Fund balance - July 1, 2021			34,658,921	
Fund balance - June 30, 2022			<u>\$ 93,883,891</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Capital Projects Fund – Capital Reserve Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local:				
Other	\$ 150,000	\$ 150,000	\$ 2,373	\$ (147,627)
Cash in lieu of land dedication	500,000	500,000	2,898,671	2,398,671
Net earnings on investments	20,000	1,600	41,251	39,651
State:				
State grants	1,143,652	3,316,760	106,033	(3,210,727)
Total revenues	<u>1,813,652</u>	<u>3,968,360</u>	<u>3,048,328</u>	<u>(920,032)</u>
<b>EXPENDITURES</b>				
Current:				
General administration	60,000	-	55,282	(55,282)
School administration	-	-	350	(350)
Operations and maintenance	1,250,000	10,982,766	2,006,963	8,975,803
Transportation services	2,200,000	6,260,760	448,950	5,811,810
Personnel/data/risk management	50,000	35,000	27,456	7,544
Facilities acquisition and improvements	10,604,503	7,154,946	6,399,675	755,271
Debt:				
Principal	806,616	806,616	818,436	(11,820)
Interest	118,239	328,067	329,909	(1,842)
Total expenditures	<u>15,089,358</u>	<u>25,568,155</u>	<u>10,087,021</u>	<u>15,481,134</u>
Excess (deficiency) of revenues over (under) expenditures	(13,275,706)	(21,599,795)	(7,038,693)	14,561,102
<b>OTHER FINANCING SOURCES</b>				
Issuance of long-term debt	2,200,000	1,363,758	-	(1,363,758)
Transfers in	7,750,000	7,750,000	7,750,000	-
Total other financing sources	<u>9,950,000</u>	<u>9,113,758</u>	<u>7,750,000</u>	<u>(1,363,758)</u>
Net change in fund balance	<u>\$ (3,325,706)</u>	<u>\$ (12,486,037)</u>	<u>711,307</u>	<u>\$ 13,197,344</u>
Fund balance - July 1, 2021			12,486,037	
Fund balance - June 30, 2022			<u>\$ 13,197,344</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2022**

	Special Revenue				Total Nonmajor Governmental Funds
	Athletic	Medicaid	Pickens Post- Secondary	Pupil Activity	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 738,655	\$ 11,349,836	\$ 8,892,817	\$ 3,258,866	\$ 24,240,174
Receivables - other	80	-	89,836	16,669	106,585
Prepaid items	7,329	2,718	34,896	-	44,943
Total assets	<u>\$ 746,064</u>	<u>\$ 11,352,554</u>	<u>\$ 9,017,549</u>	<u>\$ 3,275,535</u>	<u>\$ 24,391,702</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 292,695	\$ 35,788	\$ 235,845	\$ 10,816	\$ 575,144
Retainages payable	-	-	59,576	-	59,576
Accrued compensation	22,655	160,904	200,429	1,190	385,178
Unearned revenue	-	-	3,380	-	3,380
Total liabilities	<u>315,350</u>	<u>196,692</u>	<u>499,230</u>	<u>12,006</u>	<u>1,023,278</u>
Fund balances:					
Nonspendable:					
Prepaid items	7,329	2,718	34,896	-	44,943
Restricted for:					
Medicaid	-	11,153,144	-	-	11,153,144
Student fees	-	-	8,483,423	-	8,483,423
Assigned to:					
Athletic activity	423,385	-	-	-	423,385
Pupil activity	-	-	-	3,263,529	3,263,529
Total fund balances	<u>430,714</u>	<u>11,155,862</u>	<u>8,518,319</u>	<u>3,263,529</u>	<u>23,368,424</u>
Total liabilities and fund balances	<u>\$ 746,064</u>	<u>\$ 11,352,554</u>	<u>\$ 9,017,549</u>	<u>\$ 3,275,535</u>	<u>\$ 24,391,702</u>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2022**

	Special Revenue				Total Nonmajor Governmental Funds
	Athletic	Medicaid	Pickens Post- Secondary	Pupil Activity	
<b>REVENUES</b>					
Local:					
Pupil activities	\$ 402,087	\$ -	\$ 989,484	\$ 1,782,336	\$ 3,173,907
Tuition	73,325	-	6,145,963	-	6,219,288
Gifts and grants	2,778	-	173	113,305	116,256
Other	63,745	-	379,216	164,869	607,830
Medicaid reimbursements	-	6,672,217	-	-	6,672,217
Total revenues	541,935	6,672,217	7,514,836	2,060,510	16,789,498
<b>EXPENDITURES</b>					
Current:					
Instruction	4,112,847	90,324	3,645,904	1,662,345	9,511,420
Pupil support	69,672	3,814,498	35,638	33,883	3,953,691
Instructional staff support	1,201,310	25	900,430	10,159	2,111,924
General administration	96,727	214,156	19,760	1,403	332,046
School administration	105	-	394,633	4,036	398,774
Business administration	-	-	218,437	352	218,789
Operations and maintenance	26	-	12,397	477	12,900
Transportation services	-	1,003,140	-	637	1,003,777
Personnel/Data/Risk Management	-	-	103,488	6,659	110,147
Other support services	119,028	-	421,962	3,702	544,692
Facilities acquisition and improvements	-	-	1,800,920	-	1,800,920
Debt service:					
Principal	-	231	628	-	859
Interest	-	49	133	-	182
Total expenditures	5,599,715	5,122,423	7,554,330	1,723,653	20,000,121
Excess (deficiency) of revenues over (under) expenditures	(5,057,780)	1,549,794	(39,494)	336,857	(3,210,623)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	5,317,364	-	123,770	377,483	5,818,617
Total other financing sources	5,317,364	-	123,770	377,483	5,818,617
Net change in fund balances	259,584	1,549,794	84,276	714,340	2,607,994
Fund balances - July 1, 2021	171,130	9,606,068	8,434,043	2,549,189	20,760,430
Fund balances - June 30, 2022	\$ 430,714	\$ 11,155,862	\$ 8,518,319	\$ 3,263,529	\$ 23,368,424

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Revenue Fund – Athletic Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local:				
Pupil activities	\$ 374,600	\$ 399,600	\$ 402,087	\$ 2,487
Tuition	44,600	44,600	73,325	28,725
Gifts and grants	-	-	2,778	2,778
Other	25,000	-	63,745	63,745
Rental of Buildings	1,500	1,500	-	(1,500)
Total revenues	<u>445,700</u>	<u>445,700</u>	<u>541,935</u>	<u>96,235</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	5,067,059	5,232,412	4,112,847	1,119,565
Pupil support	172,433	178,433	69,672	108,761
Instructional staff support	345,550	345,550	1,201,310	(855,760)
General administration	93,067	93,067	96,727	(3,660)
School administration	-	-	105	(105)
Operations and maintenance	-	-	26	(26)
Other support services	71,713	84,732	119,028	(34,296)
Total expenditures	<u>5,749,822</u>	<u>5,934,194</u>	<u>5,599,715</u>	<u>334,479</u>
Excess (deficiency) of revenues over (under) expenditures	(5,304,122)	(5,488,494)	(5,057,780)	430,714
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>5,304,122</u>	<u>5,317,364</u>	<u>5,317,364</u>	-
Total other financing sources	<u>5,304,122</u>	<u>5,317,364</u>	<u>5,317,364</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (171,130)</u>	<u>259,584</u>	<u>\$ 430,714</u>
Fund balance - July 1, 2021			<u>171,130</u>	
Fund balance - June 30, 2022			<u>\$ 430,714</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Revenue Fund – Medicaid Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Medicaid reimbursements	\$ 4,500,000	\$ 5,400,000	\$ 6,672,217	\$ 1,272,217
Total revenues	<u>4,500,000</u>	<u>5,400,000</u>	<u>6,672,217</u>	<u>1,272,217</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	-	-	90,324	(90,324)
Pupil support	11,149,106	13,906,068	3,814,498	10,091,570
Instructional staff support	-	-	25	(25)
General administration	-	-	214,156	(214,156)
Transportation services	1,083,989	1,100,000	1,003,140	96,860
Debt service:				
Principal	-	-	231	(231)
Interest	-	-	49	(49)
Total expenditures	<u>12,233,095</u>	<u>15,006,068</u>	<u>5,122,423</u>	<u>9,883,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,733,095)</u>	<u>(9,606,068)</u>	<u>1,549,794</u>	<u>11,155,862</u>
Net change in fund balance	<u>\$ (7,733,095)</u>	<u>\$ (9,606,068)</u>	<u>1,549,794</u>	<u>\$ 11,155,862</u>
Fund balance - July 1, 2021			9,606,068	
Fund balance - June 30, 2022			<u>\$ 11,155,862</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Revenue Fund – Pickens Post-Secondary Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local:				
Pupil activities	\$ 440,000	\$ 440,000	\$ 989,484	\$ 549,484
Tuition	4,741,415	4,741,415	6,145,963	1,404,548
Gifts and grants	-	-	173	173
Charges for services	60,000	65,300	-	(65,300)
Other	182,300	177,000	379,216	202,216
Total revenues	<u>5,423,715</u>	<u>5,423,715</u>	<u>7,514,836</u>	<u>2,091,121</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	4,245,687	4,245,687	3,645,904	599,783
Pupil support	58,060	58,060	35,638	22,422
Instructional staff support	7,681,906	9,061,493	900,430	8,161,063
General administration	-	-	19,760	(19,760)
School administration	123,751	123,751	394,633	(270,882)
Business administration	308,792	308,792	218,437	90,355
Operations and maintenance	-	-	12,397	(12,397)
Personnel/data/risk management	-	-	103,488	(103,488)
Other support services	219,975	219,975	421,962	(201,987)
Facilities acquisition and improvements	-	-	1,800,920	(1,800,920)
Debt service:				
Principal	-	-	628	(628)
Interest	-	-	133	(133)
Total expenditures	<u>12,638,171</u>	<u>14,017,758</u>	<u>7,554,330</u>	<u>6,463,428</u>
Excess (deficiency) of revenues over (under) expenditures	(7,214,456)	(8,594,043)	(39,494)	8,554,549
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	160,000	160,000	123,770	(36,230)
Total other financing sources (uses)	<u>160,000</u>	<u>160,000</u>	<u>123,770</u>	<u>(36,230)</u>
Net change in fund balance	<u>\$ (7,054,456)</u>	<u>\$ (8,434,043)</u>	<u>84,276</u>	<u>\$ 8,518,319</u>
Fund balance - July 1, 2021			<u>8,434,043</u>	
Fund balance - June 30, 2022			<u>\$ 8,518,319</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Revenue Fund – Pupil Activity Fund  
For the Fiscal Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local:				
Pupil activities	\$ 701,601	\$ 1,662,791	\$ 1,782,336	\$ 119,545
Gifts and grants	-	37,009	113,305	76,296
Other	-	65,050	164,869	99,819
Total revenues	<u>701,601</u>	<u>1,764,850</u>	<u>2,060,510</u>	<u>295,660</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	2,879,362	4,326,949	1,662,345	2,664,604
Pupil support	98,383	252,486	33,883	218,603
Instructional staff support	23,867	37,990	10,159	27,831
General administration	-	37,586	1,403	36,183
School administration	-	8,704	4,036	4,668
Business administration	701	-	352	(352)
Operations and maintenance	-	16,686	477	16,209
Transportation services	-	1,208	637	571
Personnel/data/risk management	1,831	2,217	6,659	(4,442)
Other support services	734	7,696	3,702	3,994
Total expenditures	<u>3,004,878</u>	<u>4,691,522</u>	<u>1,723,653</u>	<u>2,967,869</u>
Excess (deficiency) of revenues over (under) expenditures	(2,303,277)	(2,926,672)	336,857	3,263,529
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:	-	377,483	377,483	-
Total other financing sources (uses)	-	<u>377,483</u>	<u>377,483</u>	-
Net change in fund balance	<u>\$ (2,303,277)</u>	<u>\$ (2,549,189)</u>	<u>714,340</u>	<u>\$ 3,263,529</u>
Fund balance - June 30, 2021			<u>2,549,189</u>	
Fund balance - June 30, 2022			<u>\$ 3,263,529</u>	



# AURORA

## PUBLIC SCHOOLS

— Power Your Potential —

## **Supplementary Schedules – Nonmajor Component Units Charter Schools**

### **Academy of Advanced Learning**

Academy of Advanced Learning began operations with the district July 1, 2017. The school serves students in kindergarten through eighth grades.

### **Aurora Academy**

Aurora Academy began operations with the district on July 1, 2000. The school serves students in kindergarten through eighth grades.

### **Aurora Science and Tech of Denver School of Science and Technology, Inc.**

Aurora Science and Tech began operations with the district on July 1, 2019. This school serves students in the sixth and seventh grades.

### **AXL Charter School**

AXL began operations with the district on July 1, 2008. The school serves students in preschool through eighth grades.

### **Empower Community High School**

The Empower Community High School began operations with the district on July 1, 2019. The school serves students in the ninth and tenth grades.

### **Global Village Academy**

Global Village Academy began operations with the district on July 1, 2007. The school serves students in kindergarten through eighth grades.

### **Lotus School for Excellence**

Lotus School of Excellence began operations with the district on July 1, 2006. The school serves students in kindergarten through twelfth grades.

### **Rocky Mountain Preparatory at Fletcher**

Rocky Mountain Preparatory began operations with the district on July 1, 2016. The school serves students in preschool through fifth grades.

### **Vanguard Classical School**

Vanguard began operations with the district on July 1, 2007. The school operates two campuses, East and West, and serves students in kindergarten through twelfth grades.

### **Vega Collegiate Academy**

Vega Collegiate Academy began operations with the district on July 1, 2017. The school serves students in kindergarten, first, second, fifth, sixth and seventh grades.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Combining Statement of Net Position  
Component Units – Charter Schools  
June 30, 2022**

	Academy of Advanced Learning	Aurora Academy	Aurora Science and Tech of DSST	AXL Charter School	Empower Community High School	Global Village Academy	Lotus School for Excellence	Rocky Mountain Preparatory School at Fletcher	Vanguard Classical School	Vega Collegiate Academy	Total
<b>ASSETS</b>											
Current assets:											
Cash and cash equivalents	\$ 210,261	\$ 3,053,669	\$ 1,743,332	\$ 1,043,285	\$ 304,916	\$ 5,788,600	\$ 2,344,700	\$ 4,478,943	\$ 6,552,197	\$ 3,498,927	\$ 29,018,810
Due from other governments	538,238	-	-	-	-	-	46,865	-	-	196,948	782,051
Receivables (net of allowance for uncollectibles)	104,613	79,643	889,314	-	104,541	761,276	671,094	535,168	1,118,371	81,243	4,345,263
Prepaid items and other assets	2,166,030	27,621	10,537	97,454	98,112	46,981	9,664	9,812	120,869	22,406	2,609,486
Total current assets	3,019,142	3,160,933	2,643,183	1,140,719	507,569	6,596,857	3,072,323	5,023,923	7,791,437	3,799,524	36,755,610
Noncurrent assets:											
Restricted: Cash and cash equivalents and investments	333,763	571,003	11,035	179,275	50,131	1,971,106	127,230	305,114	2,225,756	50,594	5,825,007
Capital assets (net of accumulated depreciation/amortization):											
Land	-	310,000	-	-	-	1,101,789	590,820	-	-	-	2,002,609
Construction in progress	-	4,436	-	-	-	-	651,697	-	272,397	6,309,853	7,238,383
Buildings and improvements	9,579,031	5,347,960	-	421,131	91,122	20,470,132	12,207,451	-	21,798,116	6,025,390	75,940,333
Equipment and vehicles	7,393	407,332	64,796	92,756	54,285	26,726	1,232,220	-	61,435	47,787	1,994,730
Right-to-use assets - leases	9,166,145	-	-	-	2,458,104	323,912	-	-	974,153	-	12,922,314
Total noncurrent assets	19,086,332	6,640,731	75,831	693,162	2,653,642	23,893,665	14,809,418	305,114	25,331,857	12,433,624	105,923,376
<b>Total assets</b>	<b>22,105,474</b>	<b>9,801,664</b>	<b>2,719,014</b>	<b>1,833,881</b>	<b>3,161,211</b>	<b>30,490,522</b>	<b>17,881,741</b>	<b>5,329,037</b>	<b>33,123,294</b>	<b>16,233,148</b>	<b>142,678,986</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>											
Deferred loss on bond refunding	-	226,117	-	-	-	719,404	-	-	-	-	945,521
Items related to pension plan	4,722,005	2,198,479	3,683,951	1,050,069	1,480,194	3,408,016	3,860,621	3,544,343	3,346,187	3,596,569	30,890,434
Items related to OPEB	345,214	90,347	199,485	27,653	108,960	92,019	185,977	279,961	100,055	96,866	1,526,537
<b>Total deferred outflows of resources</b>	<b>5,067,219</b>	<b>2,514,943</b>	<b>3,883,436</b>	<b>1,077,722</b>	<b>1,589,154</b>	<b>4,219,439</b>	<b>4,046,598</b>	<b>3,824,304</b>	<b>3,446,242</b>	<b>3,693,435</b>	<b>33,362,492</b>
<b>LIABILITIES</b>											
Current liabilities:											
Accounts payable and other current liabilities	222,642	200,422	14,784	63,313	17,524	259,795	944,037	182,070	409,415	298,264	2,612,266
Accrued salaries and benefits	406,749	306,664	29,167	183,571	-	455,641	518,855	-	492,165	-	2,392,812
Due to other governments	64,063	-	-	-	-	190,847	-	-	249,068	-	503,978
Unearned revenue	-	-	-	-	14,187	20,107	3,030	583	134,760	-	172,667
Accrued interest payable	47,186	49,696	-	-	-	364,238	23,425	-	535,172	263,073	1,282,790
Noncurrent liabilities, due within one year											
Notes, leases and mortgages payable	948,466	285,813	-	287,633	181,911	2,578,261	272,158	-	1,064,334	191,706	3,232,021
Total current liabilities	1,689,106	842,595	43,951	246,884	213,622	1,578,261	1,761,505	182,653	2,894,914	753,043	10,196,534
Noncurrent liabilities, due beyond one year											
Net pension liability	10,175,546	6,230,228	4,030,769	4,209,786	2,348,086	9,307,874	11,257,845	6,292,849	10,885,555	4,472,790	69,211,328
Net OPEB liability	492,296	301,420	195,010	203,671	113,601	450,318	544,659	304,450	526,647	108,524	3,240,596
Notes, leases and mortgages payable	17,418,079	3,842,630	-	2,403,007	2,403,007	27,830,688	8,169,688	-	24,580,067	14,984,997	99,229,156
Total noncurrent liabilities	28,085,921	10,374,278	4,225,779	4,413,457	4,864,694	37,568,880	19,972,192	6,597,299	35,992,269	19,566,311	171,681,080
<b>Total liabilities</b>	<b>29,775,027</b>	<b>11,216,873</b>	<b>4,269,730</b>	<b>4,660,341</b>	<b>5,078,316</b>	<b>39,167,141</b>	<b>21,733,697</b>	<b>6,779,952</b>	<b>38,877,183</b>	<b>20,319,354</b>	<b>181,877,814</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Items related to pension plan	3,825,701	2,795,034	1,515,449	2,020,102	882,810	5,188,513	4,770,809	2,964,462	5,571,303	1,681,636	31,215,819
Items related to OPEB	173,906	106,479	69,682	77,288	40,130	186,771	219,430	103,689	199,864	36,334	1,215,573
Items related to leases	-	-	-	-	-	622,125	-	-	22,220	425	644,770
<b>Total deferred inflows of resources</b>	<b>3,999,607</b>	<b>2,901,513</b>	<b>1,585,131</b>	<b>2,097,390</b>	<b>922,940</b>	<b>5,997,409</b>	<b>4,990,239</b>	<b>3,068,151</b>	<b>5,793,387</b>	<b>1,720,395</b>	<b>33,076,162</b>
<b>NET POSITION</b>											
Net investment in capital assets	719,787	2,117,706	64,796	513,887	18,593	(4,548,568)	6,240,342	-	(1,262,461)	(2,793,673)	1,070,409
Restricted for:											
TABOR emergency/reserve	416,000	206,489	254,912	147,900	66,000	330,579	395,884	305,114	463,000	223,000	2,808,878
Other	(7,737,728)	(4,125,974)	108,751	(4,507,915)	(1,335,484)	(6,236,600)	(11,431,823)	(999,876)	328,359	-	437,110
Unrestricted (deficit)	\$ (6,601,941)	\$ (1,801,779)	\$ 747,589	\$ (3,846,128)	\$ (1,250,891)	\$ (10,454,589)	\$ (4,795,597)	\$ (694,762)	\$ (8,101,034)	\$ (2,113,166)	\$ (38,912,298)
<b>Total net position (deficit)</b>											

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Combining Statement of Activities  
 Component Units – Charter Schools  
 For the Fiscal Year Ended June 30, 2022**

	Academy of Advanced Learning	Aurora Academy	Aurora Science and Tech of DSSST	AXL Charter School	Empower Community High School	Global Village Academy	Lotus School for Excellence	Rocky Mountain Preparatory School at Fletcher	Vanguard Classical School	Vega Collegiate	Total
<b>Expenses</b>											
Governmental activities	\$ 15,308,470	\$ 5,232,949	\$ 8,014,674	\$ 3,550,691	\$ 3,759,753	\$ 9,376,684	\$ 11,375,269	\$ 9,365,020	\$ 11,841,923	\$ 8,825,790	\$ 86,651,223
Total expenses	15,308,470	5,232,949	8,014,674	3,550,691	3,759,753	9,376,684	11,375,269	9,365,020	11,841,923	8,825,790	86,651,223
<b>Program revenues</b>											
Charges for services	3,123,061	48,696	20,484	9,403	6,031	83,869	87,146	32,427	1,330,681	5,215	4,747,013
Operating grants and contributions	1,939,348	492,444	2,439,318	658,866	153,498	1,099,490	3,008,148	1,678,537	1,106,693	1,839,525	14,415,867
Capital grants and contributions	275,102	335,259	-	107,480	38,407	254,853	281,950	1,437,580	336,732	92,296	3,159,659
Total program revenues	5,337,511	876,399	2,459,802	775,749	197,936	1,438,212	3,377,244	3,148,544	2,774,106	1,937,036	22,322,539
Net expenses	(9,970,959)	(4,356,550)	(5,554,872)	(2,774,942)	(3,561,817)	(7,938,472)	(7,998,025)	(6,216,476)	(9,067,817)	(6,888,754)	(64,328,684)
<b>General revenues:</b>											
School finance act, unrestricted	8,411,547	4,909,161	4,214,675	3,408,551	1,639,621	8,121,653	9,275,016	5,263,281	10,807,917	4,802,440	60,853,862
Net earnings on investments	801	(73,051)	6,510	-	130	138,666	6,814	9,278	21,409	9,584	120,141
Grants and contributions not restricted to programs	-	-	314,126	-	867,813	-	-	-	39,830	368,761	1,590,530
Other	2,292,237	1,349,983	1,659,441	947,410	521,167	3,032,393	2,821,533	1,431,153	3,371,798	1,325,345	18,752,460
Total general revenues	10,704,585	6,186,093	6,194,752	4,355,961	3,028,731	11,292,712	12,103,363	6,703,712	14,240,954	6,506,130	81,316,993
Change in net position	733,626	1,829,543	639,880	1,581,019	(533,086)	3,354,240	4,105,338	487,236	5,173,137	(382,624)	16,988,309
Net position (deficit) - July 1, 2021	(7,335,567)	(3,631,322)	107,709	(5,427,147)	(717,805)	(13,808,829)	(8,900,935)	(1,181,998)	(13,274,171)	(1,730,542)	(55,900,607)
Net position (deficit) - June 30, 2022	\$ (6,601,941)	\$ (1,801,779)	\$ 747,589	\$ (3,846,128)	\$ (1,250,891)	\$ (10,454,589)	\$ (4,795,597)	\$ (694,762)	\$ (8,101,034)	\$ (2,113,166)	\$ (38,912,298)



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## Independent Auditor's Report on Supplementary Information

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Aurora, Colorado

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The Auditors Integrity Report, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

**FORVIS,LLP**

Denver, Colorado  
November 11, 2022



**Colorado Department of Education**

**Auditors Integrity Report**

**District: 0180 - Adams-Arapahoe 28J**

**Fiscal Year 2021-22**

**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
<b>Governmental</b>	+		-	=
10 General Fund	171,727,293	435,525,351	462,631,013	144,621,631
18 Risk Mgmt Sub-Fund of General Fund	8,156,298	17,440,396	12,096,694	13,500,000
19 Colorado Preschool Program Fund	652,080	8,843,282	7,692,314	1,803,047
<b>Sub- Total</b>	<b>180,535,671</b>	<b>461,809,029</b>	<b>482,420,021</b>	<b>159,924,679</b>
11 Charter School Fund	24,856,147	106,053,439	100,557,516	30,352,070
20,26-29 Special Revenue Fund	18,211,241	20,170,122	18,276,467	20,104,896
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	12,059,047	35,774,621	28,246,503	19,587,165
22 Govt Designated-Purpose Grants Fund	0	63,205,136	63,205,136	0
23 Pupil Activity Special Revenue Fund	2,549,188	2,437,993	1,723,653	3,263,529
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	103,251,594	137,439,559	117,228,610	123,462,543
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	34,658,920	104,403,382	45,178,411	93,883,890
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	12,486,037	10,798,329	10,087,022	13,197,343
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>388,607,845</b>	<b>942,091,609</b>	<b>866,923,339</b>	<b>463,776,115</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	3,598,342	2,775,989	7,930,420	-1,556,090
<b>Totals</b>	<b>3,598,342</b>	<b>2,775,989</b>	<b>7,930,420</b>	<b>-1,556,090</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	2,122,506	1,646,863	1,325,725	2,443,643
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	2,152,414	1,926,062	2,273,520	1,804,956
<b>Totals</b>	<b>4,274,920</b>	<b>3,572,925</b>	<b>3,599,245</b>	<b>4,248,599</b>

FINAL

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

11/21/22

11:32 AM



# AUROLA

## PUBLIC SCHOOLS

— Power Your Potential —

## **STATISTICAL SECTION (UNAUDITED)**

Detailed information about Aurora Public School’s annual comprehensive financial report is presented in the Statistical Section 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.

<b>Contents</b>	<b>Page</b>
Financial Trends	121
These schedules contain trend information to help the reader understand how the district’s financial performance and well-being have changed over time.	
Revenue Capacity	128
These schedules contain information to help the reader assess one of the district’s most significant local revenue sources, the property tax.	
Debt Capacity	134
These schedules present information to help the reader to assess the affordability of the district’s current levels of outstanding debt and the district’s ability to issue additional debt in the future.	
Demographic and Economic Information	138
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district’s financial activities take place.	
Operating Information	140
These schedules contain service and infrastructure data to help the reader understand how the information in the district’s financial report relates to services the district provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. Links provided as specific source references are original links which may have expired or are no longer valid.



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Net Position by Component  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 42,911,327	\$ 37,449,664	\$ 18,748,887	\$ 24,061,345	\$ 33,582,219	\$ 64,577,395	\$ 74,657,134	\$ 103,888,391	\$ 117,415,039	\$ 125,656,525
Restricted	41,867,572	46,083,688	50,648,446	57,065,755	68,241,264	76,663,926	97,255,276	121,774,324	145,580,575	177,789,182
Unrestricted	17,179,763	22,608,607	(615,197,910)	(688,057,787)	(946,564,450)	(1,261,588,811)	(1,112,597,303)	(952,998,885)	(724,033,638)	(536,633,152)
Total governmental activities net position (deficit)	101,958,662	106,141,959	(545,800,577)	(586,930,687)	(844,740,967)	(1,120,347,490)	(940,684,893)	(727,336,170)	(461,038,024)	(233,187,445)
<b>Business-type activity</b>										
Net investment in capital assets	2,850,056	2,587,332	-	-	-	-	-	-	-	-
Unrestricted	3,912,633	4,082,459	-	-	-	-	-	-	-	-
Total business-type activity net position	6,762,689	6,669,791	-	-	-	-	-	-	-	-
<b>Primary government</b>										
Net investment in capital assets	45,761,383	40,036,996	18,748,887	24,061,345	33,582,219	64,577,395	74,657,134	103,888,391	117,415,039	125,656,525
Restricted	41,867,572	46,083,688	50,648,446	57,065,755	68,241,264	76,663,926	97,255,276	121,774,324	145,580,575	177,789,182
Unrestricted	21,092,396	26,691,066	(615,197,910)	(688,057,787)	(946,564,450)	(1,261,588,811)	(1,112,597,303)	(952,998,885)	(724,033,638)	(536,633,152)
Total governmental activities net position (deficit)	\$ 108,721,351	\$ 112,811,750	\$ (545,800,577)	\$ (586,930,687)	\$ (844,740,967)	\$ (1,120,347,490)	\$ (940,684,893)	\$ (727,336,170)	\$ (461,038,024)	\$ (233,187,445)

Note 1: This schedule consolidates data from the government-wide financial statements that utilize the full accrual basis of accounting.

Note 2: During 2013-14, the district adopted GASB 65 which resulted in a restatement for bond issue costs from prior accounting guidance. Prior year and earlier have not been restated for the adoption of GASB 65 because it is impractical to do so.

Note 3: In previous years, the business-type activity of the district was comprised wholly of the Nutrition Services Fund. During fiscal year 2014-15, the Nutrition Services Fund type was changed to a Special Revenue Fund as required by the Colorado Department of Education, which is reported with the governmental activities of the district. As such, the district no longer reports any business-type activities.

Note 4: During 2014-15, the district adopted GASB 68. Prior year and earlier have not been restated for the adoption of GASB 68 because it is impractical to do so.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Expenses, Program Revenues and Net (Expense)/Revenue  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-2021	2021-2022
<b>EXPENSES</b>										
Governmental activities:										
Instruction	\$ 200,510,721	\$ 214,719,376	\$ 244,552,029	\$ 267,967,412	\$ 387,982,826	\$ 380,254,999	\$ 170,369,692	\$ 174,053,652	\$ 167,588,694	\$ 176,911,630
Supporting services	130,921,536	142,859,860	163,829,425	210,162,350	318,968,190	329,952,503	183,868,742	202,640,036	227,614,744	266,973,325
Interest	15,802,312	15,983,970	15,552,211	14,960,302	17,363,928	20,695,296	19,877,104	19,565,840	19,452,373	24,263,034
Total governmental activities expense	347,234,569	373,563,206	443,933,665	493,090,064	724,314,944	730,902,798	374,115,538	396,259,528	414,655,811	468,147,989
Business-type activity:										
Nutrition services	14,263,076	15,662,854	-	-	-	-	-	-	-	-
Total primary government expenses	\$ 361,497,645	\$ 389,226,060	\$ 443,933,665	\$ 493,090,064	\$ 724,314,944	\$ 730,902,798	\$ 374,115,538	\$ 396,259,528	\$ 414,655,811	\$ 468,147,989
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services--instruction programs	\$ 6,090,007	\$ 5,943,567	\$ 5,929,784	\$ 6,215,052	\$ 6,542,641	\$ 7,993,537	\$ 8,173,184	\$ 10,035,034	\$ 5,844,519	\$ 9,635,658
Charges for services--other programs	3,876,927	4,018,397	5,892,764	5,436,096	6,002,869	7,341,251	8,615,894	10,516,367	10,719,662	12,944,044
Operating grants and contributions	31,675,763	36,117,378	51,189,828	55,215,023	57,223,026	58,038,488	65,770,177	65,875,346	160,437,356	133,110,243
Capital grants and contributions	88,872	3,339,536	1,094,341	1,637,303	4,181,729	5,532,458	4,213,538	1,567,907	4,881,784	7,736,643
Total governmental activities	41,731,569	49,418,878	64,106,717	68,503,474	73,950,265	78,905,734	86,772,793	87,994,654	181,883,321	163,426,588
Business-type activity:										
Charges for services	1,667,562	1,762,922	-	-	-	-	-	-	-	-
Operating grants and contributions	12,871,935	13,446,481	-	-	-	-	-	-	-	-
Capital grants and contributions	226,322,00	126,065	-	-	-	-	-	-	-	-
Total business-type activities program revenues	14,765,819	15,335,468	-	-	-	-	-	-	-	-
Total primary government program revenues	\$ 56,497,388	\$ 64,754,346	\$ 64,106,717	\$ 68,503,474	\$ 73,950,265	\$ 78,905,734	\$ 86,772,793	\$ 87,994,654	\$ 181,883,321	\$ 163,426,588
Net (expense) / revenue	\$ (305,503,000)	\$ (324,144,328)	\$ (379,826,948)	\$ (424,586,590)	\$ (650,364,679)	\$ (651,997,064)	\$ (287,342,745)	\$ (308,264,874)	\$ (232,772,490)	\$ (304,721,401)
Governmental activities	502,743	(327,386)	-	-	-	-	-	-	-	-
Business-type activity	\$ (305,000,257)	\$ (324,471,714)	\$ (379,826,948)	\$ (424,586,590)	\$ (650,364,679)	\$ (651,997,064)	\$ (287,342,745)	\$ (308,264,874)	\$ (232,772,490)	\$ (304,721,401)

Note 1: This schedule consolidates data from the government-wide financial statements that utilize the full accrual basis of accounting.

Note 2: In previous years, the business-type activity of the district was comprised wholly of the Nutrition Services Fund. During fiscal year 2014-15, the Nutrition Services Fund type was changed to a Special Revenue Fund as required by the Colorado Department of Education, which is reported with the governmental activities of the district. As such, the district no longer reports any business-type activities.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
General Revenues and Total Change in Net Position  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Net (expense) / revenue</b>										
Governmental activities	\$ (305,503,000)	\$ (324,144,328)	\$ (379,826,948)	\$ (424,586,590)	\$ (650,364,679)	\$ (651,997,064)	\$ (287,342,745)	\$ (308,264,874)	\$ (232,772,490)	\$ (304,721,401)
Business-type activity	502,743	(327,386)	-	-	-	-	-	-	-	-
<b>Total primary government net expense</b>	<b>\$ (305,000,257)</b>	<b>\$ (324,471,714)</b>	<b>\$ (379,826,948)</b>	<b>\$ (424,586,590)</b>	<b>\$ (650,364,679)</b>	<b>\$ (651,997,064)</b>	<b>\$ (287,342,745)</b>	<b>\$ (308,264,874)</b>	<b>\$ (232,772,490)</b>	<b>\$ (304,721,401)</b>
<b>General revenue and other changes in net position</b>										
Governmental activities:										
Property taxes, levied for debt service and general fund use	\$ 118,272,529	\$ 126,979,836	\$ 128,152,396	\$ 152,056,002	\$ 161,122,405	\$ 189,896,466	\$ 226,785,004	\$ 274,402,739	\$ 287,173,369	\$ 310,743,869
School finance act, unrestricted	189,279,789	202,302,003	226,238,914	230,042,314	228,988,569	221,921,447	233,366,711	239,175,271	210,519,931	220,807,146
Earnings on investments	1,564,016	1,382,892	1,317,941	1,358,164	2,443,425	2,975,954	6,853,627	6,014,603	1,377,336	1,020,965
<b>Total governmental activities</b>	<b>309,116,334</b>	<b>330,664,731</b>	<b>355,709,251</b>	<b>383,456,480</b>	<b>392,554,399</b>	<b>414,793,867</b>	<b>467,005,342</b>	<b>519,592,613</b>	<b>499,070,636</b>	<b>532,571,980</b>
Business-type activity:										
School finance act, unrestricted	221,280	233,307	-	-	-	-	-	-	-	-
Earnings on investments	1,345	1,181	-	-	-	-	-	-	-	-
Transfers-in (out)	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activity</b>	<b>222,625</b>	<b>234,488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 309,338,959</b>	<b>\$ 330,899,219</b>	<b>\$ 355,709,251</b>	<b>\$ 383,456,480</b>	<b>\$ 392,554,399</b>	<b>\$ 414,793,867</b>	<b>\$ 467,005,342</b>	<b>\$ 519,592,613</b>	<b>\$ 499,070,636</b>	<b>\$ 532,571,980</b>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 3,613,334	\$ 6,520,403	\$ (24,117,697)	\$ (41,130,110)	\$ (257,810,280)	\$ (237,203,197)	\$ 179,662,597	\$ 211,327,739	\$ 266,298,146	\$ 227,850,579
Business-type activity	725,368	(92,898)	-	-	-	-	-	-	-	-
<b>Total primary government</b>	<b>\$ 4,338,702</b>	<b>\$ 6,427,505</b>	<b>\$ (24,117,697)</b>	<b>\$ (41,130,110)</b>	<b>\$ (257,810,280)</b>	<b>\$ (237,203,197)</b>	<b>\$ 179,662,597</b>	<b>\$ 211,327,739</b>	<b>\$ 266,298,146</b>	<b>\$ 227,850,579</b>

Note 1: This schedule consolidates data from the government-wide financial statements that utilize the full accrual basis of accounting.

Note 2: In previous years, the business-type activity of the district was comprised wholly of the Nutrition Services Fund. During fiscal year 2014-15, the Nutrition Services Fund type was changed to a Special Revenue Fund as required by the Colorado Department of Education, which is reported with the governmental activities of the district. As such, the district no longer reports any business-type activities.

Note 3: During 2014-15, the district adopted GASB 68. Prior year and earlier have not been restated for the adoption of GASB 68 because it is impractical to do so.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>General Fund</b>										
Nonspendable	\$ 844,142	\$ 956,096	\$ 488,776	\$ 712,565	\$ 795,964	\$ 1,095,346	\$ 2,806,380	\$ 5,167,959	\$ 7,140,952	\$ 5,204,104
Restricted	9,410,824	10,633,656	13,195,211	11,875,233	10,363,161	11,062,921	13,241,919	13,894,073	12,447,581	15,122,508
Committed	-	200,000	150,000	150,000	100,000	150,000	100,000	200,000	200,000	200,000
Assigned	11,065,431	5,124,285	5,010,250	14,420,987	11,192,817	18,402,041	63,187,007	107,522,600	136,169,656	112,470,911
Unassigned	21,239,172	27,554,136	26,880,124	14,583,354	18,220,045	35,567,392	29,328,573	20,475,322	24,577,483	26,927,156
<b>Total General Fund</b>	<b>\$ 42,559,569</b>	<b>\$ 44,468,173</b>	<b>\$ 45,724,361</b>	<b>\$ 41,742,139</b>	<b>\$ 40,671,987</b>	<b>\$ 66,277,700</b>	<b>\$ 108,663,879</b>	<b>\$ 147,259,954</b>	<b>\$ 180,535,672</b>	<b>\$ 159,924,679</b>
<b>All other governmental funds</b>										
Nonspendable										
Capital projects funds	\$ 18,476	\$ 36,637	\$ 7,150	\$ 19,470	\$ 25,866	\$ 28,584	\$ 7,403	\$ 184,689	\$ 24,513	\$ 60,712
Special revenue funds	35,487	14,896	1,078,950	874,829	742,987	772,685	48,630	222,835	276,490	64,544
Restricted										
Debt service fund	25,580,904	27,026,348	28,456,159	37,115,173	47,512,633	51,523,245	60,364,179	82,484,507	103,251,594	123,462,543
Capital projects funds	41,348,894	54,730,547	26,636,634	15,065,187	196,871,552	153,767,285	105,054,553	65,821,814	47,120,445	93,883,891
Special revenue funds	6,844,276	8,423,522	8,946,826	8,075,349	10,365,470	14,077,760	23,649,178	25,395,744	29,881,400	39,204,131
Assigned										
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	215,106	183,226	2,678,371	2,599,744	3,114,034	4,493,837	72,905	2,833,234	2,661,588	13,136,632
<b>Total all other governmental funds</b>	<b>\$ 74,043,143</b>	<b>\$ 90,415,176</b>	<b>\$ 67,804,090</b>	<b>\$ 63,749,752</b>	<b>\$ 258,632,542</b>	<b>\$ 224,663,396</b>	<b>\$ 189,196,848</b>	<b>\$ 176,942,823</b>	<b>\$ 183,216,030</b>	<b>\$ 273,499,367</b>

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.  
 Note 2: During 2010-11, the district adopted GASB 54 which resulted in categorization changes in fund balances from prior accounting guidance. Prior year fund balances have not been restated for the adoption of GASB 54 because it is impractical to do so.  
 Note 3: In 2014-15, due to a change in mandatory state reporting, the Nutrition Services Fund has been reclassified from a Proprietary Enterprise Fund to a Special Revenue Governmental Fund.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Governmental Funds Revenues  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>REVENUES</b>										
Local:										
Property taxes	\$ 110,417,023	\$ 119,122,682	\$ 119,346,751	\$ 141,525,838	\$ 148,295,014	\$ 174,315,023	\$ 214,206,504	\$ 254,366,657	\$ 269,935,874	\$ 294,205,991
Specific ownership	7,226,264	8,602,454	9,573,329	10,611,885	12,318,599	14,446,509	15,082,796	17,322,570	17,666,331	17,086,269
Pupil activities	1,287,529	1,002,578	1,310,229	2,240,689	554,641	813,557	908,762	3,185,305	1,376,804	3,180,889
Tuition	3,331,886	3,669,401	3,526,516	2,844,866	4,973,150	6,085,701	6,244,780	6,360,458	4,373,274	6,408,046
Activity fees	69,566	81,428	94,408	85,047	-	-	-	-	-	-
Gifts and grants	920,043	2,724,845	888,309	1,100,481	1,482,892	1,158,764	1,451,724	2,761,526	1,918,498	5,514,387
Charges for services	-	-	4,539,735	4,357,224	4,750,397	5,409,139	6,544,404	8,499,280	9,676,821	10,631,366
Other	8,945,422	7,985,265	4,354,389	4,364,590	6,028,312	7,714,606	6,074,528	6,041,904	10,784,056	5,267,795
Cash in lieu of land	-	-	-	1,990,884	67,306	1,490,347	1,151,926	921,131	2,306,372	2,898,671
Rental of buildings	664,567	749,426	890,042	958,461	1,161,395	1,202,016	1,167,419	1,210,681	1,096,666	1,536,000
Earnings on investments	1,564,016	1,382,892	1,317,941	1,358,164	2,443,425	2,975,954	6,853,627	6,014,603	1,377,336	1,020,965
State:										
State equalization	176,096,107	188,528,803	207,645,277	209,551,552	208,750,813	201,192,094	211,476,666	216,880,041	187,866,846	201,900,907
Vocational education	1,199,952	1,149,410	1,358,220	1,244,500	1,137,630	1,561,128	1,206,662	1,528,169	1,336,601	424,649
Special education	6,256,618	7,379,370	7,780,271	8,236,298	8,190,131	8,382,197	8,462,930	9,625,174	9,724,497	10,938,820
Grants	2,065,537	2,825,669	3,072,535	3,323,848	5,420,466	7,800,278	12,801,217	11,024,062	12,852,536	25,274,663
Transportation	1,584,602	1,378,735	1,574,762	1,607,630	1,519,782	1,580,675	1,919,532	1,858,097	1,929,817	2,058,211
Other	2,076,973	3,865,685	7,880,384	9,402,334	9,390,213	9,205,353	15,618,495	14,928,637	15,894,496	12,783,975
Federal grants	28,223,704	30,278,398	45,223,446	46,324,463	50,158,343	47,423,359	44,080,546	46,043,110	130,429,572	86,827,051
<b>Total revenues</b>	<b>\$ 351,929,809</b>	<b>\$ 380,727,041</b>	<b>\$ 420,376,544</b>	<b>\$ 451,128,754</b>	<b>\$ 466,642,509</b>	<b>\$ 492,756,700</b>	<b>\$ 555,252,518</b>	<b>\$ 608,571,405</b>	<b>\$ 680,546,397</b>	<b>\$ 687,958,555</b>

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 2: In 2014-15, due to a change in mandatory state reporting, the Nutrition Services Fund has been reclassified from a Proprietary Enterprise Fund to a Special Revenue Governmental Fund.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Governmental Funds Expenditures and Debt Service Ratio  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>EXPENDITURES</b>										
Current:										
Instruction	\$ 187,441,212	\$ 201,282,554	\$ 212,727,383	\$ 223,246,824	\$ 214,929,614	\$ 200,128,521	\$ 216,460,847	\$ 231,164,129	\$ 260,329,744	\$ 265,666,240
Pupil support	19,891,912	22,831,103	24,883,559	28,060,095	38,355,985	36,619,052	43,777,500	57,906,194	62,141,361	70,750,214
Instructional staff support	17,094,519	17,763,843	22,696,647	25,469,964	24,725,079	24,661,603	27,521,478	30,714,217	32,873,855	35,704,057
General administration	6,115,692	7,435,008	7,041,855	6,479,915	7,608,582	8,798,086	9,064,071	8,481,315	14,387,236	9,352,106
School administration	22,567,078	25,933,697	30,309,562	33,813,391	33,598,915	32,107,009	33,213,830	37,029,025	38,851,188	44,665,294
Business administration	3,728,727	3,920,191	4,724,303	5,014,697	3,903,091	4,495,054	5,036,502	5,460,609	5,531,441	5,683,009
Operations and maintenance	29,059,977	30,918,559	32,585,359	33,336,642	34,003,115	32,112,476	34,535,919	37,258,429	38,599,563	49,531,098
Transportation services	6,798,149	8,462,985	7,963,135	11,529,861	11,842,509	11,661,225	12,792,552	14,080,077	14,431,018	17,804,668
Personnel/data services/risk management	14,014,045	13,518,540	14,849,390	16,939,560	19,374,198	17,720,182	18,437,417	19,138,589	24,424,242	29,146,677
Other support services	3,292,260	3,278,385	3,271,478	6,241,166	6,468,817	7,839,104	16,033,182	23,121,107	27,535,663	27,147,772
Food service operations	-	-	16,918,407	16,572,946	16,993,913	16,181,459	16,212,168	18,378,137	21,463,580	28,387,402
Facilities acquisition and improvements	27,571,549	23,323,361	33,178,873	17,593,415	24,542,014	57,472,970	61,855,699	85,239,640	46,705,577	63,158,231
Debt service:										
Principal	18,290,000	17,310,000	15,795,000	18,490,000	51,904,947	31,828,300	31,414,526	30,361,983	36,002,485	46,594,841
Interest	17,210,901	16,572,811	19,353,754	16,376,838	18,482,488	23,263,853	21,971,790	20,918,273	19,961,090	20,540,790
Other	-	-	-	-	1,287,557	-	5,406	-	-	622,181
<b>Total expenditures</b>	<b>\$ 373,076,021</b>	<b>\$ 392,551,037</b>	<b>\$ 446,298,705</b>	<b>\$ 459,165,314</b>	<b>\$ 508,020,824</b>	<b>\$ 504,888,894</b>	<b>\$ 548,332,887</b>	<b>\$ 619,251,724</b>	<b>\$ 643,238,043</b>	<b>\$ 714,756,580</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (21,146,212)	\$ (11,823,996)	\$ (25,922,161)	\$ (8,036,560)	\$ (41,378,315)	\$ (12,132,194)	\$ 6,919,631	\$ (10,680,319)	\$ 37,308,354	\$ (26,796,025)
Total debt service	35,500,901	33,882,811	35,148,754	34,866,838	71,674,992	55,092,153	53,391,722	51,280,256	55,963,575	67,757,812
Total expenditures	373,076,021	392,551,037	446,298,705	459,165,314	508,020,824	504,888,894	548,332,887	619,251,724	643,238,043	714,756,580
Capital outlay/expenditures	(35,753,263)	(35,753,263)	(35,753,263)	(17,593,415)	(24,542,014)	(57,472,970)	(61,855,699)	(85,239,640)	(24,438,013)	(43,389,343)
Expenditures net of capital outlay	337,322,758	356,797,774	410,545,442	441,571,899	483,478,810	447,415,924	486,477,188	534,012,084	618,800,030	671,367,237
Debt service as a percentage of noncapital expenditures (2)	10.5%	9.5%	8.6%	7.9%	14.8%	12.3%	11.0%	9.6%	9.0%	10.1%

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 2: Revised percentages for fiscal year ended 2011 to 2020 to reflect change in capital outlays.

Note 3: In 2014-15, due to a change in mandatory state reporting, the Nutrition Services Fund has been reclassified from a Proprietary Enterprise Fund to a Special Revenue Governmental Fund.

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Other Financing Sources (Uses) and Net Change in Fund Balances  
 Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ (21,146,212)	\$ (11,823,996)	\$ (25,922,161)	\$ (8,036,560)	\$ (41,378,315)	\$ (12,132,194)	\$ 6,919,631	\$ (10,680,319)	\$ 37,308,354	\$ (26,798,025)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in:										
General fund	321,895	302,750	316,750	436,748	1,235,471	6,870,789	8,613,250	8,363,812	20,684,635	5,818,617
Print Services fund	-	-	83,094	-	32,175,781	-	-	-	-	-
Grants fund	-	-	-	35,104	-	-	-	-	-	-
Capital Reserve fund	-	-	-	-	-	-	-	-	7,500,000	7,750,000
Transfers out:										
General fund	-	-	-	(35,104)	-	(5,835,958)	(6,495,130)	(6,899,657)	(23,750,000)	(7,750,000)
Capital Reserve fund	-	-	-	-	(29,614,933)	-	-	-	-	-
Print Services fund	-	-	-	-	-	-	-	-	-	-
Grants fund	(22,145)	(3,000)	(3,000)	-	-	-	-	-	-	-
Nutrition Services fund	-	-	-	(44,980)	(499,972)	(500,000)	(1,486,873)	(361,915)	(424,211)	-
Nonmajor governmental funds	-	(299,750)	(313,750)	(391,768)	(3,296,347)	(534,831)	(631,247)	(1,102,240)	(4,010,424)	(5,818,617)
Flood related costs	-	(248,751)	-	-	-	-	-	-	-	-
Debt financing for land purchase	-	-	-	-	-	-	-	905,286	-	-
Certificates of participation	-	30,353,387	-	-	-	-	-	7,575,000	-	-
Debt financing from leases	-	-	-	-	-	-	-	-	2,240,571	720,360
General obligation debt:										
Debt issued	-	-	-	-	206,076,380	3,768,761	-	26,521,099	-	121,095,000
Premium on debt issued	-	-	-	-	33,219,862	-	-	-	-	26,264,253
Payment to escrow agent	-	-	-	-	(4,105,289)	-	-	-	-	(51,609,244)
Total other financing sources (uses)	299,750	30,104,636	83,094	-	235,190,953	3,768,761	-	35,001,385	2,240,571	96,470,369
<b>Net change in fund balances</b>	(20,846,462)	18,280,640	(25,839,067)	(8,036,560)	193,812,638	(8,363,433)	6,919,631	24,321,066	39,548,925	69,672,344
Fund balance - beginning	137,748,921	116,602,709	134,883,349	113,528,451	105,491,891	299,304,529	290,941,096	297,860,727	324,202,777	363,751,702
Restatement for change in accounting principle	-	-	-	-	-	-	-	2,020,984	-	-
Fund balance as restated	137,748,921	116,602,709	134,883,349	113,528,451	105,491,891	299,304,529	290,941,096	299,881,711	324,202,777	363,751,702
Fund balance - ending	\$ 116,902,459	\$ 134,883,349	\$ 109,044,282	\$ 105,491,891	\$ 299,304,529	\$ 290,941,096	\$ 297,860,727	\$ 324,202,777	\$ 363,751,702	\$ 433,424,046

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 2: In previous years the district reported Nutrition Services as an Enterprise Fund, how ever during fiscal year 2014-15, the Nutrition Services Fund type was changed to a Special Revenue Fund, as required by the Colorado Department of Education, which is reported with the governmental funds.

# Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended	Calendar Year Property Assessed	Vacant	Residential	Commercial	Industrial	Agricultural	Natural Resources	Oil and Gas	State Assessed	Less: Tax Exempt Property	Preliminary Taxable Assessed Value (1)	Net Final Assessed Value (2)	Estimated Actual Value (3)	Total Direct Rate
2013	Adams County	16,780,790	98,829,760	385,141,060	27,016,480	415,960	6,850	-	77,698,700	10,009,240	595,880,360	603,144,390	3,016,881,990	63.830
2013	Arapahoe County	39,032,100	607,176,850	422,819,600	818,030	1,202,240	66,450	-	95,014,040	12,469,796	1,153,659,514	1,154,302,984	9,557,043,406	63.830
2014	Adams County	18,543,640	97,420,170	423,439,750	27,070,710	497,920	6,850	-	80,898,110	8,910,730	638,966,420	638,689,320	3,121,680,731	67.323
2014	Arapahoe County	38,627,120	580,864,860	424,799,960	781,480	1,344,680	64,760	-	103,174,120	8,994,205	1,140,662,775	1,140,272,345	9,256,172,425	67.323
2015	Adams County	14,670,700	97,336,700	441,699,880	27,140,930	518,020	6,850	-	81,017,420	8,264,580	654,125,920	655,619,390	3,176,799,850	67.635
2015	Arapahoe County	34,841,823	585,996,161	417,510,623	722,902	1,469,695	29,898	7,075	104,619,348	9,438,637	1,135,758,888	1,133,168,613	9,280,422,797	67.635
2016	Adams County	15,236,290	122,634,720	489,363,360	35,573,180	616,870	6,850	11,140	79,802,290	10,280,820	732,963,880	731,819,140	3,677,723,276	66.648
2016	Arapahoe County	37,228,951	828,838,969	460,286,489	646,496	1,716,538	29,898	7,806,696	93,866,710	-	1,430,420,747	1,426,071,395	12,448,836,334	66.648
2017	Adams County	15,920,650	122,914,300	499,010,720	34,977,010	643,770	6,850	11,610	78,927,590	-	752,412,500	746,607,270	3,730,788,977	69.685
2017	Arapahoe County	37,364,276	827,310,495	459,950,829	752,889	1,731,064	29,898	25,718,186	95,557,720	-	1,448,415,357	1,681,105,428	12,471,753,351	69.685
2018	Adams County	26,770,570	168,134,540	584,591,280	51,216,270	763,810	575,680	23,140	86,358,520	-	918,433,810	896,826,260	4,915,704,882	69.006
2018	Arapahoe County	40,798,169	1,008,589,256	521,976,299	862,361	1,782,425	29,754	11,526,484	95,540,680	-	1,681,105,428	1,698,211,965	16,321,567,491	69.006
2019	Adams County	31,340,080	172,867,290	630,092,920	49,224,080	933,580	6,850	17,570	88,765,710	-	973,248,080	946,229,670	5,160,669,920	82.014
2019	Arapahoe County	40,909,924	1,025,238,492	515,736,302	847,003	1,716,228	29,907	14,914,279	98,819,830	-	1,698,211,965	1,694,515,149	16,523,830,803	82.014
2020	Adams County	48,590,240	239,346,610	683,192,840	136,853,400	1,443,000	6,850	2,463,800	83,850,580	-	1,195,747,320	1,145,556,930	6,633,181,479	81.275
2020	Arapahoe County	69,696,084	1,275,484,335	584,674,488	1,260,480	1,810,753	32,385	63,634,736	73,507,060	-	2,070,100,321	2,032,421,075	20,468,246,402	81.275
2021	Adams County	39,852,290	248,184,000	788,126,690	137,598,080	1,432,210	6,850	6,180,120	95,901,980	-	1,317,282,220	1,266,173,850	7,080,614,107	82.034
2021	Arapahoe County	70,470,531	1,295,258,070	593,317,007	1,243,595	1,765,415	33,272	49,512,457	93,308,010	-	2,104,908,357	2,058,713,355	20,799,092,088	82.034
2022	Adams County	61,425,420	274,216,110	992,351,240	84,253,030	803,670	6,850	6,056,300	111,777,410	-	1,530,890,030	1,530,894,820	8,157,172,875	79.918
2022	Arapahoe County	69,873,845	1,426,869,841	680,335,196	423,410	1,696,835	33,415	21,654,318	95,776,260	-	2,298,663,120	2,294,482,416	22,909,237,468	79.918

Note 1: Final taxable assessed values by category are not available until December each year, so preliminary taxable assessed values are presented as of August

Source: <https://cdola.colorado.gov/publications/annual-reports>

Note 2: Final assessed values may not agree in total with the August preliminary taxable values. Final assessed values provided by county assessors' office.

Sources: 1) [www.co.arapahoe.co.us/](http://www.co.arapahoe.co.us/) and 2) [www.adcogov.org](http://www.adcogov.org)

Note 3: County assessors have provided actual valuations in accordance with C.R.S. 39-5-128(1).



# AUROYA

## PUBLIC SCHOOLS

— Power Your Potential —

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years (Unaudited)**

	Year Taxes Are Payable (4)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Aurora Public Schools Rates (1)</b>										
General fund	55.92	59.034	58.275	59.014	46.006	46.685	46.648	47.635	47.323	47.580
Debt service fund	23.00	23.000	23.000	23.000	23.000	23.000	20.000	20.000	20.000	16.250
<b>Total (2)</b>	<b>78.918</b>	<b>82.034</b>	<b>81.275</b>	<b>82.014</b>	<b>69.006</b>	<b>69.685</b>	<b>66.648</b>	<b>67.635</b>	<b>67.323</b>	<b>63.830</b>
Arapahoe County	12.762	13.013	12.685	14.301	13.817	15.090	14.856	16.950	17.130	17.150
Adams County	27.069	26.897	26.917	26.864	26.929	27.055	26.817	27.042	26.815	26.903
City of Aurora	8.073	8.076	8.605	8.605	8.605	8.605	8.569	8.886	10.290	10.290
Urban Drainage & Flood Control	0.900	0.900	0.900	0.726	0.500	0.559	0.553	0.632	0.608	0.599
Arapahoe County total	-	104.023	103.465	105.646	91.928	93.939	90.626	94.103	95.351	91.869
Adams County total	-	117.907	117.697	118.209	105.040	105.904	102.587	104.195	105.036	101.622
<b>Overlapping tax entities (3)</b>										
ACC Metropolitan District	-	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000
Adonea Metro District No. 2	53.103	71.279	74.279	79.232	79.232	74.000	74.000	74.000	61.000	61.000
Airways Business Center	10.000	12.000	12.000	34.500	34.500	34.500	34.500	34.500	37.000	37.000
Arapahoe County Law Enforcement	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982
Arapahoe Library District	5.790	5.810	5.799	5.845	5.853	5.926	5.916	4.794	4.861	4.903
Aurora Centre Tech Metropolitan District	37.064	37.266	37.547	42.395	41.284	40.173	39.000	39.000	42.000	42.190
Bennett Fire Protection District	13.122	13.070	13.062	13.012	13.041	9.063	8.907	8.907	8.907	8.907
Cherry Hills City Metro District	73.777	73.777	62.342	61.910	59.460	56.000	56.000	56.000	56.000	56.000
Central Adams Water & Sanitation	22.111	22.111	-	-	90.000	90.000	90.000	-	90.000	90.000
Colorado Science Technology Park Metro District No.1	60.000	60.000	60.000	60.000	50.000	50.000	50.000	-	50.000	50.000
Colorado Science Technology Park Metro District No.2	60.000	60.000	60.000	60.000	60.000	60.000	60.000	-	60.000	60.000
Colorado Science Technology Park Metro District No.3	60.000	60.000	60.000	60.000	50.000	50.000	50.000	-	50.000	50.000
Conservatory Metro District	47.114	47.114	52.114	52.106	52.106	71.800	71.800	71.800	71.800	71.800
Cross Creek Metropolitan District No. 2	48.101	51.101	51.098	60.097	70.956	66.000	66.000	68.500	71.000	71.000
Cunningham Fire Protection District - Dissolved 2020	-	-	9.250	14.600	14.603	14.598	14.676	14.623	14.714	14.772
Eastgate Commercial Metro District	-	-	-	-	-	-	-	35.000	35.000	35.000
Eastern Hills Metropolitan District No. 2	-	70.000	70.000	70.000	70.000	70.000	70.000	70.000	-	-
Eastern Hills Metropolitan District No. 4	70.000	70.000	70.000	70.000	-	-	-	-	-	-
Eastern Hills Metropolitan District No. 6	70.000	70.000	70.000	70.000	70.000	70.000	70.000	-	-	-
Eastern Hills Metropolitan District No. 9	-	-	-	-	-	-	70.000	-	-	-
Eastpark 70 Metro District	30.000	38.000	38.000	33.000	33.000	31.000	31.000	31.000	31.000	31.000
First Creek Ranch Metropolitan District	78.486	78.486	75.833	75.277	90.000	90.000	90.000	90.000	90.000	90.000
Fitzsimons Village Metro District No. 1	61.000	51.000	51.000	51.000	51.000	41.000	51.000	-	-	-
Fitzsimons Village Metro District No. 2	46.000	41.000	41.000	41.000	41.000	41.000	41.000	41.000	41.000	41.000
Flat Rock Metropolitan District No. 4	57.958	57.958	57.958	57.556	57.556	52.061	52.061	-	-	-
Flat Rock Metropolitan District No. 8	-	-	-	-	-	-	-	52.061	52.061	52.061

Note 1: Tax levies from overlapping tax entities continue on the following page.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Direct and Overlapping Property Tax Rates, Continued  
Last Ten Fiscal Years (Unaudited)**

	Year Taxes Are Payable (4)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Overlapping tax entities (3)										
Green Valley Ranch Metro District 1	-	-	-	-	-	60,000	60,000	60,000	-	60,000
Havana Business Improvement District	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Heather Gardens Metropolitan District	10,704	10,987	12,389	14,308	12,555	16,781	16,798	25,812	25,300	23,928
Himalaya Water & Sanitation	2,500	5,000	5,000	5,000	5,000	5,000	5,000	10,000	10,000	10,000
Horizon Metro District #2	67,909	66,796	65,664	65,277	65,277	-	-	-	-	-
Iliff Commons Metro District #2	61,580	61,580	56,086	55,696	55,003	51,000	51,000	-	-	-
Iliff Commons Metro District #3	54,724	67,747	67,848	67,379	67,373	61,000	50,000	-	20,000	20,000
Murphy Creek Metro District No. 2	61,000	50,000	50,000	50,000	50,000	36,000	36,000	36,000	36,000	36,000
Murphy Creek Metro District No. 3	54,327	54,327	54,327	53,107	80,803	74,944	48,944	48,944	48,944	48,944
Murphy Creek Metro District No. 4	61,664	55,664	55,664	55,277	55,277	48,944	48,944	48,944	48,944	48,944
Park 70 Metropolitan District	31,500	31,500	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Rangeview Library District (5)	3,689	3,670	3,677	3,666	3,669	3,659	3,659	3,659	3,659	3,659
Sable-Altura Fire Protection District	14,992	16,752	16,760	17,000	17,000	17,000	17,000	21,000	21,000	21,000
Sand Creek Metropolitan District	22,750	23,750	24,250	27,500	27,500	32,000	33,500	55,500	35,500	34,250
Second Creek Ranch	22,111	22,111	-	-	90,000	90,000	90,000	90,000	90,000	90,000
Singletree Metro District (Aurora)	-	-	42,000	45,868	-	48,944	48,944	48,944	48,944	48,944
Sterling Hills Metropolitan District	-	-	7,000	16,000	16,000	19,000	19,000	23,000	-	23,000
Sterling Hills West Metropolitan District	53,000	53,000	55,000	50,000	50,000	62,465	62,465	65,965	-	65,965
Tower Metropolitan District	20,000	20,000	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000
Traditions Metro Dist. No. 2	32,487	32,487	32,487	40,725	44,738	52,060	52,060	52,060	52,060	52,060
Urban Drainage & Flood Control-Adams	0,900	0,900	0,900	0,726	0,500	0,559	0,553	0,632	0,608	0,599
Urban Drainage & Flood Control-South Platte	0,100	0,100	0,097	0,094	0,057	0,061	0,058	0,068	0,064	0,058
Velocity Metro District 1	45,000	36,000	35,000	37,000	29,000	109,000	9,000	5,000	5,000	5,000
Velocity Metro District 2	41,000	41,000	38,000	37,000	29,000	44,784	9,000	5,000	5,000	5,000
Velocity Metro District 3	36,000	36,000	36,000	35,000	29,000	109,000	9,000	5,000	5,000	5,000
Velocity Metro District 4	40,000	40,000	38,000	37,000	29,000	109,000	9,000	5,000	5,000	5,000
Velocity Metro District 5	40,000	40,000	36,000	35,000	29,000	109,000	9,000	5,000	5,000	5,000
Velocity Metro District 6	40,000	40,000	36,000	35,000	29,000	109,000	9,000	40,000	5,000	5,000
Velocity Metro District 7	36,000	36,000	36,000	35,000	29,000	109,000	9,000	5,000	5,000	5,000
Velocity Metro District 8	36,000	36,000	36,000	35,000	29,000	109,000	9,000	5,000	5,000	5,000
Velocity Metro District 9	41,000	41,000	38,000	37,000	29,000	29,021	9,000	5,000	5,000	5,000
Westerly Creek Metropolitan District	60,867	59,753	59,811	60,194	60,217	56,899	56,619	55,986	55,769	55,311

Note 2: APS Total Rate information updated as of June 30, 2021

Source: Aurora Public Schools Budget Office.

Note 3: Includes only those entities with overlapping rates in existence at December 31, 2020.

Source: Arapahoe County Assessor's Office Source: Adams County Assessor's Office.

Note 4: Year taxes are actually collected. Based on rates established during the prior year.

Note 5: Previously reported as Adams County Library.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Principal Property Taxpayers  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year 2021-22			Fiscal Year 2012-13		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Public Service of Colorado (1)	\$ 114,796,650	1	3.6%	\$ 88,943,710	1	6.1%
LIT Gateway Portfolio	33,879,580	2	1.1%	-	-	-
LIT Industrial Limited Partnership	18,822,250	3	0.6%	-	-	-
Cellco Partnership FKA	15,550,850	4	0.5%	19,482,350	2	1.30
Colorado Interstate Gas Co	15,369,400	5	0.5%	15,694,800	4	1.1%
Amazon.Com DEDC	15,253,510	6	0.5%	-	-	-
Majestic Commercenter	15,052,500	7	0.5%	-	-	-
Park 70 Building Venture	14,717,500	8	0.5%	-	-	-
Aimco 21 Fitzsimons LLC	12,756,190	9	0.4%	-	-	-
QWEST Corp/CenturyLink (2)	11,353,800	10	0.3%	19,075,300	3	1.3%
CPT Operating Partnership	-	-	-	12,328,400	5	0.8%
WGR Asset Holding Co. LLC	-	-	-	8,799,880	6	6.0%
Quarry Assets LLC	-	-	-	7,808,110	7	5.0%
Glenborough Properties, LP	-	-	-	6,445,400	8	0.5%
MCI Telecommunications Corp.	-	-	-	6,330,420	9	4.0%
Freund Investment LLC	-	-	-	5,916,650	10	0.4%
	<u>\$ 267,552,230</u>		<u>8.5%</u>	<u>\$ 190,825,020</u>		<u>155.2%</u>

Note 1: Taxpayer locations in Adams and Arapahoe Counties are combined.

Note 2: QWEST Corp was acquired by CenturyLink, Inc. in April 2011.

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Principal Tax Levies and Collections  
 Last Ten Fiscal Years (Unaudited)**

Calendar Year	Taxes Levied for the Calendar Year	Tax Collections for Calendar Year Tax Levied (2)	Percentage of Original Levy	Collections in Subsequent Years (3)	Total Tax Collections (4)	Percent of Total Tax Collections to Levy	Outstanding Delinquent Taxes (5)	Outstanding Delinquent Taxes as a Percent of Current Levy
2013	112,177,682	110,388,173	98.4%	(397,437)	109,990,736	98.1%	1,789,509	1.6%
2014	119,765,878	117,656,320	98.2%	234,120	117,890,440	98.4%	2,109,558	1.8%
2015	(1) 120,984,677	119,906,691	99.1%	(115,953)	119,790,738	99.0%	1,077,985	0.9%
2016	143,048,512	140,436,339	98.2%	232,355	140,668,694	98.3%	2,612,173	1.8%
2017	151,536,231	150,507,168	99.3%	(679,080)	149,828,088	98.9%	1,029,063	0.7%
2018	176,521,603	175,210,679	99.3%	193,284	175,403,963	99.4%	1,310,924	0.7%
2019	216,578,046	213,445,196	98.6%	(59,747)	213,385,450	98.5%	3,132,849	1.4%
2020	258,290,162	255,882,296	99.1%	(675,799)	255,206,497	98.8%	2,407,866	0.9%
2021	272,753,797	271,520,584	99.5%	(759,412)	270,761,172	99.3%	1,233,213	0.5%
2022	293,496,286	287,999,140	98.1%	(23,080)	287,976,060	98.1%	5,497,146	1.9%

- Note 1: Collection figures beginning with calendar year 2015 represent those collections received for January through August due to the implementation of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.
- Note 2: Property tax collections provided by County Treasurers' offices.
- Note 3: Negative amounts occurred when refunds or other "forgiveness" of delinquent taxes exceeded delinquent tax collections.
- Note 4: Amounts shown prior to 2015 represent levies and collections during calendar year January-December. Tax revenues reported in the basic financial statements reflect a July-June fiscal basis.
- Note 5: Represents delinquent taxes due at the end of the year on taxes levied for that year.
- Note 6: Amounts adjusted represent actual collections during the entire calendar year.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Outstanding Debt by Type  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year (2)				
	2012-13 (3)	2013-14	2014-15	2015-16	2016-17
General obligation bonds	\$ 411,408,484	\$ 389,226,526	\$ 366,417,566	\$ 342,814,596	\$ 549,053,401
Certificates of participation	-	30,353,387	30,378,172	30,397,796	-
Debt financing for land purchase	-	-	-	-	-
Direct borrowing for capital assets	-	-	-	-	2,154,433
<b>Total debt outstanding</b>	<b>\$ 411,408,484</b>	<b>\$ 419,579,913</b>	<b>\$ 396,795,738</b>	<b>\$ 373,212,392</b>	<b>\$ 551,207,834</b>

Total debt outstanding as a percentage of:

Personal income (1, 2, & 3):					
Adams County	0.4%	0.4%	0.4%	0.5%	0.3%
Arapahoe County	0.3%	0.3%	0.6%	0.7%	0.5%
Per capita outstanding debt	\$ 1,897	\$ 1,908	\$ 1,799	\$ 1,623	\$ 2,411

	Fiscal Year (2)				2021-22 (4)
	2017-18	2018-19	2019-20	2020-21	2021-22 (4)
General obligation bonds	\$ 511,611,694	\$ 474,954,654	\$ 466,544,715	\$ 427,176,265	\$ 474,783,920
Certificates of participation	-	-	7,575,000	7,575,000	7,575,000
Debt financing for land purchase	-	-	908,286	905,286	905,286
Direct borrowing for capital assets	5,721,895	4,707,369	4,135,386	5,549,571	4,742,955
Leases	-	-	-	-	3,401,291
<b>Total debt outstanding</b>	<b>\$ 517,333,589</b>	<b>\$ 479,662,023</b>	<b>\$ 479,163,387</b>	<b>\$ 441,206,122</b>	<b>\$ 491,408,452</b>

Total debt outstanding as a percentage of:

Personal income (1, 2, & 3):					
Adams County	0.4%	0.4%	0.5%	0.9%	-
Arapahoe County	0.5%	0.6%	0.6%	0.7%	-
Per capita outstanding debt	\$ 2,232	\$ 2,069	\$ 2,022	\$ 1,862	\$ 2,122

Note 1: Personal income for each county was based on population estimates provided by district planning office and personal income population data provided by the United States Census Bureau.  
Source: <https://www.bea.gov/>

Note 2: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 3: Fiscal year 2013 amounts restated due to the implementation of GASB 65.

All other prior years were not restated as it is impractical to do so.

Note 4: Personal income data was not available at time of printing.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
General Bonded Debt  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year (1)				
	2012-13 (2)	2013-14	2014-15	2015-16	2016-17
General obligation bonds	\$ 411,408,484	\$ 389,226,526	\$ 366,417,566	\$ 342,814,596	\$ 549,053,401
Net position restricted for debt service	(25,580,904)	(27,026,348)	(28,456,159)	(37,115,173)	(47,512,633)
Total net general bonded debt	\$ 385,827,580	\$ 362,200,178	\$ 337,961,407	\$ 305,699,423	\$ 501,540,768
Total net general bonded debt outstanding as a percentage of:					
Estimated actual property value	3.1%	2.9%	2.7%	1.9%	3.1%
Final assessed property value	22.0%	20.4%	18.9%	14.2%	20.7%
Per capita outstanding debt	\$ 1,779	\$ 1,647	\$ 1,532	\$ 1,330	\$ 2,194
	Fiscal Year (1)				
	2017-18	2018-19	2019-2020	2020-2021	2021-2022
General obligation bonds	\$ 511,611,694	\$ 474,954,654	\$ 466,544,715	\$ 427,176,265	\$ 474,783,920
Net position restricted for debt service	(51,523,245)	(60,364,179)	(82,484,507)	(103,251,594)	(123,462,543)
Total net general bonded debt	\$ 460,088,449	\$ 414,590,475	\$ 384,060,208	\$ 323,924,671	\$ 351,321,377
Total net general bonded debt outstanding as a percentage of:					
Estimated actual property value	2.2%	1.9%	1.4%	1.2%	4.3%
Final assessed property value	17.7%	15.7%	12.1%	9.7%	9.2%
Per capita outstanding debt	\$ 1,985	\$ 1,788	\$ 1,621	\$ 1,367	\$ 1,517

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 2: Fiscal year 2013 amounts restated due to the implementation of GASB 65. All other prior years were not restated as it is impractical to do so.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Direct and Overlapping Governmental Activities Debt  
Current Year (Unaudited)**

Jurisdiction (1)	General Obligation Debt	Bonds	Notes Payable	Direct borrowing for capital assets	Certificates of Participation	Other	Gross Debt Outstanding	Percentage Applicable to Aurora Public Schools (2)	Amount Applicable to Aurora Public Schools
<b>Direct:</b>									
Aurora Public Schools	\$ 474,783,920	\$ -	\$ -	\$ 4,742,955	\$ 7,575,000	\$ 4,306,577	\$ 491,408,452	100.00%	\$ 491,408,452
<b>Overlapping:</b>									
ACC Metropolitan District	1,865,000	-	-	-	-	-	1,865,000	100.00%	1,865,000
Adams County	-	-	-	-	158,310,000	-	158,310,000	100.00%	158,310,000
Arapahoe County	129,941,621	-	2,664,894	11,647,046	4,474,686	-	148,728,247	100.00%	148,728,247
Arapahoe Library District	-	-	-	5,007,563	1,695,000	-	6,702,563	0.66%	44,237
Aurora CentreTech Metropolitan District	9,385,000	-	-	-	-	-	9,385,000	100.00%	9,385,000
City of Aurora	400,000	389,675,000	1,638,376	34,815,411	175,905,000	-	602,433,787	100.00%	602,433,787
Conservatory Metro District	19,410,000	-	-	-	-	-	19,410,000	100.00%	19,410,000
Cross Creek Metropolitan District No.2	10,555,000	-	-	-	-	-	10,555,000	100.00%	10,555,000
Eastpark 70 Metropolitan District	8,380,000	-	-	-	-	-	8,380,000	100.00%	8,380,000
Fitzsimons Village Metropolitan District No.1	-	13,955,000	-	-	-	-	13,955,000	100.00%	13,955,000
Fitzsimons Village Metropolitan District No.3	-	7,155,000	-	-	-	-	7,155,000	100.00%	7,155,000
Heather Gardens Metropolitan District	-	7,685,000	-	-	-	-	7,685,000	59.12%	4,543,372
Iliff Commons Metro District No. 2	4,278,000	-	-	-	-	-	4,278,000	100.00%	4,278,000
Iliff Commons Metro District No. 3	1,845,000	-	-	-	-	-	1,845,000	100.00%	1,845,000
Park 70 Metropolitan District	34,790,000	-	-	-	-	-	34,790,000	100.00%	34,790,000
Rangeview Library District	-	-	-	-	24,000,000	-	24,000,000	100.00%	24,000,000
Regional Transportation District	-	2,062,918,000	-	-	1,011,319,000	-	3,074,237,000	14.58%	448,223,755
Sand Creek Metropolitan District	66,195,000	-	-	-	-	-	66,195,000	77.82%	51,512,949
Sterling Hills West Metropolitan District	10,110,000	-	-	-	-	-	10,110,000	100.00%	10,110,000
<b>Total overlapping debt</b>	<b>295,289,621</b>	<b>2,481,388,000</b>	<b>4,303,270</b>	<b>51,470,020</b>	<b>1,375,703,686</b>	<b>-</b>	<b>4,208,154,597</b>		<b>1,559,524,347</b>
<b>Total direct and overlapping debt</b>	<b>\$ 770,073,541</b>	<b>\$ 2,481,388,000</b>	<b>\$ 4,303,270</b>	<b>\$ 56,212,975</b>	<b>\$ 1,383,278,686</b>	<b>\$ 4,306,577</b>	<b>\$ 4,699,563,049</b>		<b>\$ 2,050,932,799</b>

Note 1: Source information provided by individual jurisdictions. Overlapping governments without debt are not shown.

Note 2: Percentages based on geographical estimates. Arapahoe Library District percentage based on assessed values.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Legal Debt Margin Information  
Last Ten Fiscal Years (Unaudited)**

Fiscal Year Ended	Gross Certified Assessed Valuation (1)	Debt Limitation (20% of Assessed)	High Growth Debt Limitation (25% of Assessed Value)	Gross Bonded Debt Outstanding (2)	Percent of Legal Debt Incurred	Legal Debt Margin	Debt Service Funds Available (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2013 (4)	1,779,926,410	355,985,282	-	363,588,793	102.14%	(7,603,511)	25,580,904	338,007,889	18.99%	1,559
2014 (4)	1,796,866,600	359,373,320	-	347,219,955	96.62%	12,153,365	27,026,348	320,193,607	17.82%	1,456
2015 (4)	1,806,491,220	361,298,244	-	330,053,066	91.35%	31,245,178	28,456,159	301,596,907	16.70%	1,367
2016 (4)	2,168,171,355	433,634,271	-	312,092,167	71.97%	121,542,104	37,115,173	274,976,994	12.68%	1,196
2017 (6)	16,202,542,328	972,152,540	-	491,840,604	50.59%	480,311,936	47,512,633	444,327,971	2.74%	1,944
2018 (6)	21,226,907,626	1,273,614,458	-	461,733,482	36.25%	811,880,976	82,484,507	379,248,975	1.79%	1,636
2019 (6)	21,684,500,723	1,301,070,043	-	432,411,027	33.24%	868,659,016	60,364,179	372,046,848	1.72%	1,605
2020 (6)	27,101,427,881	1,626,085,673	-	431,317,408	26.52%	1,194,765,265	82,484,507	348,832,901	1.29%	1,472
2021 (6)	27,879,706,195	1,672,782,372	-	399,204,985	23.86%	1,273,577,387	103,251,594	295,953,391	1.06%	1,249
2022 (6)	31,066,410,343	1,863,984,621	-	428,239,853	22.97%	1,435,744,768	123,462,543	304,777,310	0.98%	1,316

Source: AFR Notes to Basic Financial Statements: Noncurrent Liabilities.

Note 1: Represents gross amount which includes the tax increment district.

Note 2: Represents general obligation bonds.

Note 3: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 4: State law limits school district indebtedness to the greater of 20% of its valuation for taxable property as of December 10 prior to the date of issuance or 6% of its statutory actual valuation of its taxable property on December 10 prior to the date of issuance. In addition, the limit on bond indebtedness is increased to 25% of its valuation for taxable property of the district if the district qualified as a high growth district. This fiscal year uses the 20% of valuation basis.

Note 5: For fiscal year 2012, the district qualified as a high growth district, and therefore debt limit was 25% of gross assessed valuation.

Note 6: In November 2016, voters approved the district's ability to use 6% of actual valuation to calculate its debt limitation.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Demographic and Economic Statistics  
Last Ten Fiscal Years (Unaudited)**

Fiscal Year	District Population Estimate (1)	Per Capita Income			Personal Income			Unemployment Rate (3)	October Funded Pupil Count (4)	Charter School Funded Pupil Count (4)	High School Graduates (5)
		Adams County (2)	Arapahoe County (2)	Adams County (2)	Arapahoe County (2)						
2012-13	216,839	34,695	51,163	15,945,588	30,469,784	8.5%	33,518	3,581	1,691		
2013-14	219,954	35,334	52,437	16,578,475	31,832,963	7.1%	35,022	3,155	1,489		
2014-15	220,556	35,385	56,294	17,010,005	34,835,883	5.6%	35,277	3,715	1,457		
2015-16	229,905	36,962	52,545	18,160,959	33,160,632	3.6%	35,318	4,076	1,671		
2016-17	228,610	38,378	54,452	19,119,527	34,689,868	3.5%	34,935	4,224	1,729		
2017-18	231,810	41,215	56,642	20,738,261	36,423,679	2.9%	34,077	4,797	2,020		
2018-19	231,810	43,315	60,180	22,171,317	39,190,019	4.2%	33,626	4,959	1,835		
2019-20	236,984	45,481	64,477	23,532,735	42,334,967	2.5%	33,681	5,905	1,960		
2020-21	236,984	48,115	66,691	25,014,141	43,846,410	8.2%	32,513	6,038	1,838		
2021-22	231,574	-	-	-	-	5.3%	31,729	6,292	-		

Note 1: District population data were obtained from the U.S. Census data.

Source: <https://data.census.gov/cedsci/>

Note 2: The data for Adams and Arapahoe counties obtained from the Bureau of Economic Analysis. Data for 2021-22 not available at the time of print.

Source: <https://www.bea.gov/>

Note 3: Source is the City of Aurora's Comprehensive Annual Financial Report.

Note 4: Funded pupil count provided by Colorado Department of Education official October first enrollment data. Adjusted to exclude Charter Institute Pupil Counts.

Note 5: High school graduate counts obtained from Colorado Department of Education. Data for 2021-22 graduates not available at the time of print.

**Joint School District No. 28-J of the  
 Counties of Adams and Arapahoe, Colorado  
 Principal Employers  
 Last Ten Fiscal Years (Unaudited)**

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of workforce</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of workforce</u>
Buckley Air Force Base	12,100	1	24.10%	11,640	1	24.70%
University of Colorado - Hospital	11,330	2	22.60%	4,890	5	10.40%
Children's Hospital	5,700	3	11.30%	5,020	3	10.70%
Cherry Creek Schools	4,276	4	8.50%	3,840	6	8.20%
Aurora Public Schools	4,025	5	8.00%	5,000	4	10.60%
City of Aurora	3,000	6	6.00%	3,780	7	8.00%
Amazon	3,000	7	6.00%	-	0	0.00%
Raytheon	2,500	8	5.00%	2,410	8	5.10%
Veterans Affairs	2,500	9	5.00%	-	-	0.00%
HealthONE	1,800	10	3.60%	1,580	10	3.40%
University of Colorado - Medical Campus	-	-	0.00%	7,230	2	15.40%
Kaiser Permanente	-	-	0.00%	1,690	9	3.60%
<b>Total Employees</b>	<b>50,231</b>		<b>100%</b>	<b>47,080</b>		<b>100%</b>

Source: Aurora Economic Development Council

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Full-time Equivalent District Employees by Type  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Administrative</b>										
Principals	48.00	47.00	49.00	50.00	50.00	50.00	50.00	52.00	53.00	52.00
Assistant principals	39.34	45.34	57.00	58.00	61.00	60.00	67.00	79.00	77.00	69.65
Other	32.25	33.25	39.00	44.00	46.00	55.00	40.00	14.00	14.00	13.00
<b>Total administrative</b>	<b>119.59</b>	<b>125.59</b>	<b>145.00</b>	<b>152.00</b>	<b>157.00</b>	<b>165.00</b>	<b>157.00</b>	<b>145.00</b>	<b>144.00</b>	<b>134.65</b>
<b>Instruction</b>										
Elementary school teacher	738.64	781.75	799.98	837.69	846.57	738.57	721.88	714.75	750.33	693.41
K-8 Teachers	148.95	163.32	164.62	170.88	206.25	207.68	213.75	221.85	239.97	243.34
Middle school teachers	368.03	392.02	397.53	415.34	431.98	388.51	392.13	376.80	397.00	376.80
High school teachers	382.72	426.72	441.02	460.54	471.64	445.77	421.39	446.12	455.05	447.92
Other teachers	124.38	147.75	148.21	187.69	216.85	228.95	235.09	229.60	226.30	219.05
Educational assistants	396.94	420.64	446.62	497.31	578.20	543.54	555.95	566.14	586.77	533.59
Community liaison	23.13	24.81	31.00	28.31	42.13	36.75	42.06	43.44	47.13	54.73
Other	3.00	2.50	3.00	5.00	3.00	3.00	4.00	12.00	14.50	15.80
<b>Total instruction</b>	<b>2,185.79</b>	<b>2,359.51</b>	<b>2,431.98</b>	<b>2,602.76</b>	<b>2,796.62</b>	<b>2,592.77</b>	<b>2,586.25</b>	<b>2,610.70</b>	<b>2,717.05</b>	<b>2,584.64</b>
<b>Pupil services</b>										
Dean of students	29.80	35.80	37.80	42.00	38.00	22.00	26.50	32.00	33.00	27.50
Counselors	36.10	43.10	44.95	56.90	57.70	49.70	54.60	67.40	80.60	78.40
Health professionals	58.36	57.01	56.50	58.53	61.69	64.25	62.13	59.44	63.38	58.86
Media specialists	11.36	11.06	11.00	8.64	11.31	10.75	8.69	9.69	7.75	5.63
Social/psychology workers	48.30	53.20	59.60	65.80	68.90	65.97	63.27	105.20	128.20	126.45
Other	153.28	175.71	174.28	198.00	203.81	204.30	208.39	239.84	249.65	222.48
<b>Total pupil services</b>	<b>337.20</b>	<b>375.88</b>	<b>384.13</b>	<b>429.87</b>	<b>441.41</b>	<b>416.97</b>	<b>423.58</b>	<b>513.57</b>	<b>562.58</b>	<b>519.32</b>
<b>Other support</b>										
Clerical/secretarial	268.47	283.63	281.19	284.26	293.38	280.00	274.35	266.41	274.79	258.19
Custodial	173.50	164.25	163.13	170.38	171.88	194.63	196.25	209.00	213.75	207.00
Other	280.99	311.69	310.85	333.99	346.38	350.88	358.63	438.15	438.44	451.59
<b>Total other support</b>	<b>722.96</b>	<b>759.57</b>	<b>755.17</b>	<b>788.63</b>	<b>811.64</b>	<b>825.51</b>	<b>829.23</b>	<b>913.56</b>	<b>926.98</b>	<b>916.78</b>
<b>Total</b>	<b>3,365.54</b>	<b>3,620.55</b>	<b>3,716.28</b>	<b>3,973.26</b>	<b>4,206.67</b>	<b>4,000.25</b>	<b>3,996.06</b>	<b>4,182.83</b>	<b>4,350.61</b>	<b>4,155.39</b>

Source: Aurora Public Schools Human Resources Department. Does not include Colorado Preschool Program, Risk Mgmt, or Special Programs.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Operating Statistics  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2012-13	2013-14	2014-15 (5)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
General Fund Expenses										
Instruction	\$ 169,613,315	\$ 182,903,162	\$ 194,331,144	\$ 204,436,613	\$ 195,371,903	\$ 183,563,711	\$ 193,776,497	\$ 207,085,251	\$ 235,392,187	\$ 231,152,469
Pupil services	14,359,872	16,196,570	17,075,917	19,605,908	28,210,627	27,288,441	32,633,910	44,521,936	50,416,688	49,367,122
Instructional staff support	11,172,413	11,996,057	15,628,538	17,785,523	17,676,391	17,722,877	20,499,772	22,813,073	27,530,702	25,466,186
General administration	4,954,686	5,237,806	5,652,784	4,728,324	5,710,424	5,933,877	6,461,773	6,046,787	12,761,097	7,437,811
School administration	22,044,077	25,635,355	29,932,093	33,539,515	33,355,525	31,940,343	32,048,934	35,901,981	38,160,030	41,847,434
Business administration	3,673,137	3,801,929	4,607,375	4,933,196	3,806,971	4,322,623	4,623,092	4,851,477	5,266,732	5,381,523
Operations and maintenance	29,044,242	30,918,559	32,529,804	33,283,315	33,066,841	31,401,259	33,398,155	35,195,547	37,701,070	42,608,284
Transportation services	6,789,957	8,459,834	7,962,099	11,526,689	10,324,559	9,685,256	9,971,232	10,739,826	9,464,323	14,553,211
Personnel data services	12,042,212	11,634,798	13,627,503	16,417,484	17,909,420	15,956,464	17,767,779	17,407,696	23,178,490	28,332,227
Food service operations	-	-	-	-	-	-	-	-	-	5,740
Other support services	2,449,196	2,377,324	2,269,592	5,448,368	5,575,263	7,061,048	15,059,609	21,653,445	26,202,511	25,447,925
Total operating expenses (1)	\$ 276,143,107	\$ 299,161,394	\$ 323,616,849	\$ 351,704,935	\$ 351,007,924	\$ 334,875,899	\$ 366,240,753	\$ 406,217,019	\$ 466,073,830	\$ 471,599,932
Funded pupil count (2)	33,518	35,022	35,277	35,318	34,935	34,077	33,626	33,681	32,513	31,729
Cost per pupil, per basis of accounting modified accrual basis	\$ 8,239	\$ 8,542	\$ 9,174	\$ 9,958	\$ 10,048	\$ 9,827	\$ 10,892	\$ 12,061	\$ 14,335	\$ 14,863
Percentage change	-57.25%	3.68%	7.39%	8.55%	0.90%	-2.19%	10.83%	10.73%	18.86%	3.69%
Total operating expenses per governmental statement of activities (3)	\$ 347,234,569	\$ 373,563,206	\$ 443,933,665	\$ 493,090,064	\$ 724,314,944	\$ 730,902,798	\$ 374,115,538	\$ 396,259,528	\$ 414,655,811	\$ 468,147,989
Full accrual basis	\$ 10,360	\$ 10,667	\$ 12,584	\$ 13,962	\$ 20,734	\$ 21,449	\$ 11,126	\$ 11,765	\$ 12,754	\$ 14,755
Percentage change	2.70%	2.96%	17.98%	10.95%	48.50%	3.45%	-48.13%	5.75%	8.40%	15.69%
Percentage of students receiving free or reduced-price meals (4)	60.3%	68.0%	69.4%	66.0%	66.5%	68.7%	66.0%	74.0%	72.3%	71.4%

Note 1: General Fund operating expenses exclude debt service & facilities acquisition and improvements program expenses.  
 Note 2: Funded pupil count provided by Colorado Department of Education official October first enrollment data; excludes charter schools.  
 Source: Colorado Department of Education Data Summary Report.  
 Note 3: Source: ACFR Statement of Activities.  
 Note 4: Percentage of current students receiving free or reduced-price meals data obtained from CDE website.  
 Note 5: During 2014-15, the district adopted GASB 68. Prior year and earlier have not been restated for the adoption of GASB 68 because it is impractical to do so.



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
School Building Information  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year (1)									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Elementary Schools (2)</b>										
Number of sites	28	28	28	28	28	28	28	28	28	28
Square feet	1,522,641	1,529,800	1,532,729	1,534,745	1,543,246	1,541,806	1,541,806	1,538,705	1,534,385	1,548,355
Capacity	16,377	16,764	16,764	16,764	16,914	16,864	16,839	16,250	16,150	16,150
Enrollment	14,271	14,517	15,242	14,561	13,119	12,175	11,038	11,320	10,374	9,482
<b>K-8 Schools (2)</b>										
Number of sites	6	6	6	7	7	7	7	7	8	8
Square feet	444,077	451,853	451,853	557,925	550,823	550,823	558,599	569,743	673,436	673,436
Capacity	3,928	4,428	4,428	5,204	5,204	5,204	5,379	5,500	6,400	6,400
Enrollment	3,817	3,957	4,170	4,776	4,677	4,653	4,822	4,907	4,781	5,150
<b>Middle Schools</b>										
Number of sites	7	7	7	7	7	7	7	7	7	7
Square feet	848,338	854,068	854,098	855,538	868,862	870,302	853,808	853,808	853,808	712,708
Capacity	8,257	8,507	8,507	8,557	8,557	8,607	8,032	8,032	8,132	6,806
Enrollment	6,153	6,479	6,637	6,548	6,367	6,216	6,062	5,922	5,591	4,158
<b>High Schools</b>										
Number of sites	6	6	6	6	6	6	6	6	6	6
Square feet	1,300,011	1,300,011	1,300,011	1,302,891	1,315,561	1,315,561	1,351,267	1,413,924	1,411,044	1,411,044
Capacity	9718	9,681	9,681	9,781	9,831	9,831	10,730	11,015	11,000	11,000
Enrollment	8646	9,003	9,379	9,577	9,884	9,504	9,179	9,160	8,776	8,715
<b>Technical Schools</b>										
Number of sites	1	1	1	1	1	1	1	1	1	1
Square feet	172,486	172,486	172,486	172,486	174,502	174,502	182,278	182,278	182,278	182,278
Capacity	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,328	1,292	1,216	1,510	1,314	1,204	1,211	1,211	1,211	846
<b>Total</b>										
Number of sites	48	48	48	49	49	49	49	49	50	43
Square feet	4,287,553	4,308,218	4,311,177	4,423,585	4,452,994	4,452,994	4,487,758	4,558,458	4,654,951	4,527,821
Capacity	40,130	41,230	41,230	42,156	42,356	42,356	42,830	42,647	43,532	42,206
Enrollment	34,215	35,248	36,644	36,972	35,361	33,752	32,312	32,520	30,733	28,351

Note 1: Student count based on actual enrollment.

Source: Aurora Public Schools Division of Support Services Planning Department provided square footage amounts (includes mobile units).

Source: Pickens Technical College - student services.

Note 2: 2012-13 The one K-9 school was converted to a K-8 resulting in six K-8's



# AUROLA

## PUBLIC SCHOOLS

— Power Your Potential —

## **REPORTS REQUIRED BY UNIFORM GUIDANCE**

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Expenditures of Federal Awards  
June 30, 2022**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Identifying Number	2021-2022 Federal Expenditures (Restated)
<u>U.S. Department of Agriculture</u>			
Passed through Colorado Department of Education:			
<u>Child Nutrition Cluster</u>			
Special Milk Program for Children	10.556	4556	\$ 5,405
Summer Food Service Program for Children	10.559	4559	1,705,568
Seamless Summer Option - Breakfast	10.553	5553	5,039,982
Seamless Summer Option - Lunch	10.555	5555	<u>16,189,644</u>
Passed through Colorado Department Human Services:			
<u>Child Nutrition Cluster</u>			
Donated Commodities	10.555	4555	<u>1,352,589</u>
Total Child Nutrition Cluster			24,293,188
Passed through Colorado Department of Education:			
SNAP CN Local P-EBT Administrative	10.649	4649	5,814
Passed through Colorado Department of Public Health & Environment:			
Child and Adult Care Food Program	10.558	4558	<u>10,862,287</u>
U.S. Department of Agriculture Total			<u>35,161,289</u>
<u>U.S. Department of Education</u>			
Direct:			
Indian Education - Grants to Local Education Agencies	84.060	N/A	<u>9,101</u>
<u>Student Financial Assistance Cluster</u>			
Federal Supplementary Educational Opportunity Grants	84.007	N/A	42,613
Federal Work-Study Program	84.033	N/A	311
Federal Pell Grant Program	84.063	N/A	<u>1,096,838</u>
Total Student Financial Assistance Cluster			<u>1,139,762</u>
Passed through Colorado Department of Education:			
<u>Special Education Cluster</u>			
Special Education - Grants to States	84.027A	4027	7,573,903
Special Education - Preschool Grants	84.173A	4173	252,134
Special Education - Grants to States	84.027	5027	398
COVID-19 - ARP: Special Education - Grants to States	84.027X	6027	1,189,820
COVID-19 - ARP: Special Education - Preschool Grants	84.173X	6173	<u>56,412</u>
Total Special Education Cluster			<u>9,072,667</u>
		4010, 5010 &	
Title I Grants to Local Educational Agencies	84.010	7010	9,674,141
Title I Part C Education of Migrant Children	84.011	4011	1,551,326
Title I, Vocational Education - Basic Grants to States	84.048	5048 & 6048	578,049
Title V, Part B. Public Charter School Grant	84.282	5282	12,200
Twenty-First Century Community Learning Centers	84.287	5287 & 6287	299,312
Special Education - State Personnel Development	84.323	5323	32,393
		4365 & 5365 &	
English Language Acquisition Grants	84.365	6365 & 7365	1,430,768
Title II Part A Supporting Effective Instruction State Grants	84.367	4367	1,027,021
Colorado Comprehensive State Literacy	84.371C	5371	160,398
Student Support and Academic Enrichment Program	84.424A	4424	776,273
Colorado Multi-Tiered Behavioral Framework –			
Colorado School Climate Transformation Grant	84.184F	8174	28,821
COVID-19 - Elementary and Secondary School Emergency Relief Fund, RISE-Response, Innovation, & Student Equity	84.425C	6425	104,312

The accompanying notes are an integral part of this Schedule.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Expenditures of Federal Awards  
June 30, 2022**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Identifying Number	2021-2022 Federal Expenditures (Restated)
Passed through Colorado Department of Education (continued):			
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER II CRSSA: After School Learning Centers)	84.425D	4413	290,633
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER II - 9.5% State Reserve)	84.425D	4419	103,110
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	4420	3,085,527
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	4425	480,043
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER I - 10% Discretionary)	84.425D	5425	6,600
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - 90% LEA Allocation Non Learning Loss)	84.425U	4414	6,386,335
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - LEA Learning Loss Set Aside)	84.425U	9414	12,827,786
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - Learning and Transparency Tech. Assist. Program)	84.425U	4435	5,601
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - EASI)	84.425I	4437	14,784
Passed through Colorado Department of Higher Education:			
COVID-19 - Higher Education Emergency Relief Fund - Student	84.425E	9425	1,166,050
COVID-19 - Higher Education Emergency Relief Fund - Institutional	84.425F	4433	1,006,156
U.S. Department of Education Total			51,269,169
<u>U.S. Department of Health and Human Services</u>			
Passed through Colorado Department of Education:			
Improving Student Health And Academic Achievement	93.981	7981	2,408
COVID-19 - CDPHE School Screening Testing Program Admin costs for testing	93.323	7323	29,560
U.S. Department of Health and Human Services Total			31,968
<u>U.S. Department of Treasury</u>			
Passed through Colorado Department of Education:			
COVID-19 - Coronavirus Relief Fund - School Preparation/ Mitigation Funds/Safe Schools Reopening	21.019	6012	10,600
Passed through Colorado Department of Higher Education:			
COVID-19 - Coronavirus Relief Fund - Higher Education	21.019	9012	50,712
U.S. Department of Treasury Total			61,312
<u>Institute of Museum and Library Services</u>			
Passed through Colorado Department of Education:			
State Library Program LSTA ARPA	45.310	7310	21,872
<u>U.S. Federal Communications Commission</u>			
Emergency Connectivity Fund Program	32.009	N/A	2,134,239
<u>U.S. Department of Labor</u>			
Passed through Colorado Community College System:			
CO-Helps Initiative from CCCS	17.268	7268	9,152
<u>Other Federal Assistance</u>			
Air Force Jr. ROTC	12.000	N/A	168,774
Total Expenditures of Federal Awards			\$ 88,857,775

The accompanying notes are an integral part of this Schedule.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2022**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the district under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the district, it is not intended to and does not present the financial position, changes in net position or cash flows of the district.
2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The district has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The district provided no federal awards to subrecipients.
4. The district receives food commodities from the U.S. Department of Agriculture for use in its food service program. The commodities are recognized as revenue when received and are recorded at fair value at the time of receipt. The commodities are recognized as expenditures when used by schools. The majority of the commodities are stored at the individual schools instead of a central warehouse. As such, the district has determined that the title to the commodities passes to the district upon receipt of the commodities. Since the district has received title to the commodities, the unused commodities are not reflected as unearned revenue. The commodities are reported under the National School Lunch Program (Assistance Listing Number 10.555) on the Schedule. The district recognized noncash awards of \$1,352,589 for the year ended June 30, 2022.
5. **Donated personal protective equipment disclosure – Unaudited**  
The district received donated personal protective equipment with fair market value totaling approximately \$309,125 from other governmental agencies.
6. **Restatement**  
The schedule of expenditures of federal awards has been restated to add assistance listing number 32.009 Emergency Connectivity Fund Program.

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Aurora, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2022, which contained an emphasis of matter paragraph regarding a change in accounting principle. Our report includes a reference to other auditors who audited the financial statements of Aurora Academy, Lotus School of Excellence, AXL Academy, Vanguard Classical School, Global Village Academy, Rocky Mountain Preparatory School, Vega Collegiate Academy, Academy of Advanced Learning, and Empower Community High School, as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Vanguard Classical School, Empower Community High School, and Aurora Public Schools Foundation, component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with component units or that are reported on separately by those auditors who audited the financial statements of these entities.

### ***Report on Internal Control Over Financial Reporting***

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

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of this Report***

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

**FORVIS, LLP**

Denver, Colorado  
November 11, 2022

## Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

### Independent Auditor's Report

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Aurora, Colorado

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

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

We have audited the Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2022. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The District is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The District's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

This report is replacing a previously issued report dated November 11, 2022 due to the identification of an additional major program. Title I Grants to Local Education Agencies has been audited as a major program and included in the Summary Schedule of Findings and Questions Costs as a major program.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The District is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The District's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

**FORVIS,LLP**

Denver, Colorado  
August 31, 2023



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Findings and Questioned Costs  
Section I – Summary of Auditor’s Results  
For the Fiscal Year Ended June 30, 2022**

7. The district’s major programs were as follows:

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
84.425C	COVID-19 - Elementary and Secondary School Emergency Relief Fund, RISE-Response, Innovation, & Student Equity
84.425D	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER II CRSSA: After School Learning Centers)
84.425D	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER II - 9.5% State Reserve)
84.425D	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER II)
84.425D	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER I)
84.425D	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER I - 10% Discretionary)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - 90% LEA Allocation Non Learning Loss)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - LEA Learning Loss Set Aside)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - Learning and Transparency Tech. Assist. Program)
84.425E	COVID-19 - Higher Education Emergency Relief Fund - Student
84.425F	COVID-19 - Higher Education Emergency Relief Fund - Institutional
84.010	Title I Grants to Local Educational Agencies

8. The threshold used to distinguish between Type A and Type B programs was \$ 2,665,733.

9. The district qualified as a low-risk auditee?  Yes  No

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Findings and Questioned Costs  
Section II – Financial Statement Findings  
For the Fiscal Year Ended June 30, 2022**

**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**Joint School District No. 28-J of the Counties  
of Adams and Arapahoe, Colorado Schedule  
of Findings and Questioned Costs Section II –  
Financial Statement Findings for the Fiscal  
Year Ended June 30, 2022**

**Section III – Federal Award Findings and Questioned Costs**

Reference Number	Finding
2022-001	<p><b>Finding: Reporting</b></p> <p><b>Federal Assistance Listing Number 84.425E - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion</b></p> <p><b>Department of Education</b>  <b>Award Number – P425E205475</b>  <b>Award Year – 2021-2022</b></p> <p><b>Criteria:</b> The <i>Coronavirus Aid, Relief, and Economic Security Act</i> (CARES Act) was signed into law on March 27, 2020 and appropriated federal funds to provide economic aid to the American people negatively impacted by the COVID-19 pandemic. The <i>Coronavirus Response and Relief Supplemental Appropriations Act, 2021</i> (CRRSAA), was signed into law on December 27, 2020, and authorized additional funding under the HEERF program (HEERF II). Finally, the <i>American Rescue Plan Act of 2021</i> (ARP), enacted on March 11, 2021, authorized a third round of funding (HEERF III) in order for higher education institutions to serve students and ensure learning continues during the COVID-19 pandemic. Under the requirements of the HEERF program there are three components to reporting: (1) public reporting on the Student Aid Portion; (2) public reporting on the Institutional Portion, and (3) the annual report.</p> <p><b>Condition:</b> The District had not posted the required Student Aid information for the third quarter, which was required to be posted publicly to the District's website during the fiscal year ending June 30, 2022.</p> <p><b>Questioned Costs:</b> None noted.</p> <p><b>Context:</b> Four quarterly Student Aid reports for fiscal year 2022 were to be posted on the District's website by the federal due dates to comply with federal regulations. The third quarter report was not posted.</p> <p><b>Effect:</b> Federal oversight agencies, including the Department of Education, depend on accurate reports posted to the institution's website to measure program results and compliance with federal requirements and to provide transparency. The District is not in compliance with the requirements of the award.</p> <p><b>Cause:</b> There was confusion surrounding the required reporting. The institutional reporting continued as required. A new form was provided by the federal government to be completed and made publicly available, but it only included institutional information thereby causing the student information to be inadvertently excluded.</p> <p><b>Recommendation:</b> We recommend that the District take immediate action to post the missing report to the website, obtain clarification for any confusing, ambiguous or complex compliance requirements, and stay diligent in staying abreast of the specific reporting requirements.</p> <p><b>Views of Responsible Officials:</b> We agree with the finding. See separate report for planned corrective actions.</p>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2022**

**Summary Schedule of Prior Audit Findings**

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
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No matters are reportable.

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## **CORRECTIVE ACTION PLAN**

Report Issued: November 11, 2022

### **FISCAL YEAR OF FINDING: 2021-2022**

**FINDING:** Single Audit 2022-001 Significant Deficiency - Reporting for Higher Education Emergency Relief Fund (HEERF) Student Aid Portion

Four quarterly Student Aid reports for fiscal year 2021-2022 were to be posted on the District's website by the federal due dates to comply with federal regulations. The third quarter report was not posted.

We recommend that the District take immediate action to post the missing report to the website, obtain clarification for any confusing, ambiguous, or complex compliance requirements, and stay diligent in staying abreast of the specific reporting requirements.

### **CLIENT PLANNED ACTION:**

The district agrees with the finding. The required posting of the Student Aid portion of the HEERF has been corrected. The district will ensure appropriate reporting for HEERF as required by grant compliance requirements. Additionally, the district will obtain clarification for any confusing, ambiguous, or complex compliance requirements, and remain diligent to stay abreast of the specific reporting requirements.

### **CLIENT RESPONSIBLE PARTY:**

Kevin Simpson - Director, Operations and Management  
Pickens Technical College  
Aurora Public Schools

### **COMPLETION DATE:**

Completed as of November 3, 2022

**REPORT ON STATE-FUNDED STUDENT FINANCIAL ASSISTANCE  
PROGRAMS**

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
**Introduction and Description of Programs**  
**Year Ended June 30, 2022**

***Introduction***

Pickens Technical College (the College), part of the Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the District) is a state-supported institution of higher education located in Aurora, Colorado.

The financial and compliance audits of the various state-funded student financial assistance programs at the College for the year ended June 30, 2022 were directed toward the objectives and criteria set forth in the College's financial aid policies and those contained in the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado Funded Student Aid*, issued by the Colorado Department of Higher Education (CDHE).

***Description of State-Funded Student Financial Assistance Programs***

The various state-funded student financial assistance programs at the College include the Colorado Student Grant Program and the Colorado Work-Study Program.

The state-funded student financial assistance awards made by the College were \$606,601 during the fiscal year ended June 30, 2022.

The College's Financial Aid Specialist is responsible for administration of these programs. This responsibility includes application processing, eligibility determination, and financial aid packaging, as well as ensuring compliance with regulations governing the participation of the College in federal and state financial aid programs. The College's Executive Director is responsible for the programs' financial management, general ledger accounting, payments, and collections.

In addition to the state-funded student financial assistance awards made during the year, the College obtained authorizations to award federal student financial aid of \$1,133,349 in the Federal Pell Grant Program; and \$25,762 in the Federal Supplemental Educational Opportunity Grants Program.

During the year ended June 30, 2022, the College was authorized to award Colorado student financial aid funds of \$576,033 in the Colorado Student Grant Program and \$30,568 in the Colorado Work-Study Program.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
**Report Summary**  
**Year Ended June 30, 2022**

**Report Summary**

**Purpose and Scope of Audit**

Our audit of the state-funded student assistance programs was performed in accordance with the financial compliance elements of “*Standards for Audits of Governmental Organizations, Programs, Activities, and Functions*” issued by the Comptroller General of the United States, as revised through 2004. The purpose of the audit was to formulate an opinion on the statement of student aid program allocations, expenditures and reversions for the fiscal year ended June 30, 2022 and to determine if these programs were administered in accordance with applicable laws, regulations, terms of agreements, and Governing Board directives which were set forth in the handbook.

Our examination included:

- Expressing an opinion on the statement of allocations, expenditures and reversions of the state-funded student financial assistance programs.
- Evaluation of the policies, procedures and practices used to administer these programs.
- Determination of compliance with applicable sections of Colorado Revised Statutes 23-3.3 et.seq and approved Governing Board Policies.

**Summary of Current Year Comments**

The audit covered the period July 1, 2021 through June 30, 2022, and fieldwork was performed during the period August 8, 2022 through August 12, 2022.

The audit report for the year ended June 30, 2022 contains no findings related to state-funded student financial assistance programs.

**Summary of Progress in Implementing Prior Audit Recommendations**

There were no matters noted in the audit report for the year ended June 30, 2020.

## Independent Auditor's Report on the Statement of Allocations, Expenditures and Reversions of the State-Funded Student Financial Assistance Programs

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Aurora, Colorado

### Report on the Audit of the Statement of Allocations, Expenditures and Reversions

#### *Opinions*

We have audited the accompanying statement of allocations, expenditures and reversions of the state-funded student financial assistance programs (the Statement) of Pickens Technical College (the College), part of the Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the District), as of and for the year ended June 30, 2022, and the related notes to the Statement, in accordance with the requirements of *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, issued by the Colorado Department of Higher Education (CDHE).

In our opinion, the accompanying Statement referred to above presents fairly, in all material respects, the allocations, expenditures and reversions of the state-funded student financial assistance programs of the College, as of June 30, 2022, pursuant to the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Colorado Department of Higher Education, and in conformity with the provisions of the College's policies.

#### *Emphasis of Matter*

As described in the notes to the statement of allocations, expenditures and reversions of the state-funded student financial assistance programs of Pickens Technical College (the Statement), the Statement was prepared in accordance with the format as set forth in the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Colorado Department of Higher Education (CDHE), and in conformity with the College's policies for the purpose of complying with the requirements of the state-funded student financial assistance programs. The Statement is a summary of cash activity of the state-funded student financial assistance programs with the exception of the Colorado Work-Study Program and does not present certain transactions that would be included in the Statement of the state-funded student assistance programs if it was presented on the accrual basis of accounting, as prescribed by accounting principles generally accepted in the United States of America. Accordingly, the accompanying Statement is not intended to, and does not, present the financial position, changes in financial position or cash flows of the College in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Statement of Allocations, Expenditures and Reversions***

Management is responsible for the preparation and fair presentation of the Statement in accordance with the requirements of *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, issued by the Colorado Department of Higher Education (CDHE), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor’s Responsibilities for the Audit of the Statement of Allocations, Expenditures and Reversions***

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Statement.
- Obtain an understanding of internal control relevant to the audit 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 College’s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2022, on our consideration of College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College's internal control over financial reporting and compliance.

**FORVIS,LLP**

Denver, Colorado  
November 11, 2022

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
**Statement of Allocations, Expenditures and Reversions of the  
State-Funded Student Financial Assistance Programs**  
**Year Ended June 30, 2022**

	Colorado Student Grant Program	Colorado Merit	Colorado Work-Study	Colorado Technical Education Grant	Total Colorado Financial Aid
Allocations					
Original	\$ 575,394	\$ -	\$ 31,207	\$ -	\$ 606,601
Allocation adjustment	639	-	(639)	-	-
Total Allocations	576,033	-	30,568	-	606,601
Expenditures	576,033	-	30,568	-	606,601
Reversions to State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -

*See Notes to Statement of Allocations, Expenditures and Reversions of the State-Funded Student Financial Assistance Programs*

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
**Notes to Statement of Allocations, Expenditures and Reversions  
of the State-Funded Student Financial Assistance Programs**  
**Year Ended June 30, 2022**

**Note 1: Summary of Significant Accounting Policies**

The College's accounting system is structured and administered in accordance with the accounting principles promulgated by the Governmental Accounting Standards Board.

The statement of allocations, expenditures and reversions of the state-funded student assistance programs of Pickens Technical College have been prepared in accordance with the format as set forth in the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Colorado Department of Higher Education and in conformity with the College's policies.

All student aid is expensed on a cash basis, except for the Colorado Work-Study Program (CWS). The CWS is on the accrual basis in that the expense is recognized when the services are performed.

**Note 2: Other – Required Statements, Comments and Recommendations**

The College's packaging priority for need-based financial aid applicants is required to give the highest priority to the neediest students. Students with the lowest expected family contribution and the earliest date of filing a completed application are given top priority for available funds. Priority is not given on the basis of new or continuing student status but on the date the application is completed. The student catalog further outlines additional eligibility requirements set forth for specific federal and state assistance programs, including U.S. citizenship, Colorado residency and meeting satisfactory academic progress guidelines.

The College's policies do not allow the transfer of funds between programs.

**Note 3: Contingent Liabilities**

The state-funded student financial assistance program is subject to periodic program reviews. If disallowances should occur as a result of the program reviews, the College would be required to repay the disallowed amounts.

## Independent Auditor's Report on Compliance for Each State-Funded Student Assistance Program and Report on Internal Control Over Compliance

Board of Education  
Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Aurora, Colorado

### Report on Compliance for Each State Funded Student Assistance Program

#### ***Opinion on Each State Funded Student Assistance Program***

We have audited Pickens Technical College's (the College), part of the Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the District), compliance with the types of compliance requirements described in the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, issued by the Colorado Department of Higher Education (CDHE) that could have a direct and material effect on each of the College's state-funded student financial assistance programs for the year ended June 30, 2022. The College's state-funded student financial assistance programs are identified in the accompanying statement of allocations, expenditures, and reversions.

In our opinion, the College, part of the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its state-funded student financial assistance programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each State Funded Student Assistance Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, issued by the Colorado Department of Higher Education (CDHE). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each state-funded student financial assistance program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's state-funded student financial assistance programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each state-funded student financial assistance program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2021-22 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*. Accordingly, this report is not suitable for any other purpose.

**FORVIS,LLP**

Denver, Colorado  
November 11, 2022