



Adams County School District 14
Commerce City, Colorado

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR JUNE 30, 2023



Adams County School District 14
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ADAMS COUNTY SCHOOL DISTRICT 14

COMMERCE CITY, COLORADO

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

Board of Education

Ms. Renee N. Lovato, President

Ms. Janet Estrada, Vice President

Ms. Maria D. Zubia, Secretary

Mr. James L. Amador, Treasurer

Ms. Luz E. Molina-Aguayo, Director

Superintendent of Schools

Dr. Karla Loria

Issued by Division of Finance

Chief Financial Officer

Mr. Doug Moss

Manager of Accounting and Budget

Ms. Davi Smart

Ms. Diane Trujillo

Adams County School District 14

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Introductory Section



February 29, 2024

Citizens and Members of the Board of Education of Adams County School District 14:

We are pleased to submit the fiscal year 2022-23 Annual Comprehensive Financial Report (ACFR) of Adams County School District 14 (District) for the fiscal period from July 1, 2022, to June 30, 2023. The District's Division of Financial Services prepared this report. Responsibility for both accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

All funds within the District are required under Colorado statute (C.R.S. 1973, 29-1-603) to have an annual audit performed on its financial statements by an independent certified public accountant. The District's financial statements have been audited by Hinkle & Company PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. These reports can be found in the compliance section along with information related to the single audit, schedule of expenditures of Federal awards and schedule of findings and questioned costs. The Auditor's Electronic Financial Data Integrity Check required by the Colorado Department of Education is also included in this section.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the report of the independent auditors.



THE SCHOOL DISTRICT

The District lies immediately north of Denver, Colorado, and serves a population of 64,287 according to the 2022 U.S. Census Bureau estimate. The District boundaries cover 52 square miles and serve Commerce City, parts of the City of Thornton and unincorporated Adams County. The District enjoys cultural and ethnic diversity as its ethnic composition is 0.2% Hawaiian or Other Pacific Islander, 0.9% American Indian, 2.2% Asian, 4.8% African American, 41.8% White, 40.2% Hispanic, and 9.9% multiple ethnicities. Adams County School District 14 has 512.16 teachers and 423.06 other staff, for a total of 935.22 employees. The District served 5,484 students in fiscal year 2022-23 based on enrollment, a decrease of 208 students from the prior fiscal year. These students were served in two preschools, seven pre-kindergarten to fifth grade schools, two middle schools and two high schools.

ENROLLMENT

The District has experienced declining enrollment for the last eight school years after seeing growth in each of the preceding three school years. Future enrollment is difficult to project as the District is experiencing the impacts of a global pandemic, global decline in birth rate, works with potential charter schools, and implements turnaround plans working with its external management partner while also seeing potential development in the area. Overall, pending these variables, enrollment is projected to continue to decrease in the coming years. The district currently has most of its schools below the recommended capacity. The school buildings within the District except for Adams City High School, which was built in 2009, and the new Alsup Elementary school, opened just in the fall of 2021, were built between 1951 and 1968, and most of these have been renovated beginning in 2006, with Dupont Elementary and Adams City Middle School being the exceptions.

ORGANIZATION OF THE SCHOOL DISTRICT

A five-member Board of Education (Board) serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget, certifies the property tax mill levy and appropriates all expenditures that use District revenues. One Board member is designated as the Treasurer for the District.



The Superintendent is the Chief Executive Officer and is accountable to the Board for the education and support operations within the District. The Assistant Treasurer is the Chief Finance Officer, accountable to the Board for maintaining all financial records, issuing checks to pay the District's liabilities, acting custodian of all District funds and investing the District's idle cash as stipulated by Colorado law. Other Board appointed officials are the Chief Academic Officer, Chief Business Officer, Chief Legal Counsel, Chief of Human Resources, Chief Finance Officer, Executive Director of Communications, Executive Director of Elementary Education, Executive Director of Secondary Education, School Principals and the Directors and Managers of the many various educational, operational and support services within the District, all of whom report to the Superintendent.

THE REPORTING ENTITY

The District has reviewed its reporting entity definition in accordance with the Governmental Accounting Standards Board (GASB), which defines the governmental reporting entity. This report includes all funds, organizations and activities for which the Board has oversight responsibility as further described in Note A in the Notes to the Basic Financial Statements. The District has no component units.

SERVICES PROVIDED

The District provides a wide variety of education and support services as mandated by state statute or public desires. These include regular and vocational instruction, English language development programs, special education programs, student guidance and health services, preschool, and many extracurricular activities. Fee supported special revenue fund services include Before and After school programs and nutritional service operations.

ECONOMIC CONDITION AND OUTLOOK

According to the Legislative Council Forecast (September 2022), Broad measures of the U.S. and Colorado economic activity indicate continued recovery from the pandemic-induced recession. Though, rather than the hoped-for strong and steady recovery, economic activity, like the trajectory of the virus itself, has instead been choppy and uneven. Many households and businesses are still bearing the brunt of lingering distress, while others have emerged unscathed or even better off. Spending and employment in sectors tied to in-person services still lag their pre-pandemic levels and remain sensitive to the waxing and waning of the virus. Supply and demand mismatches, initially expected to be temporary, have been exacerbated by global waves of COVID-19 cases. These mismatches are now expected to persist into 2024, boosting inflationary pressures and challenging the economic recovery as government assistance recedes. Relative to June expectations, minor upward revisions were made to indicators of economic activity and inflation, with some growth shifting from late 2022 into 2023.



The U.S. and Colorado economies remain in unprecedented economic times, with shifting and still-elevated economic risks. There have been surprisingly few signs of lasting scarring from the pandemic-related recession, but there is still a great deal of uncertainty about how much of the shifts in consumer, business, and worker behavior will persist and whether short-term disruptions will have long-lasting ripple effects. The drag from receding government stimulus may increase if momentum supporting wage and business incomes does not offset the pull-back in public assistance.

According to the U.S. Bureau of Labor and Statistics, Adams County unemployment continued to decrease from the highest point it reached in early 2020 as the Covid pandemic hit of 12.6% to 3.8% in June of 2023. According to the Colorado State Demography Office Adams County population was forecast to grow by 1.8% in 2020, however with an aging population overall the impact of this growth may not lead to more students in Adams 14 boundaries. However, the school district recently retained Western Demographics Inc. to complete an enrollment projections report in order to assess the probability and scope of an enrollment decline. The enrollment projections included in this report were developed using the cohort survival methodology as well as assumptions for recovery from Covid, live births and migration or Urban flight. For FY 2022-23 there were 13 schools serving approximately 5,484 PK-12 students. Official October count data indicated that the district is down 208 full time equivalent students in FY 2022-23. FY19-20 enrollment numbers were down approximately 9% due to students choosing not to enroll due to Covid concerns. Enrollment peaked in FY 2013-14 at 7,598 and has since decreased by 2,114 students.

Nationwide, districts have undergone major shifts in public school enrollment. Factors include the baby boom, the availability and use of birth control, and the development of the suburbs. As of the 2022 statistic, the size of a family was at an all-time low of 3.13 persons. The recession of 2008-09 had a tremendous effect on the birthrate. In Adams County, the population increased by 7% from 2000-2010, but the number of school-aged children decreased by 10%. Live births, which are counted by where the mother resides, fell from 794 in 2003, to a low of 583 in 2013. In 2017 this number was 644, still well below the number in 2003. Another important indicator is the cohort survival ratios. These indicate how well the District is retaining the student population. All of these models together indicate the possible loss of up to 1,000 students in the next 5 years. That is over \$3 million in lost revenue each year. The District is hopeful that the efforts to bring together key stakeholders in the community and district will improve student achievement, regain trust and begin to reverse the ongoing trends in enrollment loss.

MAJOR INITIATIVES

Adams 14 School District is beginning its 14th year of Turnaround Status. Three years ago, the Colorado State Board of Education approved a plan to hire an External Management Organization (EMO) to manage the school district. The contract for MGT was secured for an estimated \$8.3 million. MGT was removed from the District in February of 2022 due to multiple contract breaches. The District hired TNTP to oversee the approved plan approved by the Colorado State Board of Education.

In fiscal year 2020-21 the District completed the creation of a 10-year curriculum plan which ensures curricular resources are maintained at appropriate levels while related costs are spread evenly through fiscal years. In addition, the District completed a 5-year capital reserve plan that similarly scheduled planned projects over the coming years. The resources needed to carry out the multiyear curriculum plan and capital plan exceed historical amounts allocated. Going forward additional funding will need to be identified in the form of a mill levy override, grants or the use of District reserves. Additional initiatives were carried out District wide in fiscal year 2022-23 including continuing work on a District strategic plan.

In May of 2018 the District was awarded a BEST (Building Excellent Schools Today) grant for approximately \$19.0 million from the Colorado Department of Education. The District issued COP's of approximately \$7.0 million and utilized reserves of approximately \$7.2 million beginning in December of 2018 to replace its lowest rated facility Alsup Elementary. The Alsup school building portion of the project was completed Fall 2021, leaving just the demolition of the old Alsup building which will be completed in spring 2022.

FINANCIAL INFORMATION

District management is responsible for establishing and maintaining a system of internal controls that are designed to provide reasonable, but not absolute, assurance that District assets are protected from material loss, theft or misuse. Furthermore, this system of internal controls shall provide accurate, reliable and sufficient accounting data to prepare financial statements in conformity with GAAP. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits that are likely to be derived from it; and (2) the valuation of those costs and benefits may require certain accounting estimates and professional judgment by District management. Accordingly, we believe that the District's internal controls do provide adequate safeguards of District assets and provide reasonable assurance that financial transactions are properly recorded.

Single Audit As a recipient of Federal and State financial assistance, the District is responsible for maintaining adequate internal controls to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by District management.

Budgeting Controls The Board is required to, and adopts the annual budget (appropriation) for all funds except for its fiduciary fund for the District in June for the next fiscal year. Colorado statutes provide that the Board can make changes to this adopted budget through January 31st. All disbursements and transfers of cash between funds require appropriate authorization from the

Board. All purchase order requests must comply with District's purchasing practices and must be approved by the Assistant Treasurer or her designee. Upon approval, the necessary funds are encumbered and the purchase orders are released to the appropriate vendor. Appropriations within a fund that exceed the amount available are prohibited by law and rejected until additional funds have been secured. Management has the authority to modify budget line items as long as the total fund appropriation is not exceeded.

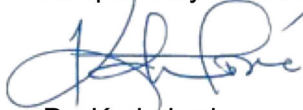
The finance system used by the District provides interim financial reports, which details year-to-date expenditures and encumbrances with comparative data to the original appropriation plus any authorized additional appropriations. Every administrator and school principal has the ability to retrieve financial and budgetary information about their department or school that they are responsible for. These reports detail monthly transactions and summarize the amounts available for future expenditures of goods and services among the various programs. In addition, the Board of Education receives quarterly General Fund financial reports as required by law.

OTHER INFORMATION

Acknowledgment We want to extend a special thanks to our independent certified public accountant, Hinkle & Company PC, for their professional assistance helping us prepare our Annual Comprehensive Financial Report.

In closing, we commend the Board for their continued interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

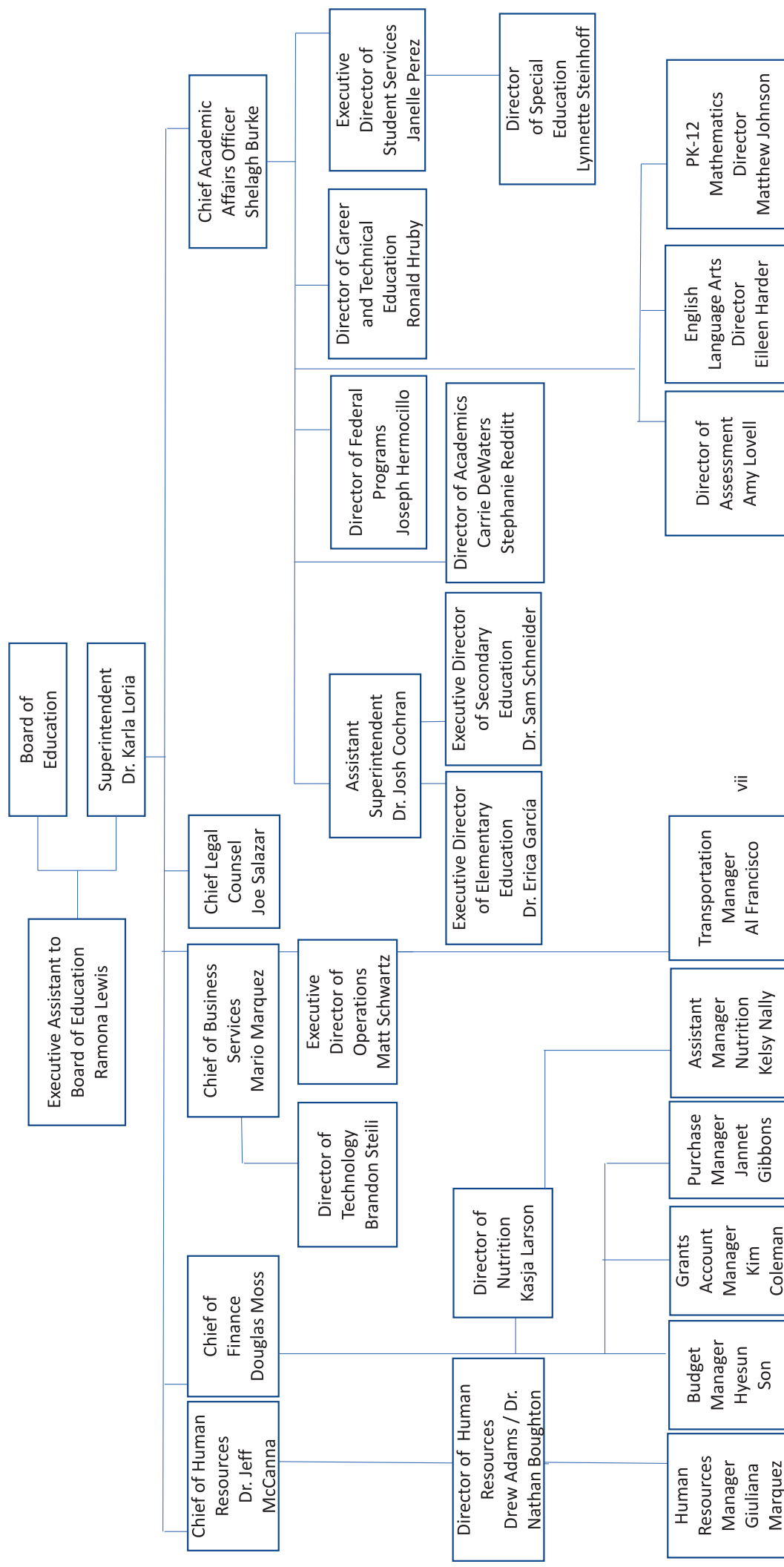


Dr. Karla Loria
Superintendent



Doug Moss
Chief Financial Officer

ADAMS 14
Inspire. Educate. Empower. *Inspire. Educa. Fortalece.*



ADAMS COUNTY SCHOOL DISTRICT 14

5291 E. 60th Avenue
Commerce City, CO 80022-3203

BOARD OF EDUCATION

Ms. Renee N. Lovato President
Ms. Janet Estrada Vice President
Ms. Maria D. Zubia Secretary
Mr. James L. Amador Treasurer
Ms. Luz E. Molina-Aguayo Director

DISTRICT INSTRUCTIONAL TEAM

Dr. Karla Loria Superintendent of Schools
Ms. Shelagh Burke Chief Academic Officer
Dr. Sam Schneider Executive Director Secondary Education
Dr. Erica Garcia Executive Director Elementary Education
Mr. Josh Cochran Assistant Superintendent

DISTRICT FINANCIAL TEAM

Mr. Doug Moss Chief Finance Officer
Ms. Davi Smart Manager of Accounting
Ms. Diane Trujillo Manager of Budget

Financial Section



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Board of Education
Adams County School District 14
Commerce City, Colorado

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County School District 14 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective and changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

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.

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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 twelve 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.

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 listed in the table of contents, such as management's discussion and analysis and budgetary comparison 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.

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 supplementary information listed in the table of contents, 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 and the auditor's integrity report are presented for purposes of additional analysis and are 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 the 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 supplementary information listed in the table of contents is 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon 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 May 21, 2024, 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 Adams County School District 14's internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
May 21, 2024



Adams County School District 14

Management's Discussion and Analysis

June 30, 2023

As management of Adams County School District 14 (District), we offer readers of the District's Annual Comprehensive Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the Letter of Transmittal in the Introductory Section of this report.

FINANCIAL HIGHLIGHTS

- The Liabilities and Deferred Inflows of Resources, including Long-term Bonds Payable, exceeded total Assets and Deferred Outflows of Resources of the primary government, including land, buildings and equipment, at the close of fiscal year 2022-23 by \$47,723,457 (*Net Position*). To arrive at an unrestricted net position, this amount is further increased by \$7,997,606 restricted for Debt Service and \$2,297,229 restricted for Emergencies. This leaves the final Unrestricted Net Position at a negative \$105,017,679, largely reflecting the District's continuing requirement to record PERA pensions and OPEB benefits.
- The District's Total Net Position for the primary reporting entity decreased by \$9.16 million, while Unrestricted Net Position decreased by \$5.1 million. This change is mainly reflective of the District's PERA pension liability and deferred inflows and outflows decreasing by a net \$7.8 million. Debt payments further improved the District's financial position at year-end, although this gain is offset by a similar amount being recorded as depreciation expense for the year.
- The District's Governmental Funds fund balance decreased by \$12,141,272 to an ending fund balance of \$25,102,057. This change in fund balance is due to increase in Instructional services costs and discontinuing use of grants such as Coronavirus Relief Fund (CRF) and various small local grants that existed during the pandemic.
- The Governmental Funds reported combined unassigned fund balance of \$12,916,056.

At June 30, 2023, \$2,297,229 of the \$17,961,416 fund balance of the General Fund was restricted for the Emergency contingency required by Article X, Section 20 of the Colorado Constitution, while \$80,178 was considered Non-spendable as it was held in inventories and prepaid items. The \$15,584,009 unassigned portion of the fund balance is equivalent to 19% of the total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are composed of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Adams County School District 14
Management's Discussion and Analysis
June 30, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers a broad overview of the school district's financial activities in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the District's Assets, Liabilities, Deferred Outflows and Deferred Inflows of Resources. The difference between Assets, Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources is reported as Net Position. Over time, changes in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the Net Position of the District changed during the current fiscal year. Changes in Net Position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods (example: levied but uncollected property taxes and earned but unused employees' vacation leave). The Government-wide Financial Statements can be found on page 5 of this report.

FUND FINANCIAL STATEMENTS

Fund Financial Statements are designed to demonstrate compliance with finance-related legal requirements. A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governments, uses Fund Accounting to ensure and demonstrate compliance. All of the Funds of the District are considered Governmental Funds.

The Government-wide Financial Statements reflect that the District has no Business-type Fund, with all Funds on the Government-wide Statements being governmental. The District's Governmental type funds include the General Fund, Food Service Fund, Grants Fund, Student Activity Fund, Fee Supported Fund, Bond Redemption Fund, COP Debt Service Fund, Capital Projects Building Fund and Capital Projects Capital Reserve Fund.

Governmental Fund

Governmental Funds are used to account for essentially the same functions reported as Governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Statements, Governmental Fund Financial Statements focus on near-term financial resources and fund balances (which are spendable resources available at the end of the fiscal year). Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-wide Financial Statements, 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 District's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Adams County School District 14

Management's Discussion and Analysis

June 30, 2023

The District maintains three governmental funds that are classified as major funds: General Fund, the Grants Fund, and the Bond Redemption Fund. The General and Grant funds account for funds received from other government entities. The Bond Redemption Fund is used to account for property tax collections used to pay off the District's general obligation debt. Other governmental funds, classified as non-major funds include the Food Service Fund, Student Activity Fund, Fee Supported Fund, COP Debt Service Fund, Capital Projects Building Fund, and Capital Projects Capital Reserve Fund.

The District adopts an annual appropriated budget for each of the individual governmental funds. Budgetary Comparison Schedules of each funds are reported as Supplementary Information and can be found after the Required Supplementary Information section of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also contains Supplementary Information concerning the District's Non-Major Governmental Fund. The Budget to Actual schedules are presented after the Required Supplementary Information to the Financial Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The assets of the District are classified as current assets or non-current assets. Cash and investments, receivables, prepaid expenses and inventories are current assets available to provide resources for the near-term operations of the District. Non-current assets include capital assets depreciated and not depreciated. Capital assets are used in the operations of the District and include buildings, land, machinery and equipment. The District also has deferred outflows of resources, which include deferred pension outflows and deferred charges resulting from the refunding of debt. These deferred outflows will not provide resources for near-term operations of the District, but instead represent the delayed recording of expenses as required by generally accepted accounting principles.

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position.

Adams County School District 14
Management's Discussion and Analysis
June 30, 2023

Adams County School District 14
Statement of Net Position
For June 30, 2023 and 2022

	Total	
	2023	2022
Assets:		
Current and Other Assets	\$ 43,073,010	\$ 47,530,303
Capital Assets	<u>104,517,285</u>	<u>114,647,998</u>
Total Assets	<u>147,590,295</u>	<u>162,178,301</u>
Deferred Outflows of Resources		
Deferred Outflow Pension	25,849,173	16,093,468
Deferred Outflow OPEB	642,698	424,349
Deferred Charge on Refunding	<u>4,563,269</u>	<u>5,115,554</u>
Total Deferred Outflows of Resources	<u>31,055,140</u>	<u>21,633,371</u>
Liabilities:		
Current Liabilities	15,857,306	7,389,510
Non-Current Liabilities	<u>189,490,109</u>	<u>166,528,552</u>
Total Liabilities	<u>205,347,415</u>	<u>173,918,062</u>
Deferred Inflow of Resources		
Deferred Inflow Pension	19,538,601	46,860,897
Deferred Inflow OPEB	<u>1,482,876</u>	<u>1,595,596</u>
Total Deferred Inflows of Resources	<u>21,021,477</u>	<u>48,456,493</u>
Net Position:		
Net Investment in Capital Assets	46,999,387	51,471,951
Restricted	10,294,835	9,868,249
Unrestricted	<u>(105,017,679)</u>	<u>(99,903,083)</u>
Total Net Position	<u>\$ (47,723,457)</u>	<u>\$ (38,562,883)</u>

Adams County School District 14
Management's Discussion and Analysis
June 30, 2023

GOVERNMENT-WIDE ACTIVITIES

Governmental activities decreased the Net Position of the District by \$9.16 million during the current fiscal year. As discussed earlier this is largely reflective of the change in the PERA Pension Plan Liability, Deferred Outflows and Deferred Inflows. While these are the basic areas causing the increase in our Net Position, we believe that our discussion of the overall change in the General Fund balance provided later in this document provides more relevant financial information regarding the fiscal activity at the District during the year and we direct the user to that section for further discussion.

The main sources of governmental revenue for the primary government are local Property Tax, State Equalization payments and Grants. Property Taxes and Specific Ownership taxes account for 51% of the revenue received by the District while the State Equalization payments account for 46% of the revenue received. Operating Grants and Contributions and other sources, including general revenue grants, account for the remaining 3% of revenue.

Within the Government Wide Financial Statements, revenues were up by \$2.8 million or 3% from fiscal year 2022 to 2023. Operating Grants received by the District showed an increase of \$4.3 million, while Grants Not Restricted to Specific Programs showed an increase of \$49,240. The District did see an increase of Investment Earnings of \$556,373 as interest rates increased in the fiscal year 2023. The previously discussed decrease of PERA pension liability affected every category of the government wide expenses, as it is the District's policy to proportionately spread the effect of the change in pension liability according to current year actual expenditures in each category.

Adams County School District 14
Management's Discussion and Analysis
June 30, 2023

Adams County School District 14
Changes in Net Position
For June 30, 2023 and 2022

	Total	
	2023	2022
REVENUES		
Program Revenues		
Charges for Services	\$ 1,047,616	\$ 494,651
Operating Grants and Contributions	23,685,461	19,347,323
General Revenues		
Taxes:		
Property Taxes	38,728,658	36,303,430
Specific Ownership Taxes	2,410,530	1,948,270
Grants Not Restricted to Specific Programs	3,137,336	3,088,096
State Equalization	33,747,145	32,926,682
Investment Earnings	624,629	68,256
Gain on Disposal	(9,424,189)	39,052
Miscellaneous	4,287,193	1,167,104
Total Revenues	<u>98,244,379</u>	<u>95,382,864</u>
EXPENSES		
Instructional services	46,550,405	11,935,304
Operation and Maintenance	16,488,347	10,113,029
Pupil Services	3,105,953	2,642,174
Central Support Services	7,010,148	8,466,280
School Administration	6,065,270	5,972,498
Instructional Support	10,219,604	8,090,194
Pupil Transportation	2,232,831	2,100,262
Business Administration	1,527,915	1,498,192
General Administration	5,447,554	3,438,670
Community Services	659,039	743,523
Other Support Services	424,069	8,715
Nutrition Services	4,148,759	4,125,463
Capital Outlay Expensed	2,223,508	-
Adult Education	8,181	-
Interest and Fiscal Charges	1,293,370	1,192,843
Total Expenses	<u>107,404,953</u>	<u>60,327,147</u>
Change in Net Position	<u>(9,160,574)</u>	<u>35,055,717</u>
Net Position - Beginning	<u>(38,562,883)</u>	<u>(73,618,600)</u>
Net Position - Ending	<u>\$ (47,723,457)</u>	<u>\$ (38,562,883)</u>

Adams County School District 14
Management's Discussion and Analysis
June 30, 2023

FUND FINANCIAL ANALYSIS

Adams County School District 14 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year the District's governmental funds reported a combined ending fund balance of \$25,102,057.

Major Governmental Funds

General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. Revenues for the General Fund totaled \$80 million in fiscal year 2022-23 compared to \$75.7 million in fiscal year 2021-22, an increase of 5%, which is reflective of the increased At-Risk Fund revenue, Increased ECEA funding, and increase in Investment Income due to change in Fed Interest Rate.

	<u>FY2022-23</u>	<u>FY2021-22</u>	<u>Amount of Change</u>	<u>Percentage of Change</u>
Revenues				
Federal				
Impact Aid	\$ 3,137,336	\$ 3,088,096	\$ 49,240	1.6%
Subtotal	<u>3,137,336</u>	<u>3,088,096</u>	<u>49,240</u>	1.6%
State				
Equalization Payments	33,747,145	32,926,682	820,463	2.5%
Vocational Education	135,932	56,037	79,895	142.6%
Exceptional Children's Act (ECEA)	2,397,950	1,879,909	518,041	27.6%
Transportation Reimbursement	507,503	510,776	(3,273)	-0.6%
ELPA Reimbursement	566,784	540,037	26,747	5.0%
PERA on Behalf Contribution	-	1,113,333	(1,113,333)	-100.0%
Other	69,057	2,514,434	(2,445,377)	-97.3%
Subtotal	<u>37,424,371</u>	<u>39,541,208</u>	<u>(2,116,837)</u>	-5.4%
Local				
Property Taxes	32,388,590	30,066,287	2,322,303	7.7%
Specific Ownership	2,410,530	1,948,270	462,260	23.7%
Payment in Lieu of Taxes	-	55,000	(55,000)	-100.0%
Charge for Services	503,408	-	503,408	0.0%
Miscellaneous	3,768,202	1,021,687	2,746,515	268.8%
Investment Income	430,999	56,719	374,280	659.9%
Subtotal	<u>39,501,729</u>	<u>33,147,963</u>	<u>6,353,766</u>	19.2%
Total Revenues	<u>\$ 80,063,436</u>	<u>\$ 75,777,267</u>	<u>\$ 4,286,169</u>	5.7%

Adams County School District 14

Management's Discussion and Analysis

June 30, 2023

Fiscal year 2022-23 General Fund expenditures, which include the accrual for teacher salaries and benefits, totaled \$81.9 million, compared to \$72.4 million in fiscal year 2021-22. This represents an increase of \$9.5 million (12%) from the previous fiscal year. The increase mainly represents the increase in Instructional services costs and discontinuing use of Corona Virus Relief Fund (CRF). The following table compares expenditures for fiscal years 2022-23 and 2021-22 using the modified accrual basis of accounting.

	FY2022-23	FY2021-22	Amount of Change	Percentage of Change
Expenditures				
Instructional Services	\$ 40,881,752	\$ 39,738,326	\$ 1,143,426	2.9%
Operations and Maintenance	10,269,348	8,231,891	2,037,457	24.8%
Pupil Services	2,360,589	1,827,961	532,628	29.1%
Central Support Services	6,910,674	5,776,452	1,134,222	19.6%
School Administration	6,549,781	5,848,198	701,583	12.0%
Instructional Support	6,538,500	4,694,070	1,844,430	39.3%
Pupil Transportation	2,424,552	2,083,686	340,866	16.4%
Business Administration	1,794,115	1,371,429	422,686	30.8%
General Administration	3,658,377	2,268,118	1,390,259	61.3%
Other Supporting Services	74,845	(200)	75,045	-37522.5%
Community Services	277,679	391,964	(114,285)	-29.2%
Food service Operations	189,404	202,453	(13,049)	-6.4%
Non-Reimbursed Emergency Cost	-	8,915	(8,915)	-100.0%
Total Expenditures	<u>\$ 81,929,616</u>	<u>\$ 72,443,263</u>	<u>\$ 9,486,353</u>	13.1%

Grants Fund

The Grants Fund, a special revenue fund, maintains a separate accounting for Federal, State and local grant-funded programs which may have a different fiscal period than that of the District. Funds are received for a specific purpose to address a particular student group or need related to student achievement. The funds must be supplemental to the efforts of the District and are not used to supplant District funding responsibilities. Specific rules, statutes and regulations guide these programs, and the money received is accounted for independently of local budget funds. Board of Education policy regulates the application and receipt of these funds. Fiscal year 2022-23 grant revenues totaled \$16.3 million and expenditures totaled \$17.5 million compared to grant revenues of \$11.7 million and expenditures of \$11.7 million in the 2021-22 fiscal year. The decrease was due to the discontinuation of Coronavirus Relief Fund (CRF) and various other smaller local grants that were available during the Pandemic. The Elementary and Secondary School Emergency Relief (ESSER) funds are still available, but the use of ESSER II will expire in September 2023 and ESSER III in September 2024.

Bond Redemption Fund

The Bond Redemption Fund is used to account for the requirements of the general obligation bonds. The primary revenue source is a voter approved mill levy to satisfy principal and interest requirements on the debt. Principal and interest payments were \$6.2 million for fiscal year 2022-23 compared to \$6.3 million for fiscal year 2021-22.

Adams County School District 14
Management's Discussion and Analysis
June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The proposed budget for fiscal year 2022-23 was presented and approved by the Board of Education on June 28, 2022, with total General Fund appropriations of \$94,194,268 including appropriated fund balance of \$21,245,852. This compares to the prior year ending total appropriations of \$92,264,827 with \$19,637,594 being appropriated fund balance.

Total actual revenues were \$5 million more than final budgeted revenues. Variances are explained by an increase in Property Taxes by \$2.1 million, offset by a decrease in State revenue of \$88 thousand, including Equalization payments.

Total operating expenditures were \$12.26 million under final appropriations.

Payments to the District's external management provider were planned to be at \$1.4 million during the year, however the external management team was removed from the District from February of 2022 due to multiple contract breaches. In addition, due to the short staffing and still existing effect from the Covid 19 pandemic, the District saw budgets overspent generally across the District at year- end while deadlines and cutoffs for spending were kept tight to limit wasteful spending.

The District monitors and controls budgets comprising two components, amounts budgeted within department or building budgets (budget control groups) and amounts not included in department or building budgets, typically salaries and benefits as FTE, but also including other unreleased budget items such as budget contingency. The amounts budgeted within the District in fiscal year 2022-23 totaled \$72.9 million. The actual amount spent in the General Fund was \$81.9 million. The variances between budgeted and actual General Fund expenses resulted in a decrease in the General Fund fund balance in the current year.

Adams County School District 14
Management's Discussion and Analysis
June 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

At June 30, 2023, the District had total bonded debt outstanding of \$51,510,000 backed by the full faith and credit of the District. In November 2006, the voters in our District approved \$78 million in general obligation bonds along with a 6.876 mill levy increase to fund the construction of a new high school, install air conditioning in schools that did not already have it, expanded our full-day kindergarten facilities and upgraded our middle school science labs. The final \$3.375 million of general obligation bonds were issued on January 3, 2008. In fiscal year 2012-13, the District issued 2013 Refunding bonds to advance refund a portion of the 2006 series bonds and take advantage of a lower available interest rate. The District again took advantage of low interest rates in 2014-15 to issue \$11,590,000 in refunding bonds and refund \$12,435,000 worth of series 2007 and series 2008 general obligation bonds. In December of 2018 the District issued \$6,729,407 in Certificates of Participation payable from the General fund which will be used as a portion of the District match required for the BEST, Building Excellent Schools Today, grant award the District received to replace the Alsup elementary building. Finally, in January of 2021 the District refinanced portions of the outstanding debt from the 2013 series and 2015 series refunding bonds totaling \$41,135,000 with refunding bonds of \$47,095,000 saving the District over \$3.2 million dollars by lowering the overall debt service requirements due to the lower interest rates.

Additional information on the District's capital assets and debt administration can be found in notes 6 of this report.

Adams County School District 14
Management's Discussion and Analysis
June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The largest source of revenue for the District's operating funds is derived from the Public School Finance Act funding formula. In April 1994, the Colorado state legislature enacted the Public School Finance Act of 1994, which remains in effect. Funding is based on a statewide base per pupil funding formula that is adjusted for individual school districts by recognizing differences in personnel costs, non-personnel costs, local cost of living and school district size. Additional funding is also provided based on the presence of at-risk pupils, starting in FY 2010-11, a new factor was introduced in the school finance formula due to the statewide budget challenges facing Colorado at the time. This new factor named the "Negative Factor" reduces the amount of funding districts would have received prior to this factor's application.

At the time of the Colorado Legislative Council's September 20, 2022 Economic Forecast, inflation expectations for 2022 have increased since March from 3.7% to 5.4% which is up 1.7% for calendar year 2022. Projected pupil count statewide is expected to decrease by 2,334 pupils' statewide for 2022-23. These two items together impact total program requirements for fiscal year 2022-23. If the inflation expectations are realized absent other factors the District would expect a proportionate increase in revenue in fiscal year 2022-23. One factor likely to fluctuate however is the District's pupil count which has been declining by approximately 4% per year and will move significantly as the District works through the State turnaround process and considers applications from charter schools. Lost revenue is partially mitigated by the State funding formula which uses a five-year average pupil count in districts with ongoing declining enrollment, however as the declining enrollment trend continues the District will eventually feel the full impact on lost students in its funded pupil count.

The September Economic Forecast indicates an approaching risk in the coming year related to at-risk funding, where rising inflation absent legislative changes will likely decrease the District's Free and Reduced lunch eligible percentage which will negatively impact funding. This risk is however offset by the positive news within the governors November proposed budget which indicated the for fiscal year 23-24 the governor intends to reduce the negative factor potentially providing the District up over a million dollars in additional income compared to already increased amounts for fiscal year 22-23.

In addition to the concerns noted surrounding pupil count and at-risk funding it is noted the Districts mill levy override is lower than most other Adams County Districts and remains on the far lower end when compared to other Denver/Boulder area District's. This offsets additional funding received for at-risk or ELL students when comparing Adams 14 to other districts and represents a significant competitive disadvantage for the District as it attempts to compete with surrounding districts on academic results.

Adams County School District 14

Management's Discussion and Analysis

June 30, 2023

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Adams County School District 14's finances for all those with an interest in the District. Questions concerning any of the information provided in this report, requests for the financial statements of the District's component unit, or requests for additional information should be addressed to:

Division of Financial Services
Adams County School District 14
5291 East 60th Avenue
Commerce City, Colorado 80022-3203

Basic Financial Statements

Adams County School District 14
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and Investments	\$ 22,393,880
Interest Receivable	6
Accounts Receivable	866,010
Property Taxes Receivable	3,129,811
Due from Other Governments	6,563,909
Due from Other Funds	9,809,916
Inventories	303,471
Prepaid Expenses	6,007
Capital Assets, <i>Not Being Depreciated</i>	8,647,082
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>95,870,203</u>
Total Assets	<u>147,590,295</u>
Deferred Outflows of Resources	
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	4,563,269
Pensions, <i>Net of Accumulated Amortization</i>	25,849,173
OPEB, <i>Net of Accumulated Amortization</i>	<u>642,698</u>
Total Deferred Outflows of Resources	<u>31,055,140</u>
Liabilities	
Accounts Payable	1,525,986
Retainage Payable	218,734
Accrued Salaries and Benefits	4,204,069
Accrued Interest Payable	99,142
Due to Other Funds	9,809,375
Noncurrent Liabilities	
Due Within One Year	6,803,192
Due in More Than One Year	58,393,297
Net OPEB Liability	4,093,799
Net Pension Liability	<u>120,199,821</u>
Total Liabilities	<u>205,347,415</u>
Deferred Inflows of Resources	
Pensions, <i>Net of Accumulated Amortization</i>	19,538,601
OPEB, <i>Net of Accumulated Amortization</i>	<u>1,482,876</u>
Total Deferred Inflows of Resources	<u>21,021,477</u>
Net Position	
Net Investment in Capital Assets	46,999,387
Restricted for:	
Debt Service	7,997,606
Emergencies	2,297,229
Unrestricted	<u>(105,017,679)</u>
Total Net Position	<u>\$ (47,723,457)</u>

See Notes to the Financial Statements.

Adams County School District 14
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
Governmental Activities				Governmental Activities
Instruction Services	\$ 46,550,405	\$ -	\$ 16,276,571	\$ (30,273,834)
Supporting Services				
Operations and Maintenance	16,488,347	-	(60,498)	(16,548,845)
Pupil Services	3,105,953	-	1,770,558	(1,335,395)
Central Support Services	7,010,148	-	-	(7,010,148)
School Administration	6,065,270	-	-	(6,065,270)
Instructional Staff	10,219,604	-	450,000	(9,769,604)
Pupil Transportation	2,232,831	-	507,503	(1,725,328)
Business Administration	1,527,915	-	-	(1,527,915)
General Administration	5,447,554	-	1,688,795	(3,758,759)
Community Services	659,039	1,047,616	(32,131)	356,446
Other Supporting Services	424,069	-	-	(424,069)
Food Service Operations	4,148,759	-	3,084,663	(1,064,096)
Capital Outlays Expensed	2,223,508	-	-	(2,223,508)
Adult Education	8,181	-	-	(8,181)
Interest on Long-Term Debt	1,293,370	-	-	(1,293,370)
Total Governmental Activities	\$ 107,404,953	\$ 1,047,616	\$ 23,685,461	(82,671,876)
General Revenues				
Taxes:				
Property Taxes				38,728,658
Specific Ownership Taxes				2,410,530
Grants not				
Restricted to Specific Programs				3,137,336
State equalization				33,747,145
Investment Income				624,629
Developer Contributions				50,000
(Loss) of Sales of Assets				(9,424,189)
Miscellaneous				4,237,193
Total General Revenues				73,511,302
Change in Net Position				(9,160,574)
Net Position, Beginning of Year				(38,562,883)
Net Position, End of Year				\$ (47,723,457)

Adams County School District 14
Balance Sheet
Governmental Funds
June 30, 2023

	General	Grants	Bond Redemption	Nonmajor Governmental Funds	Total
Assets					
Cash and Investments	\$ 24,439,147	\$ (786,313)	\$ 7,531,119	\$ (8,790,073)	\$ 22,393,880
Interest Receivable	6	-	-	-	6
Accounts Receivable	516,085	-	-	349,925	866,010
Property Taxes Receivable	2,677,017	-	452,794	-	3,129,811
Due from Other Funds	-	-	390	9,809,526	9,809,916
Due from Other Governments	-	6,563,909	-	-	6,563,909
Inventories	78,446	-	-	225,025	303,471
Prepaid Expenses	1,732	-	-	4,275	6,007
 Total Assets	 \$ 27,712,433	 \$ 5,777,596	 \$ 7,984,303	 \$ 1,598,678	 \$ 43,073,010
Liabilities					
Accounts Payable	\$ 543,762	\$ 398,402	\$ -	\$ 583,822	\$ 1,525,986
Retainage Payable	-	-	-	218,734	218,734
Accrued Salaries and Benefits	3,748,317	373,830	-	81,922	4,204,069
Unearned Revenues	-	1,086,265	-	-	1,086,265
Due to Other Funds	4,479,353	5,133,535	-	196,487	9,809,375
 Total Liabilities	 8,771,432	 6,992,032	 -	 1,080,965	 16,844,429
Deferred Inflows of Resources					
Property Taxes	979,585	-	146,939	-	1,126,524
Fund Balances					
Nonspendable:					
Inventories	78,446	-	-	225,025	303,471
Prepaid Expenses	1,732	-	-	4,275	6,007
Restricted for:					
Debt Service	-	-	7,837,364	112,445	7,949,809
Emergencies	2,297,229	-	-	-	2,297,229
Committed	-	-	-	1,629,485	1,629,485
Unassigned	15,584,009	(1,214,436)	-	(1,453,517)	12,916,056
 Total Fund Balances	 17,961,416	 (1,214,436)	 7,837,364	 517,713	 25,102,057
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 27,712,433	 \$ 5,777,596	 \$ 7,984,303	 \$ 1,598,678	 \$ 43,073,010

Adams County School District 14
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
For the Year Ended June 30, 2023

**Amounts Reported for Governmental Activities in the
Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 25,102,057
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	104,517,285
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.	2,212,789
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Loss on debt refunding	4,563,269
Accrued interest payable	(99,142)
Bonds payable	(51,510,000)
Bonds premiums	(242,743)
Certificates of Participation	(5,757,613)
Capital lease	(4,570,811)
Accrued compensated absences and early retirement	(3,115,322)
Net pension liability	(120,199,821)
Pension-related deferred outflows of resources	25,849,173
Pension-related deferred inflows of resources	(19,538,601)
Net OPEB liability	(4,093,799)
OPEB-related deferred outflows of resources	642,698
OPEB-related deferred inflows of resources	<u>(1,482,876)</u>
Total Net Position of Governmental Activities	\$ <u>(47,723,457)</u>

Adams County School District 14
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Grants	Bond Redemption	Nonmajor Governmental Funds	Total
Revenues					
Federal Sources	\$ 3,137,336	\$ 13,869,854	\$ -	\$ 3,278,583	\$ 20,285,773
State Sources	37,424,371	2,375,241	-	65,292	39,864,904
Local Sources					
Taxes	32,388,590	-	6,362,073	-	38,750,663
Specific Ownership Taxes	2,410,530	-	-	-	2,410,530
Charges for services	503,408	-	-	544,208	1,047,616
Miscellaneous	3,768,202	12,314	-	538,795	4,319,311
Developer Contribution	-	-	-	50,000	50,000
Investment income	430,999	-	192,971	659	624,629
Total Revenues	<u>80,063,436</u>	<u>16,257,409</u>	<u>6,555,044</u>	<u>4,477,537</u>	<u>107,353,426</u>
Expenditures					
Current					
Instructional service	40,881,752	8,848,270	-	1,255,911	50,985,933
Operations and maintenance	10,269,348	169,414	-	4,064,445	14,503,207
Pupil services	2,360,589	908,735	-	-	3,269,324
Central support services	6,910,674	475,010	-	1,331,243	8,716,927
School administration	6,549,781	266,361	-	-	6,816,142
Instructional support	6,538,500	4,342,756	-	-	10,881,256
Pupil transportation	2,424,552	7,751	-	-	2,432,303
Business administration	1,794,115	-	-	(63,835)	1,730,280
General administration	3,658,377	1,669,571	-	-	5,327,948
Other supporting services	74,845	349,224	-	-	424,069
Community services	277,679	232,863	-	205,995	716,537
Food service operations	189,404	201,880	-	4,028,075	4,419,359
Adult Education	-	-	-	8,181	8,181
Capital outlay	-	-	-	2,297,839	2,297,839
Debt Service					
Principal	-	-	5,250,000	530,899	5,780,899
Interest and Fiscal Charges	-	-	979,177	224,561	1,203,738
Total Expenditures	<u>81,929,616</u>	<u>17,471,835</u>	<u>6,229,177</u>	<u>13,883,314</u>	<u>119,513,942</u>
Revenues Over (Under) Expenditures	<u>(1,866,180)</u>	<u>(1,214,426)</u>	<u>325,867</u>	<u>(9,405,777)</u>	<u>(12,160,516)</u>
Sale of Assets	-	-	-	19,244	19,244
Transfers in	2,515,575	-	-	7,326,339	9,841,914
Transfers (out)	<u>(9,841,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,841,914)</u>
Net Change in Fund Balances	<u>(9,192,519)</u>	<u>(1,214,426)</u>	<u>325,867</u>	<u>(2,060,194)</u>	<u>(12,141,272)</u>
Fund Balances, Beginning of Year	<u>27,153,935</u>	<u>(10)</u>	<u>7,511,497</u>	<u>2,577,907</u>	<u>37,243,329</u>
Fund Balances, End of Year	<u>\$ 17,961,416</u>	<u>\$ (1,214,436)</u>	<u>\$ 7,837,364</u>	<u>\$ 517,713</u>	<u>\$ 25,102,057</u>

See Notes to the Financial Statements.

Adams County School District 14
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ (12,141,272)
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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:

Capital asset additions	3,657,479
Depreciation expense	(4,344,759)
Loss on disposal of assets	(9,443,433)

Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.	(816,935)
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The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Bond principal	5,250,000
Certificates of participation principal	256,112
Capital lease principal	274,788

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:

Accrued interest payable	33,118
Amortization of bond premiums	429,534
Amortization of loss on debt refunding	(552,285)
Accrued compensated absences and early retirement	(245,339)
Net pension liability	(29,233,677)
Pension-related deferred outflows of resources	9,755,705
Pension-related deferred inflows of resources	27,322,296
Net OPEB liability	307,025
OPEB-related deferred outflows of resources	218,349
OPEB-related deferred inflows of resources	<u>112,720</u>

Change in Net Position	\$ <u><u>(9,160,574)</u></u>
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Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies

The financial statements of Adams County School District 14 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the acceptable standard-setting body for establishing governmental accounting and financial reporting principles.

A summary of the District's significant policies consistently applied in the preparation of these financial statements follows. These policies are presented to assist the reader in interpreting the financial statements and other data in the report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

Reporting Entity

As directed by the Governmental Accounting Standards Board, the financial reporting entity as presented consists of the District and organizations which District Administration feels would be misleading to exclude from this report. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. In addition, if there were any legally separate organizations for which the District was financially accountable, they would be considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to or imposes financial burdens on the District. The District has no organizations included in this financial statement based on financial accountability.

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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equal to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support; however, at this time, the District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or a segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or others 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. Internally dedicated revenues are reported as general revenues rather than as program revenues.

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

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Property tax revenues are considered to be available if collected within 60 days after year-end. All other revenues are considered to be available in the period earned if the receipt of the money is expected to be collected within 180 days.

Property taxes, specific ownership taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those that are required to be accounted for in another fund. This fund would typically be used to liquidate pension and OPEB liabilities if required.

The *Grants Fund* is provided to maintain a separate accounting for fully funded Federal, State and local grant programs. The Grants fund is considered a special revenue fund as it is established for a revenue source restricted in use to grant purposes.

The *Bond Redemption Fund* is provided to maintain a separate accounting for the District's bond principal and interest payments using property taxes dedicated for debt service.

The District reports the following non-major funds:

The *COP Debt Service Fund* is provided to maintain a separate accounting for the District's COP principal and interest payments using funds transferred from the General Fund and dedicated for debt service.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Fee Supported Fund* accounts for the revenue and expenditures of the adult education program, District printshop, before and after daycare programs and community use of district facilities.

The *Athletics and Activities Fund* accounts for the revenue and expenditures associated with middle and high school funded athletic programs. In addition, the Athletics and Activities fund is used to account for resources legally held in trust for use by individual school administration for selected programs. All resources of the fund, including any earnings on invested resources, may be used to support the school activities. There is no requirement that any portion of these resources be preserved as capital.

The *Food Services Fund* accounts for the financial activities associated with the District's school breakfast and lunch programs. Revenues in this fund are mainly reimbursements from the State Department of Education for meals served.

The *Capital Projects Building Fund* accounts for Board approved building activities financed with Certificates of Participation.

The *Capital Reserve Capital Projects Fund* accounts for Board approved capital outlay and routine preventative and repair maintenance.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

Deposits and Investments - Investments are either measured at net asset value, which approximates fair value, or at amortized cost in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Property and Specific Ownership Tax Receivables - All trade and property tax receivables are shown net of an allowance for uncollectible representing 1% of expected revenue, for fiscal year 2023 this amount was \$363,740.

The County (Adams County Treasurer) bills and collects property taxes for all taxing districts within the County. Property tax receipts are remitted to the District in the subsequent month. The taxes are recorded as a receivable and reported as deferred inflow of resources if not available.

The County collects specific ownership taxes on motor vehicles registered within the District's assessment area. Tax receipts collected by the County are remitted to the District in the subsequent month.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Interfund Receivables/Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables*.

Due from Other Governments - The District records amounts expected to be received from other governments, including amounts receivable for reimbursement of grant expenditures, as due from other governments.

Prepaid Items - Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of payment, and an expenditure/expense is reported in the year in which the services are consumed.

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

Food Service Fund purchased inventories are stated at cost, determined by the first-in-first-out cost method and recorded under the consumption method. Expenses for food items are recorded when used.

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

The costs of minor repairs are not capitalized. Costs of major repairs (repairs over \$100,000) are added to the carrying amount of the repaired asset and depreciated over the remaining life of that asset. Roof repairs and asphalt repairs are never considered sufficient to extend the useful life of the underlying asset.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Buildings and Improvements	15 - 40 years
Machinery and Equipment	3 - 8 years

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August through July but are incurred over the school year, which is approximately ten months. Accordingly, the accrued compensation is reflected as a liability in the General, Athletic, Grants, Food Service and Fee Supported Funds in the accompanying fund financial statements.

Unearned Revenues - Unearned revenues arise when resources are received by the District before it has legal claim to them or when assets are not available as current financial resources in the governmental funds. Grant funds that have been collected but the corresponding expenditures have not been incurred are reported as unearned revenues.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position and fund balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, the deferred OPEB outflow and the deferred pension outflow reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The deferred pension & OPEB outflows consists of several pension & OPEB related items including the accumulated payments made to reduce the District's liabilities at PERA after the measurement date used to record the net pension liability and OPEB, the difference between projected and actual earnings on pension plan and Health Care Trust Fund investments or projected and actual pension & OPEB experience, and changes assumptions and other inputs. The deferred pension & OPEB outflows will be recorded as pension or OPEB expense or a reduction of the pension or OPEB liability in the next year's pension & OPEB liability calculations. The deferred charge on refunding amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The District also has two items, deferred inflow pension and deferred inflow OPEB, which arise only under the full accrual basis of accounting that qualifies for reporting in this category. Accordingly, that item is reported only on the Statement of Net Position. The deferred inflow of resources is related to experience, assumptions and change in proportionate share for the pension and OPEB, and will reduce future pension or OPEB expense.

Compensated Absences - Vacation pay is accrued for eligible classified, support & technical and administrative personnel according to agreements between the District and each employee group. For the classified personnel, the largest group in the District, this is at a rate based upon years of service. District policy allows eligible classified employees to accumulate up to thirty (30) days of vacation leave and eligible support & technical and administrative employees to accumulate up to forty (40) days of vacation leave. Payment is made to eligible employees upon separation with the District.

Sick pay is accumulated for all certified, classified, support & technical and administrative and full-time personnel. District policy allows certified and classified employees to accumulate up to 90 days of unused sick leave, while admin and support & technical employees can accumulate up to 120 days. Payment is made to employees upon separation with the District and is paid out at an employee's per diem rate for 50% of the unused leave. Sick pay is reported as a liability in the government-wide financial statements. Beginning in fiscal year 2018 certified employees were required to have 5 years of continuous employment to qualify for a payout.

The District provides a financial incentive for early retirement to employees with at least 20 years of continuous full-time service with the District. The retirement request must be submitted to the District no later than five years after they qualify. The maximum salary on which the early retirement benefit will be computed shall be the employee's twentieth (20th) year salary. The early retirement incentive is equal to eighty percent (80%) of the twentieth-year salary. The retirement incentive is made in three (3) equal annual installments. Early retirement is reported as a liability in the government-wide financial statements upon acceptance by the retiring employees and as a liability in the fund financial statements when due.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

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

OPEB - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP), and additions to/deductions from the FNP of the HCTF's 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.

Long-Term Obligations - In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued along with any premium or discount is reported as other financing sources while issue costs are recorded as expenditures when debt is issued.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed.

In the fund financial statements, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education. In the General Fund the Committed fund balance is a board reserved 5% of expenditures.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board of Education's adopted policy DBB, the Board of Education delegates to the Superintendent or his/her designee the authority to designate as assigned amounts intended to be used for specific purposes.

Unassigned - all other spendable amounts. A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes. Per Board policy DBB the District will maintain a minimum unassigned fund balance in its general fund of five percent of the current year's budgeted expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

Subsequent Events

The District has evaluated subsequent events through May 21, 2024, the date the financial statements were available to be issued.

Note 2: Cash and Investments

At June 30, 2023, the District had the following cash and investments:

Cash	\$ 2,925
Deposits	1,818,596
Investments	<u>20,572,359</u>
Total	\$ <u>22,393,880</u>

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2023, the District had bank deposits of \$4,231,484 collateralized with securities held by the financial under the PDPA.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Interest Rate Risk - Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years. 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. The District's investment policy follows State statutes.

Credit Risk - the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The District's investment policy and State statutes limit direct investments in U.S. government agency securities to the highest rating issued by at least two nationally recognized statistical rating organizations (NRSROs). The District's investment policy and state statutes also limit investments of money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 29-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO. In addition, repurchase agreements must be collateralized at no less than 102% of the market value with U.S. agency or treasury securities.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 2: Cash and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk - the risk of loss attributed to the magnitude of a government's investment in a single issuer. This risk occurs when investments are not diversified. State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities. District policy states that its intent is to maintain a proportionate mix of investments of no more than 25% of the total investment portfolio in Jumbo CDs and 75% of the total in government securities. Of the portion invested in government securities no more than one-third may be in government agency securities. At June 30, 2023, all of the District's investments were in CSIP, CSAFE or Colotrust which invests in a mix of these security types.

Local Government Investment Pools - At June 30, 2023, the District had \$20,571,687 invested in the Colorado Local Government Liquid Asset Trust (Colotrust). The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

CSIP - As of June 30, 2023, the District had invested \$7,531,791 in the Colorado Local Government Liquid Asset Trust (CSIP) an investment vehicle established for local governmental entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. CSIP is rated AAAs by Fitch. Investments are limited to those allowed by State statutes. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust records its investments at fair value and the District records its investment in the Trust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 3: Property Taxes

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes are recognized as revenue based upon when received by the County Treasurer. The 2023 fiscal year property tax calendar for Adams County was as follows:

Assessor certifies total assessed valuation	December 10, 2022
Levy date	December 15, 2022
Lien date	January 1, 2023
Tax bills mailed	January 15, 2023
First installment due	February 28, 2023
Second installment due	June 15, 2023
If paid in full, due	April 30, 2023
Tax sale: Delinquent property taxes	November 6, 2023

Note 4: Interfund Balances and Transactions

Interfund balances at June 30, 2023, were as follows:

Fund	Due To	Due (From)
General	\$ -	\$ (4,479,353)
Grants	-	(5,133,535)
Bond Redemption	390	-
Nonmajor Governmental	9,809,526	(196,487)
Total	\$ 9,809,916	\$ (9,809,375)

The District maintains a pooled cash account that all funds use to deposit money into and write checks out of. Periodically, usually monthly, an accounting and settlement is made of all applicable interfund transactions. A due to interfund balance represents the net amount owed to other funds for transactions incurred since the last settlement. A due from interfund balance represents the net amount due from other funds for transactions incurred since the last settlement.

The District made interfund transfers during the year as directed by the Board approved annual budget mainly to provide funding in the appropriate fund for capital projects such as the recently completed roofing projects.

Adams County School District 14
Notes to Financial Statements
June 30, 2023

Note 4: Interfund Balances and Transactions (Continued)

Interfund transfer activity for the year ended June 30, 2023 is as follows:

Fund	Transfers In	Transfers (Out)
General	\$ 2,515,575	\$ (9,841,914)
Nonmajor Governmental	<u>7,326,339</u>	<u>-</u>
Total	<u>\$ 9,841,914</u>	<u>\$ (9,841,914)</u>

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2023, is summarized below:

Depreciation expense was charged to programs of the District as follows:

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
Governmental Activities				
Capital Assets, <i>Not Being Depreciated</i>				
Land	\$ 8,647,082	\$ -	\$ -	\$ 8,647,082
Construction in Progress	<u>2,057,851</u>	<u>-</u>	<u>(2,057,851)</u>	<u>-</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>10,704,933</u>	<u>-</u>	<u>(2,057,851)</u>	<u>8,647,082</u>
Capital Assets, <i>Being Depreciated</i>				
Buildings	177,514,466	1,453,024	(12,078,359)	166,889,131
Machinery and Equipment	<u>11,041,112</u>	<u>2,204,455</u>	<u>(123,812)</u>	<u>13,121,755</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>188,555,578</u>	<u>3,657,479</u>	<u>(12,202,171)</u>	<u>180,010,886</u>
Less Accumulated Depreciation				
Buildings	(76,223,406)	(3,591,913)	4,712,996	(75,102,323)
Machinery and Equipment	<u>(8,389,107)</u>	<u>(752,846)</u>	<u>103,593</u>	<u>(9,038,360)</u>
	<u>(84,612,513)</u>	<u>(4,344,759)</u>	<u>4,816,589</u>	<u>(84,140,683)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>103,943,065</u>	<u>(687,280)</u>	<u>(7,385,582)</u>	<u>95,870,203</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 114,647,998</u>	<u>\$ (687,280)</u>	<u>\$ (9,443,433)</u>	<u>\$ 104,517,285</u>

Adams County School District 14
Notes to Financial Statements
June 30, 2023

Note 6: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2023.

Governmental Activities	Balance 6/30/22	Additions	Deletions	Balance 6/30/23	Due Within One Year
General Obligation Bonds					
2013 GO Refunding Bonds	\$ 8,675,000	\$ -	\$ (4,250,000)	\$ 4,425,000	\$ 4,425,000
2015 GO Refunding Bonds	2,070,000	-	-	2,070,000	-
2021 GO Refunding Bonds	46,015,000	-	(1,000,000)	45,015,000	1,000,000
2013 Bond Premium	515,923	-	(378,218)	137,705	137,705
2015 Bond Premium	156,354	-	(51,316)	105,038	51,316
Certificates of Participation	6,013,725	-	(256,112)	5,757,613	266,082
Capital Leases	4,845,599	-	(274,788)	4,570,811	267,542
Compensated Absences	2,462,121	3,778,126	(3,601,482)	2,638,765	395,815
Compensated Absences	407,862	180,805	(112,110)	476,557	259,732
Total	\$ 71,161,584	\$ 3,958,931	\$ (9,924,026)	\$ 65,196,489	\$ 6,803,192

Compensated absences and early retirement are expected to be liquidated primarily with revenues of the General Fund.

General Obligation Bonds

On March 11, 2013, the District issued \$62,245,000 of General Obligation Refunding Bonds, Series 2013, with interest rates ranging from 2.000% to 5.250% to refund a portion of the District's outstanding General Obligation, Series 2006 bonds. Principal payments are due annually beginning on December 1, 2013, through 2031. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.0% to 5.25%.

On April 14, 2015, the District issued \$11,590,000 of General Obligation Refunding Bonds, Series 2015, with interest rates ranging from 2.000% to 5.000% to refund the District's outstanding General Obligation, Series 2007 bonds and a portion of the Series 2008 bonds. Principal payments are due beginning with a payment on December 1, 2015; however, the remaining principal payments will be made annually beginning December 1, 2015 through 2027. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.0% to 5.00%.

On January 27, 2021, the District issued \$47,095,000 of Taxable General Obligation Refunding Bonds, Series 2021, with interest rates ranging from 0.221% to 1.701%, to refund the District's outstanding General Obligation Refunding Bonds, Series 2013 and Series 2015. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 0.221% to 1.701%. The Series 2021 Bonds are not subject to optional redemption prior to maturity. The overall reduction in debt service because of the refunding is \$3,407,390, which has a net present value of \$3,176,555.

Adams County School District 14
Notes to Financial Statements
June 30, 2023

Note 6: Long-Term Debt (Continued)

General Obligation Bonds (Continued)

The net proceeds of \$46,737,694, after issuance costs of \$121,831, were used to: (i) advance refund \$33,615,000 of the Series 2013 Bonds with a total principal amount of \$46,390,000 and interest rates ranging from 2.000% to 5.250%, (ii) advance refund \$7,520,000 of the Series 2015 Bonds with a total principal amount of \$9,590,000 and interest rates ranging from 2.000% to 5.000%, (iii) pay the costs of issuing the Bonds. Both of the Refunded Bonds have optional redemption. The Series 2013 Bonds maturing on and before December 1, 2023, are not subject to redemption prior to their maturity dates, but the bonds maturing on and after December 1, 2024 are subject to redemption prior to maturity dates. The Series 2015 Bonds maturing on and before December 1, 2025 are not subject to redemption prior to the maturity dates, but the bonds maturing on and after December 1, 2025 are subject to redemption prior to maturity dates. The redemption price is equal to the principal amount plus any accrued interest through the redemption date. The principal amount of \$12,775,000 for Series 2013 Bonds and \$2,070,000 for Series 2015 Bonds were not part of the refunding. Principal payments of \$4,100,000, \$4,250,000, \$4,425,000, and \$2,070,000 remain to be paid on their respective maturity dates of December 1, 2021, 2022, 2023, and 2024.

The District's General Obligation bonds all have provisions which could in the event of a default of non-payment would provide remedies to bond holders as directed by judicial actions that may include immediate payment of the full obligation.

On December 6, 2018, the District issued \$6,729,407 of BEST (Building Excellent Schools Today) matching money Certificates of Participation (COP's). The COP's have a 3.893% interest rate. Principal payments are due annually on December 1 beginning in 2019 and running through 2038. The COP's serve as a portion of the District's match on the BEST grant program where the District was awarded approximately \$19 million of BEST grant funds to construct a new Alsup Elementary School. The land where the new Alsup building is now built is the collateral for the COP's.

The following schedule reflects the debt service requirements to maturity for the District's general obligation bonded debt and Certificates of Participation at June 30, 2023:

Year Ended June 30,	General Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 5,425,000	\$ 769,303	\$ 6,194,303	\$ 266,082	\$ 218,965	\$ 485,047
2025	5,465,000	594,099	6,059,099	276,441	208,404	484,845
2026	5,590,000	510,802	6,100,802	287,203	197,433	484,636
2027	5,635,000	461,887	6,096,887	298,383	186,035	484,418
2028	5,690,000	400,881	6,090,881	310,000	174,192	484,192
2029-2033	23,705,000	772,714	24,477,714	1,740,697	676,551	2,417,248
2034-2038	-	-	-	2,106,951	303,167	2,410,118
2039	-	-	-	471,856	9,185	481,041
Total	\$ 51,510,000	\$ 3,509,686	\$ 55,019,686	\$ 5,757,613	\$ 1,973,932	\$ 7,731,545

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 6: Long-Term Debt (Continued)

General Obligation Bonds (Continued)

The District entered into a Master Lease agreement on July 2, 2018 for a total of \$179,936 of white fleet vehicles, all of which was capitalized. The gross carrying amount is \$187,922 with accumulated depreciation of \$70,471. Lease payments are due monthly beginning August 1, 2018 through October 1, 2023 with interest accruing at 1.65% per annum. The lease has been capitalized at the present value of future lease payments. The capital lease is an obligation of the Capital Reserve Capital Projects fund.

The District entered into a Lease agreement on January 18, 2019 for a total of \$511,940 of yellow fleet vehicles, all of which was capitalized. The gross carrying amount is \$558,276 with accumulated depreciation of \$174,461. Lease payments are due annually beginning January 22, 2019 through January 22, 2023 with interest accruing at 4.53% per annum. The lease has been capitalized at the present value of future lease payments. The capital lease is an obligation of the Capital Reserve Capital Projects fund.

The District entered into a Lease agreement on March 15, 2020 for a total of \$320,641 of yellow fleet vehicles, all of which was capitalized. The gross carrying amount of the buses is \$320,641 with accumulated depreciation of \$60,120. Lease payments are due annually beginning March 15, 2020 through March 15, 2024 with interest accruing at 2.61% per annum. The lease has been capitalized at the present value of future lease payments. The capital lease is an obligation of the Capital Reserve Capital Projects fund.

The District entered into an energy performance contract on March 5, 2021 with Trane U.S. Inc. for a total of \$5,036,592. The project is being capitalized to Construction in Progress as work is completed. The project includes but is not limited to lighting upgrades, HVAC systems, water/sewer improvements and energy management systems. Lease payments are due annually beginning on March 5, 2022 through March 5, 2036 with interest accruing at 1.99% per annum. The capital lease is an obligation of the Capital Reserve Capital Projects fund.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 6: Long-Term Debt (Continued)

General Obligation Bonds (Continued)

The following schedule reflects the future minimum lease payments required under lease obligations as of June 30, 2023:

2024	\$	360,865
2025		385,000
2026		397,000
2027		400,000
2028		404,000
2029-2033		2,062,325
2034-2037		<u>1,237,395</u>
Total minimum lease payments	\$	5,246,585
Less: Interest portion		<u>(675,774)</u>
Present Value of Minimum lease payments		
Total	\$	<u><u>4,570,811</u></u>

Note 7: Risk Management

Colorado School Districts Self Insurance Pool

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers compensation, for which it utilizes a commercial insurance carrier.

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

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan

General Information

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

Benefits provided as of December 31, 2022 - 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% 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 annualized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

In all cases the service retirement benefit is limited to 100 percent of highest average salary and 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.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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, 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 a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum of 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) in place under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of June 30, 2023 - 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 11.00% of their PERA-includable salary during the period of **July 01, 2022** through June 30, 2023. The District's contribution rate was 21.40% of covered salaries for **July 01, 2022** through June 30, 2023. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 9). 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 \$11,007,929 for the year ended June 30, 2023.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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 SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to ERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the SCHDTF was measured at December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TPL to December 31, 2022. The District proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year, 2022 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

At June 30, 2023, the District reported a liability of \$120,199,821, for its proportionate share of the net pension liability that reflected an increase 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 Proportionate share of net pension liability	\$ 155,227,257
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the District	<u>(35,027,436)</u>
Proportionate share of the net pension liability	\$ <u>120,199,821</u>

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2022, the District's proportion was 0.6600952890%, which was a decrease of 0.1215776802% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$3,201,365 and benefit of \$4,119,013 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,137,576	\$ -
Changes of assumptions and other inputs	2,129,135	-
Net difference between projected and actual earnings on plan investments	16,147,273	-
Changes in proportion	19,608	19,538,601
Contributions subsequent to the measurement date	6,415,581	-
Total	\$ 25,849,173	\$ 19,538,601

\$6,415,581 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ (9,192,620)
2025	(4,503,748)
2026	4,199,213
2027	9,392,146
Total	\$ (105,009)

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions - The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs.

Actuarial Cost method	Entry age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-employment benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by AIR

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

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the periods 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 at least every 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 percentage and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best 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%.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate - The discount rate used to measure the TPL was 7.25%. 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%.
- 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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 and 2020 AAP assessments. Employer contributions also include the 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.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 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.
- 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.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount 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 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%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ <u>157,300,225</u>	\$ <u>120,199,821</u>	\$ <u>89,217,192</u>

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

Note 9: Postemployment Healthcare Benefits

General Information

Plan description - Eligible employees of the District are provided with OPEB through the HCTF - a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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 annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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

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

Enrollment in the PERACare 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 over 65 years of age 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.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

DPS Benefit Structure

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

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

Contributions - Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS, 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% 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 was \$550,937, for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$4,093,799 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured at December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers to the HCTF.

At December 31, 2022, the District's proportion was 0.5013967511%, which was a decrease of 0.00555565726% from its proportion measured at December 31, 2021.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2023, the District recognized OPEB benefit of \$41,741. At June 30, 2023, 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
Differences between expected and actual experience	\$ 543	\$ 990,038
Changes in assumptions and other inputs	65,800	451,821
Net difference between projected and actual earnings on plan investments	250,050	-
Changes in proportion	5,211	41,017
Contributions subsequent to the measurement date	321,094	-
Total	\$ 642,698	\$ 1,482,876

\$321,094 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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ (436,916)
2025	(416,847)
2026	(133,322)
2027	(109,065)
2028	(65,122)
Total	\$ (1,161,272)

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions - The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
<i>PERA benefit structure:</i>	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
6.00% in 2022, gradually decreasing to 4.50% in 2030	
Medicare Part A premiums:	
3.75% in 2022, gradually increasing to 4.50% in 2029	
<i>DPS benefit structure:</i>	
Service-based premium subsidy	0.0%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

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

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

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

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

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

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

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

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

- Males: 97% 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.

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

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were adopted by the PERA's Board during the November 20, 2020, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. 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.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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, as presented previously (See Note 8).

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 nominal rate of return assumption of 7.25%.

Discount Rate - The discount rate used to measure the TOL was 7.25%. 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, 2022, 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.
- 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.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 9: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District's proportionate share of 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%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ <u>4,745,926</u>	\$ <u>4,093,799</u>	\$ <u>3,536,020</u>

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability using the current healthcare cost trend rates applicable to the PERA benefit structure, ranging from 3.00% to 7.25%, as well as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$ <u>3,977,926</u>	\$ <u>4,093,799</u>	\$ <u>4,219,880</u>

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

Note 10: Commitments and Contingencies

TABOR Amendment

In November 1992, the voters of the State of Colorado approved Article X, Section 20 to the State Constitution. This amendment is referred to as the Taxpayer's Bill of Rights (TABOR). TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 10: Commitments and Contingencies (Continued)

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, imposing a mill levy that will produce property tax revenue in excess of the amount collected in the previous year adjusted by the growth factor, extending an expiring tax or implementing a tax policy change which directly causes a net tax revenue gain.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

In November 1999, the voters approved a ballot issue authorizing the District to "...collect, retain and expend all excess revenues and other funds collected in the 1999-2000 budget year and in each subsequent budget year thereafter, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution or any other law, with the restriction that no local tax rate or property tax mill levy shall be increased without voter approval."

TABOR requires the District to maintain an emergency reserve of 3 percent of fiscal year eligible Expenditures. At June 30, 2023, the District has restricted fund balance of \$2,297,229 in the General Fund and restricted Net Position in the government-wide financial statements.

The District believes it complies with the requirements of TABOR. However, TABOR is complex and subject to interpretation. Ultimate interpretation may depend upon litigation and legislative guidance.

Operating Agreement

The District entered into an operating agreement with the City of Commerce City (the City) for a building, which was renovated to be a preschool. The agreement requires an annual payment of \$12, which is renewing every year with no stated end date. The property will revert to the City at the end of the agreement. The District is responsible for the utilities and maintenance on the property and those expenditures are included in the General Fund.

Grants

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2023, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Adams County School District 14

Notes to Financial Statements

June 30, 2023

Note 10: Commitments and Contingencies (Continued)

Claims and Judgments

The District is involved in various pending or threatened litigation. The outcome of the litigation cannot be predicted at this time.

Construction Commitment

The District had ongoing construction at June 30, 2023 for the replacement of Alsup Elementary. The total outstanding commitment at year-end was \$87,723 of this amount, the District will pay 42% and the State of Colorado BEST (Building Excellent Schools Today) program will pay the remaining 58% as part of the BEST grant award the District received in June of 2018. The District's 42% or \$35,089 was funded by a transfer from the General fund and by the issuance of the 2018 Certificates of Participation. The District's funds that will be used to pay this commitment are shown as Cash (with fiscal agent) within the Capital Projects Building fund.

The District also had ongoing construction at June 30, 2023 related to the energy performance lease project. The total outstanding commitment at year-end was \$676,833. District's funds remaining from the lease agreement with Sterling Bank held in the Capital Reserve Capital Projects fund will be used to pay this commitment. No funds are expected to be remaining from the lease issuance after project completion.

Required Supplementary Information

Adams County School District 14
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2023

Measurement Date	12/31/22	12/31/21	12/31/20	12/31/19
Proportionate Share of the Net Pension Liability				
District's Proportion of the Net Pension Liability	\$ 0.6600952890%	0.7816729692%	0.8767255302%	0.7987460000%
Net Pension Liability				
District's Proportionate Share of the	120,199,821	90,966,144	132,543,217	119,330,922
State's Proportionate Share	35,027,436	10,428,107	-	15,135,610
Total Proportionate Share of the				
Net Pension Liability	<u>\$ 155,227,257</u>	<u>\$ 101,394,251</u>	<u>\$ 132,543,217</u>	<u>\$ 134,466,532</u>
District's Covered Payroll	50,879,990	48,850,428	46,814,175	\$ 46,858,775
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	236%	186%	283%	255%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62%	75%	67%	65%
District Contributions				
Reporting Date	6/30/23	6/30/22	6/30/21	6/30/20
Statutorily Required Contribution	\$ 11,007,929	\$ 9,743,764	\$ 9,412,575	\$ 9,051,473
Contributions in Relation to the Statutorily Required Contribution	<u>(11,007,929)</u>	<u>(9,743,764)</u>	<u>(9,412,575)</u>	<u>(9,051,473)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 54,012,679	\$ 49,000,111	\$ 47,346,958	\$ 46,705,228
Contributions as a Percentage of Covered Payroll	20.38%	19.89%	19.88%	19.38%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Adams County School District 14
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2023
(Continued)

Measurement Date	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Liability					
District's Proportion of the Net Pension Liability	0.8300620000%	0.9612200000%	1.0026760000%	1.0349140000%	1.0685340000%
Net Pension Liability					
District's Proportionate Share of the	146,979,577	\$ 310,824,522	\$ 298,535,421	\$ 158,282,838	\$ 144,822,259
State's Proportionate Share	20,097,416	-	-	-	-
Total Proportionate Share of the					
Net Pension Liability	<u>\$ 167,076,993</u>	<u>\$ 310,824,522</u>	<u>\$ 298,535,421</u>	<u>\$ 158,282,838</u>	<u>\$ 144,822,259</u>
District's Covered Payroll	\$ 45,468,953	\$ 44,188,524	\$ 44,869,373	\$ 45,100,841	\$ 44,773,404
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	323%	703%	665%	351%	323%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57%	44%	43%	59%	63%
Reporting Date	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
District Contributions					
Statutorily Required Contribution	\$ 8,916,526	\$ 8,372,757	\$ 8,122,695	\$ 8,070,745	\$ 7,414,954
Contributions in Relation to the Statutorily Required Contribution	<u>(8,916,526)</u>	<u>(8,372,757)</u>	<u>(8,122,695)</u>	<u>(8,070,745)</u>	<u>(7,414,954)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 46,610,170	\$ 44,348,577	\$ 44,196,792	\$ 45,520,276	\$ 43,927,451
Contributions as a Percentage of Covered Payroll	19.13%	18.88%	18.38%	17.73%	16.88%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Adams County School District 14
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2023

Measurement Date	12/31/22	12/31/21
Proportionate Share of the Net OPEB Liability		
District's Proportion of the Net OPEB Liability	0.5013967511%	0.5069533237%
District's Proportionate Share of the Net OPEB Liability	\$ 4,093,799	\$ 4,400,824
District's Covered Payroll	\$ 50,879,990	\$ 48,850,428
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	33%
Reporting Date	6/30/23	6/30/22
District's Contributions		
Statutorily Required Contribution	\$ 550,937	\$ 499,801
Contributions in Relation to the Statutorily Required Contribution	(550,937)	(499,801)
Contribution Deficiency (Excess)	\$ -	\$ -
District's Covered Payroll	\$ 54,012,679	\$ 49,000,111
Contributions as a Percentage of Covered Payroll	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Adams County School District 14
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2023
(Continued)

Measurement Date	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
Proportionate Share of the Net OPEB Liability					
District's Proportion of the Net OPEB Liability	0.5103558200%	0.5220200000%	0.5395450000%	0.5461560000%	0.5699330000%
District's Proportionate Share of the Net OPEB Liability	\$ 4,817,197	\$ 5,867,491	\$ 7,340,736	\$ 7,097,842	\$ 7,389,376
District's Covered Payroll	\$ 46,814,175	\$ 46,858,775	\$ 45,468,953	\$ 44,188,524	\$ 44,869,373
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	10%	13%	16%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	33%	24%	17%	17%	18%
Reporting Date	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17
District's Contributions					
Statutorily Required Contribution	\$ 482,939	\$ 476,393	\$ 475,424	\$ 452,355	\$ 452,355
Contributions in Relation to the Statutorily Required Contribution	(482,939)	(476,393)	(475,424)	(452,355)	(452,355)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 47,346,958	\$ 46,705,228	\$ 46,610,170	\$ 44,348,577	\$ 44,196,792
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Adams County School District 14
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Federal Sources</i>				
Impact aid	\$ 3,050,000	\$ 3,050,000	\$ 3,137,336	\$ 87,336
Total State Sources	<u>3,050,000</u>	<u>3,050,000</u>	<u>3,137,336</u>	<u>87,336</u>
<i>State Sources</i>				
Equalization payments	32,953,486	32,953,486	33,747,145	793,659
Vocational Education	125,000	125,000	135,932	10,932
Exceptional Children's Educational Act	2,226,251	2,226,251	2,397,950	171,699
Transportation	430,282	430,282	507,503	77,221
English Language Proficiency Act (ELPA)	519,879	519,879	566,784	46,905
Other	1,257,000	1,257,000	69,057	(1,187,943)
Total State Sources	<u>37,511,898</u>	<u>37,511,898</u>	<u>37,424,371</u>	<u>(87,527)</u>
<i>Local Sources</i>				
Property Taxes	30,198,119	30,198,119	32,388,590	2,190,471
Payments in lieu of taxes	55,000	55,000	-	(55,000)
Specific Ownership Taxes	2,531,828	2,531,828	2,410,530	(121,298)
Investment Income	85,000	85,000	430,999	345,999
Charges for Services	-	-	503,408	503,408
Miscellaneous	1,636,500	1,636,500	3,768,202	2,131,702
Total Local Sources	<u>34,506,447</u>	<u>34,506,447</u>	<u>39,501,729</u>	<u>4,995,282</u>
 Total Revenues	 <u>75,068,345</u>	 <u>75,068,345</u>	 <u>80,063,436</u>	 <u>4,995,091</u>
Expenditures				
<i>Instruction</i>	38,972,546	38,972,546	40,881,752	(1,909,206)
<i>Supporting Services</i>				
Operations and maintenance	8,104,736	8,104,736	10,269,348	(2,164,612)
Pupil services	4,388,312	4,388,312	2,360,589	2,027,723
Central support services	3,594,860	3,594,860	6,910,674	(3,315,814)
School administration	6,056,161	6,056,161	6,549,781	(493,620)
Instructional support	6,135,650	6,135,650	6,538,500	(402,850)
Pupil transportation	2,435,604	2,435,604	2,424,552	11,052
Business administration	1,313,773	1,313,773	1,794,115	(480,342)
General administration	1,514,680	1,514,680	3,658,377	(2,143,697)
Other supporting services	62,700	62,700	74,845	(12,145)
Community services	369,394	369,394	277,679	91,715
Food service operations	-	-	189,404	(189,404)
Total Supporting Services	<u>33,975,870</u>	<u>33,975,870</u>	<u>41,047,864</u>	<u>(7,071,994)</u>
 Appropriated Fund Balance	 <u>21,245,852</u>	 <u>21,245,852</u>	 <u>-</u>	 <u>21,245,852</u>
 Total Expenditures	 <u>\$ 94,194,268</u>	 <u>\$ 94,194,268</u>	 <u>\$ 81,929,616</u>	 <u>\$ 12,264,652</u>

(Continued)

Adams County School District 14
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Excess Revenues Over (Under) Expenditures	\$ (19,125,923)	\$ (19,125,923)	\$ (1,866,180)	\$ 17,259,743
Other Financing Sources (Uses)				
Transfers in	-	-	2,515,575	2,515,575
Transfers (out)	<u>(6,542,500)</u>	<u>(6,542,500)</u>	<u>(9,841,914)</u>	<u>(3,299,414)</u>
Net Change in Fund Balance	(25,668,423)	(25,668,423)	(9,192,519)	16,475,904
Fund Balance, Beginning of Year	<u>25,668,423</u>	<u>25,668,423</u>	<u>27,153,935</u>	<u>1,485,512</u>
Fund Balance, End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>17,961,416</u></u>	\$ <u><u>17,961,416</u></u>

Adams County School District 14
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Sources	\$ 17,073,639	\$ 13,869,854	\$ (3,203,785)
State Sources	2,408,488	2,375,241	(33,247)
Local Sources	<u>-</u>	<u>12,314</u>	<u>12,314</u>
 Total Revenues	 <u>19,482,127</u>	 <u>16,257,409</u>	 <u>(3,224,718)</u>
Expenditures			
Instructional service	11,942,279	8,848,270	3,094,009
Operations and maintenance	1,000	169,414	(168,414)
Pupil services	1,796,601	908,735	887,866
Central support services	150,462	475,010	(324,548)
School administration	36,048	266,361	(230,313)
Instructional support	4,585,208	4,342,756	242,452
Pupil transportation	23,001	7,751	15,250
General administration	800,505	1,669,571	(869,066)
Other support	-	349,224	(349,224)
Community services	147,023	232,863	(85,840)
Food service operations	<u>-</u>	<u>201,880</u>	<u>(201,880)</u>
 Total Expenditures	 <u>19,482,127</u>	 <u>17,471,835</u>	 <u>2,010,292</u>
 Net Change in Fund Balance	 <u>-</u>	 <u>(1,214,426)</u>	 <u>(1,214,426)</u>
 Fund Balance, Beginning of Year	 <u>-</u>	 <u>(10)</u>	 <u>(10)</u>
 Fund Balance, End of Year	 <u><u>\$ -</u></u>	 <u><u>\$ (1,214,436)</u></u>	 <u><u>\$ (1,214,436)</u></u>

Adams County School District 14
Notes to Required Supplementary Information
June 30, 2023

Note 1: Schedule of Proportionate Share of the Net Pension Liability and Contributions

The Public Employees' Retirement Association of Colorado (PERA) School Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The District's contributions and related ratios represent cash contributions and any related accruals that coincide with the District's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended June 30, 2023, the total pension liability was determined by an actuarial valuation as of December 31, 2021. The following revised economic and demographic assumptions were effective as of December 31, 2021.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.3% per year. This assumption did not change from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from prior year.
- Wage inflation assumption of 3.0% per year. This assumption did not change from the prior year.
- Healthy and disabled mortality assumptions are based on the PubT-2010 Employee Tables.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Budgets are required by State law for all funds. The Superintendent submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the District and the manner in which the budget proposes to fulfill such objectives.

Public hearings are conducted by the Board of Education to obtain public comments.

Adams County School District 14
Notes to Required Supplementary Information
June 30, 2023

Note 2: Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

Prior to June 30, the budget is adopted by formal resolution. After the adoption of the budget, the Board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the Board shall not review or change the budget except that, where money for a specific purpose from other than ad valorem taxes becomes available to meet a contingency. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Superintendent. Revisions that alter the total expenditures in any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Education.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent and/or Board of Education throughout the year.

All appropriations lapse at the end of each fiscal year.

For the year ended June 30, 2023, the District had actual expenditures in excess of appropriations for its Bond and Capital Reserve Project Fund. This may be a violation of State statutes.

Supplementary Information

Adams County School District 14
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue				Capital Projects		
	Fee Supported	Food Service	Student Activity	COP Debt Service	Capital Projects Building	Capital Reserve Capital Projects	Total
Assets							
Cash and Investments	\$ (255,709)	\$ (162,684)	\$ 171,915	\$ (2,500)	\$ 2,337	\$ (8,543,432)	\$ (8,790,073)
Accounts Receivable	15,286	334,639	-	-	-	-	349,925
Due from Other Funds	253,184	-	68,979	114,945	-	9,372,418	9,809,526
Inventories	-	225,025	-	-	-	-	225,025
Prepaid Expenses	-	4,275	-	-	-	-	4,275
Total Assets	<u>\$ 12,761</u>	<u>\$ 401,255</u>	<u>\$ 240,894</u>	<u>\$ 112,445</u>	<u>\$ 2,337</u>	<u>\$ 828,986</u>	<u>\$ 1,598,678</u>
Liabilities							
Accounts Payable	\$ -	\$ 1,382	\$ 1,852	\$ -	\$ -	\$ 580,588	\$ 583,822
Retainage Payable	-	196,487	-	-	-	-	196,487
Accrued Salaries and Benefits	13,405	98,643	(459)	-	-	(29,667)	81,922
Interfund Payables	-	-	-	-	-	218,734	218,734
Total Liabilities	<u>13,405</u>	<u>296,512</u>	<u>1,393</u>	<u>-</u>	<u>-</u>	<u>769,655</u>	<u>1,080,965</u>
Fund Balances							
Nonspendable:							
Inventories	-	225,025	-	-	-	-	225,025
Prepaid Expenses	-	4,275	-	-	-	-	4,275
Restricted for Capital Reserves							
Debt Service	-	-	-	112,445	-	-	112,445
Committed	-	-	239,501	-	2,337	1,387,647	1,629,485
Unassigned	(644)	(124,557)	-	-	-	(1,328,316)	(1,453,517)
Total Fund Balances	<u>(644)</u>	<u>104,743</u>	<u>239,501</u>	<u>112,445</u>	<u>2,337</u>	<u>59,331</u>	<u>517,713</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,761</u>	<u>\$ 401,255</u>	<u>\$ 240,894</u>	<u>\$ 112,445</u>	<u>\$ 2,337</u>	<u>\$ 828,986</u>	<u>\$ 1,598,678</u>

Adams County School District 14
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue				Capital Projects		Total
	Fee Supported	Food Service	Student Activity	COP Debt Service	Capital Projects Building	Capital Reserve Capital Projects	
Revenues							
Federal Sources	\$ -	\$ 3,278,583	\$ -	\$ -	\$ -	\$ -	\$ 3,278,583
State Sources	-	65,292	-	-	-	-	65,292
Local Sources							
Charges for services	129,767	49,123	365,318	-	-	-	544,208
Miscellaneous	-	-	6,384	-	-	532,411	538,795
Developer Contribution	-	-	-	-	-	50,000	50,000
Investment income	-	-	-	-	-	659	659
Total Revenues	129,767	3,392,998	371,702	-	-	583,070	4,477,537
Expenditures							
Current							
Instructional service	-	-	406,979	-	-	848,932	1,255,911
Operations and maintenance	4,535	-	-	-	-	4,059,910	4,064,445
Central support services	-	-	-	-	-	1,331,243	1,331,243
Business administration	(88,401)	-	-	-	-	24,566	(63,835)
Community services	205,995	-	-	-	-	-	205,995
Food service operations	101	3,991,974	-	-	-	36,000	4,028,075
Adult Education	8,181	-	-	-	-	-	8,181
Capital outlay	-	-	-	-	(2,337)	2,300,176	2,297,839
Debt Service							
Principal	-	-	-	256,112	-	274,787	530,899
Interest and Fiscal Charges	-	-	-	119,556	-	105,005	224,561
Total Expenditures	130,411	3,991,974	406,979	375,668	(2,337)	8,980,619	13,883,314
Revenues Over (Under) Expenditures	(644)	(598,976)	(35,277)	(375,668)	2,337	(8,397,549)	(9,405,777)
Sale of Assets	-	-	-	-	-	19,244	19,244
Transfers In (Out)	(61,661)	200,000	-	488,000	-	6,700,000	7,326,339
Net Change in Fund Balance	(62,305)	(398,976)	(35,277)	112,332	2,337	(1,678,305)	(2,060,194)
Fund Balances, Beginning of Year	61,661	503,719	274,778	113	-	1,737,636	2,577,907
Fund Balances, End of Year	\$ (644)	\$ 104,743	\$ 239,501	\$ 112,445	\$ 2,337	\$ 59,331	\$ 517,713

Adams County School District 14
 Budgetary Comparison Schedule
 Bond Redemption Fund
 For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Local Sources</i>			
Property Taxes	\$ 6,069,676	\$ 6,362,073	\$ 292,397
Payments in lieu of taxes	45,000	-	(45,000)
Investment Income	<u>20,000</u>	<u>192,971</u>	<u>172,971</u>
Total Revenues	<u>6,134,676</u>	<u>6,555,044</u>	<u>420,368</u>
Expenditures			
Debt Service			
Principal	5,250,000	5,250,000	-
Interest and Fiscal Charges	<u>970,798</u>	<u>979,177</u>	<u>(8,379)</u>
Total Expenditures	<u>6,220,798</u>	<u>6,229,177</u>	<u>(8,379)</u>
Net Change in Fund Balance	(86,122)	325,867	411,989
Fund Balance, Beginning of Year	<u>6,820,253</u>	<u>7,511,497</u>	<u>691,244</u>
Fund Balance, End of Year	<u>\$ 6,734,131</u>	<u>\$ 7,837,364</u>	<u>\$ 1,103,233</u>

Adams County School District 14
 Budgetary Comparison Schedule
 Fee Supported Fund
 For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Local Sources</i>			
Charges for Services	\$ 128,500	\$ 129,767	\$ 1,267
Total Revenues	<u>128,500</u>	<u>129,767</u>	<u>1,267</u>
Expenditures			
Operations and maintenance	-	4,535	(4,535)
Business administration	-	(88,401)	88,401
Community services	301,058	205,995	95,063
Food service operations	-	101	(101)
Education for Adult Services	<u>100,000</u>	<u>8,181</u>	<u>91,819</u>
Total Expenditures	<u>401,058</u>	<u>130,411</u>	<u>270,647</u>
Excess Revenues Over (Under) Expenditures	(272,558)	(644)	271,914
Other Financing Sources (Uses)			
Transfers in	<u>305,000</u>	<u>(61,661)</u>	<u>(366,661)</u>
Net Change in Fund Balance	32,442	(62,305)	(94,747)
Fund Balance, Beginning of Year	<u>57,711</u>	<u>61,661</u>	<u>3,950</u>
Fund Balance, End of Year	<u>\$ 90,153</u>	<u>\$ (644)</u>	<u>\$ (90,797)</u>

Adams County School District 14
 Budgetary Comparison Schedule
 Food Service Fund
 For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Federal Sources</i>	\$ 2,901,988	\$ 3,278,583	\$ 376,595
<i>State Sources</i>	70,000	65,292	(4,708)
<i>Local Sources</i>			
Charges for Services	<u>110,000</u>	<u>49,123</u>	<u>(60,877)</u>
 Total Revenues	 <u>3,081,988</u>	 <u>3,392,998</u>	 <u>311,010</u>
Expenditures			
Food service operations	<u>4,000,000</u>	<u>3,991,974</u>	<u>8,026</u>
 Total Expenditures	 <u>4,000,000</u>	 <u>3,991,974</u>	 <u>8,026</u>
Excess Revenues Over (Under) Expenditures	 (918,012)	 (598,976)	 319,036
Other Financing Sources (Uses)			
Transfers out	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Net Change in Fund Balance	 (918,012)	 (398,976)	 519,036
Fund Balance, Beginning of Year	 <u>268,309</u>	 <u>503,719</u>	 <u>235,410</u>
Fund Balance, End of Year	 <u>\$ (649,703)</u>	 <u>\$ 104,743</u>	 <u>\$ 754,446</u>

Adams County School District 14
 Budgetary Comparison Schedule
 Student Activity Fund
 For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Local Sources</i>			
Charges for Services	\$ 488,912	\$ 365,318	\$ (123,594)
Other	<u>-</u>	<u>6,384</u>	<u>6,384</u>
Total Revenues	<u>488,912</u>	<u>371,702</u>	<u>(117,210)</u>
Expenditures			
Instructional service	<u>488,912</u>	<u>406,979</u>	<u>81,933</u>
Total Expenditures	<u>488,912</u>	<u>406,979</u>	<u>81,933</u>
Net Change in Fund Balance	-	(35,277)	(35,277)
Fund Balance, Beginning of Year	<u>273,223</u>	<u>274,778</u>	<u>1,555</u>
Fund Balance, End of Year	<u><u>\$ 273,223</u></u>	<u><u>\$ 239,501</u></u>	<u><u>\$ (33,722)</u></u>

Adams County School District 14
 Budgetary Comparison Schedule
 Certificate of Participation Debt Service Fund
 For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Debt Service			
Principal	\$ 256,112	\$ 256,112	\$ -
Interest and Fiscal Charges	<u>231,629</u>	<u>119,556</u>	<u>112,073</u>
Total Expenditures	<u>487,741</u>	<u>375,668</u>	<u>112,073</u>
Excess Revenues Over (Under) Expenditures	(487,741)	(375,668)	112,073
Other Financing Sources (Uses)			
Transfers in	<u>488,000</u>	<u>488,000</u>	<u>-</u>
Net Change in Fund Balance	259	112,332	112,073
Fund Balance, Beginning of Year	<u>113</u>	<u>113</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 372</u></u>	<u><u>\$ 112,445</u></u>	<u><u>\$ 112,073</u></u>

Adams County School District 14
 Budgetary Comparison Schedule
 Capital Projects Building Fund
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
State Sources	\$ -	\$ -	\$ -	\$ -
Local Sources				
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	(2,337)	2,337
Total Expenditures	-	-	(2,337)	2,337
Net Change in Fund Balance	-	-	2,337	2,337
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,337</u>	<u>\$ 2,337</u>

Adams County School District 14
 Budgetary Comparison Schedule
 Capital Reserve Capital Projects Fund
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Investment income	\$ -	\$ -	\$ 659	\$ 659
Other	<u>50,000</u>	<u>50,000</u>	<u>582,411</u>	<u>\$ 532,411</u>
 Total Revenues	 <u>50,000</u>	 <u>50,000</u>	 <u>583,070</u>	 <u>533,070</u>
Expenditures				
Instructional service	-	-	848,932	(848,932)
Operations and maintenance	3,381,258	3,381,258	4,059,910	(678,652)
Central support services	2,181,900	2,181,900	1,331,243	850,657
Business administration	20,000	20,000	24,566	(4,566)
Food service operations	-	-	36,000	(36,000)
Capital outlay	467,500	467,500	2,300,176	(1,832,676)
Debt Service				
Principal	369,013	369,013	274,787	94,226
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>105,005</u>	<u>(105,005)</u>
 Total Expenditures	 <u>6,419,671</u>	 <u>6,419,671</u>	 <u>8,980,619</u>	 <u>(2,560,948)</u>
Excess of Revenues Over (Under) Expenditures	 (6,369,671)	 (6,369,671)	 (8,397,549)	 (2,027,878)
 Sale of Assets	 -	 -	 19,244	 19,244
Transfers in	<u>3,500,000</u>	<u>3,500,000</u>	<u>6,700,000</u>	<u>3,200,000</u>
 Net Change in Fund Balance	 (2,869,671)	 (2,869,671)	 (1,678,305)	 1,191,366
 Fund Balance, Beginning of Year	 <u>3,120,286</u>	 <u>3,120,286</u>	 <u>1,737,636</u>	 <u>(1,382,650)</u>
 Fund Balance, End of Year	 <u>\$ 250,615</u>	 <u>\$ 250,615</u>	 <u>\$ 59,331</u>	 <u>\$ (191,284)</u>

Statistical Section

Statistical Section
Adams County School District 14
(Unaudited)

This part of Adams County School District 14’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

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Financial Trends

Financial Trends

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

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ADAMS COUNTY SCHOOL DISTRICT 14
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 46,999,387	\$ 51,471,951	\$ 48,140,349	\$ 39,731,078	\$ 25,995,593	\$ 25,078,397	\$ 22,389,890	\$ 23,562,485	\$ 26,109,796	\$ 25,656,053
Restricted	10,294,835	9,868,249	10,649,617	9,768,802	10,206,168	10,176,246	8,606,139	8,157,574	9,749,252	8,590,710
Unrestricted	(105,017,679)	(103,032,785)	(132,408,566)	(184,647,687)	(202,769,424)	(225,914,259)	(172,714,435)	(131,309,801)	(134,789,975)	6,035,003
Total governmental activities net position	\$ (47,723,457)	\$ (41,692,585)	\$ (73,618,600)	\$ (135,147,807)	\$ (166,567,663)	\$ (190,659,616)	\$ (141,718,406)	\$ (99,589,742)	\$ (98,930,927)	\$ 40,281,766
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 499,417
Unrestricted	-	-	-	-	-	-	-	-	-	1,574,919
Total business-type activities net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,074,336
Total primary government										
Net investment in capital assets	\$ 46,999,387	\$ 51,471,951	\$ 48,140,349	\$ 39,731,078	\$ 25,995,593	\$ 25,078,397	\$ 22,389,890	\$ 23,562,485	\$ 26,109,796	\$ 26,155,470
Restricted	10,294,835	9,868,249	10,649,617	9,768,802	10,206,168	10,176,246	8,606,139	8,157,574	9,749,252	8,590,710
Unrestricted	(105,017,679)	(103,032,785)	(132,408,566)	(184,647,687)	(202,769,424)	(225,914,259)	(172,714,435)	(131,309,801)	(134,789,975)	7,609,922
Total primary government activities net position	\$ (47,723,457)	\$ (41,692,585)	\$ (73,618,600)	\$ (135,147,807)	\$ (166,567,663)	\$ (190,659,616)	\$ (141,718,406)	\$ (99,589,742)	\$ (98,930,927)	\$ 42,356,102

Note: Normally ten years of data is presented, however, we're reporting this data only in the years in which the District reported under GASB 34.

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
Instructional services	\$ 46,550,405	\$ 11,935,304	\$ 23,042,862	\$ 27,813,395	\$ 30,281,429	\$ 60,998,562	\$ 61,922,957	\$ 40,456,798	\$ 40,359,843	\$ 39,958,656
Operations and maintenance	16,488,347	10,113,029	12,499,479	5,487,879	9,392,445	19,519,541	16,517,855	9,030,290	8,721,472	10,856,904
Pupil services	3,105,953	2,642,174	2,826,791	3,465,084	4,014,467	8,045,099	7,991,280	6,287,319	7,924,550	7,471,544
Central support services	7,010,148	8,466,280	3,177,206	3,632,982	4,874,950	7,149,787	8,106,344	4,845,945	5,056,863	4,521,097
School administration	6,065,270	5,972,498	3,441,847	4,327,507	4,368,448	8,492,941	7,738,609	6,560,067	5,245,988	4,954,754
Instructional staff	10,219,604	8,090,194	4,009,974	5,019,738	5,642,553	10,552,341	8,951,936	7,385,379	5,110,063	4,976,165
Pupil transportation	2,232,831	2,100,262	1,046,650	1,615,587	1,860,294	3,607,206	3,161,484	1,984,778	2,061,549	2,001,980
Business administration	1,527,915	1,498,192	1,040,226	1,022,816	1,045,516	2,206,973	2,103,394	1,360,493	1,646,335	1,323,702
General administration	5,447,554	3,438,670	3,146,525	2,579,705	1,372,837	2,217,620	1,971,712	1,692,565	1,305,793	1,141,060
Community services & education for adults	659,039	743,523	354,100	466,790	519,053	1,019,469	1,537,309	1,017,152	659,839	686,882
Other support services	424,069	8,715	1,740	48,881	61,236	112,830	623,265	111,016	451,005	689,553
Capital Outlay Expenses	2,223,508	-	-	-	-	-	-	-	-	-
Food service operations	4,148,759	4,125,463	1,538,169	2,313,981	2,833,973	6,137,642	5,781,057	4,227,985	4,443,612	203,210
Interest and fiscal charges	1,293,370	1,192,843	2,715,870	2,891,048	2,911,493	2,987,932	3,113,437	3,224,180	3,344,643	3,281,050
Education for Adults	8,181	-	-	529,319	594,941	1,278,399	844,666	502,933	469,677.00	-
Unallocated Depreciation Expense	-	-	-	3,933,376	-	-	-	-	-	-
Total governmental activities expenses	107,404,953	60,327,147	58,841,439	65,148,086	69,773,636	134,326,342	130,365,304	88,686,900	86,801,232	82,066,557
Business-type activities:										
Nutrition services	-	-	-	-	-	-	-	-	-	4,060,047
Adult education	-	-	-	-	-	-	-	-	-	202,383
Total business-type activities expenses	-	-	-	-	-	-	-	-	-	4,262,430
Total primary government expenses	\$ 107,404,953	\$ 60,327,147	\$ 58,841,439	\$ 65,148,086	\$ 69,773,636	\$ 134,326,342	\$ 130,365,304	\$ 88,686,900	\$ 86,801,232	\$ 86,328,987
Program revenues										
Governmental activities:										
Charges for services	\$ 1,047,616	\$ 494,651	\$ 75,491	\$ 564,579	\$ 380,186	\$ 409,936	\$ 362,681	\$ 223,850	\$ 322,751	\$ 159,723
Operating grants and contributions	23,685,461	16,223,612	45,866,022	19,019,709	16,582,321	15,371,637	15,099,954	15,517,305	14,016,699	10,123,352
Total governmental activities program revenues	24,733,077	16,718,263	45,941,513	19,584,288	16,962,507	15,781,573	15,462,635	15,741,155	14,339,450	10,283,075
Business-type activities:										
Food services:										
Charges for services	-	-	-	-	-	-	-	-	-	62,581
Operating grants and contributions	-	-	-	-	-	-	-	-	-	4,113,478
Charges for services	-	-	-	-	-	-	-	-	-	41,625
Total business-type activities program revenues	-	-	-	-	-	-	-	-	-	4,217,684
Total primary government revenues	\$ 24,733,077	\$ 16,718,263	\$ 45,941,513	\$ 19,584,288	\$ 16,962,507	\$ 15,781,573	\$ 15,462,635	\$ 15,741,155	\$ 14,339,450	\$ 14,500,759
Net (expense) / revenue										
Governmental activities	\$ (82,671,876)	\$ (43,608,884)	\$ (12,899,926)	\$ (41,630,422)	\$ (52,811,129)	\$ (118,544,769)	\$ (114,902,669)	\$ (72,945,745)	\$ (72,461,782)	\$ (71,783,482)
Business-type activities	-	-	-	-	-	-	-	-	-	(44,746)
Total primary government net (expense) / revenue	\$ (82,671,876)	\$ (43,608,884)	\$ (12,899,926)	\$ (41,630,422)	\$ (52,811,129)	\$ (118,544,769)	\$ (114,902,669)	\$ (72,945,745)	\$ (72,461,782)	\$ (71,828,228)
General revenues and other changes in net position										
Governmental activities:										
Property and specific ownership taxes	\$ 41,139,188	\$ 38,251,700	\$ 36,354,450	\$ 35,121,021	\$ 32,041,128	\$ 32,256,933	\$ 29,912,191	\$ 29,885,430	\$ 29,887,697	\$ 29,921,303
State equalization	33,747,145	32,926,682	34,621,744	37,376,977	40,144,898	38,260,102	38,759,964	38,554,537	36,011,262	33,216,587
Investment earnings	624,629	68,256	29,124	352,402	594,102	402,629	186,622	54,136	12,243	12,154
Grants not restricted to specific programs	3,137,336	3,088,096	2,801,979	3,062,048	3,119,441	2,934,979	3,105,282	2,660,849	2,682,835	2,891,498
Miscellaneous	(5,136,996.00)	1,200,165.00	621,836.00	817,971.00	1,003,513.00	1,413,789.00	809,946.00	1,131,978.00	1,121,265.00	1,089,842.00

Note: Normally ten years of data is presented, however, we're reporting this data only in the years in which the District reported under GASB 34.

Total governmental activities	73,511,302	75,534,899	74,429,133	76,730,419	76,903,082	75,268,432	72,774,005	72,286,930	69,715,302	67,131,384
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	1,285
Total business-type activities	-	-	-	-	-	-	-	-	-	1,285
Total primary government	\$ 73,511,302	\$ 75,534,899	\$ 74,429,133	\$ 76,730,419	\$ 76,903,082	\$ 75,268,432	\$ 72,774,005	\$ 72,286,930	\$ 69,715,302	\$ 67,132,669
Change in net position										
Governmental activities:	\$ (9,160,574)	\$ 31,926,015	\$ 61,529,207	\$ 35,099,997	\$ 24,091,953	\$ (43,276,337)	\$ (42,128,664)	\$ (658,815)	\$ (2,746,480)	\$ (4,652,098)
Business-type activities	-	-	-	-	-	-	-	-	-	(43,461)
Total primary government	\$ (9,160,574)	\$ 31,926,015	\$ 61,529,207	\$ 35,099,997	\$ 24,091,953	\$ (43,276,337)	\$ (42,128,664)	\$ (658,815)	\$ (2,746,480)	\$ (4,695,559)

Note: Normally ten years of data is presented, however, we're reporting this data only in the years in which the District reported under GASB 34.

ADAMS COUNTY SCHOOL DISTRICT 14
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Non Spendable										
Inventories	\$ 78,446	\$ 67,204	\$ 80,979	\$ 92,842	\$ 86,964	\$ 84,098	\$ 82,784	\$ 77,646	\$ 91,848	\$ 95,161
Prepaid Items	1,732	112,986	53,847	41,525	56,315	1,512,156	102,445	92,699	123,618	182,436
Deposit in Insurance Pool	-	-	-	-	-	64,950	129,900	41,880	41,880	740,442
Restricted										
Tabor	2,297,229	2,297,229	2,520,876	2,430,760	2,309,000	2,439,416	2,297,229	2,553,486	3,435,539	3,088,733
Colorado Preschool Program	-	-	-	-	343,697	205,768	197,560	58,827	35,453	5,065
Committed	-	-	3,007,414	3,530,803	3,465,905	3,161,602.25	-	-	-	-
Assigned	-	-	4,218,179	2,615,921	7,919,096	5,053,739	3,736,785	4,190,333	3,948,844	3,569,132
Unassigned	15,584,009	24,676,516	19,631,636	12,381,853	6,782,410	9,719,993	11,499,306	7,384,414	2,875,391	2,459,831
Total General Fund Balance	<u>\$ 17,961,416</u>	<u>\$ 27,153,935</u>	<u>\$ 29,512,931</u>	<u>\$ 21,093,704</u>	<u>\$ 20,963,387</u>	<u>\$ 22,241,722</u>	<u>\$ 18,046,009</u>	<u>\$ 14,399,285</u>	<u>\$ 10,552,573</u>	<u>\$ 10,140,799</u>
All other governmental Funds										
Non spendable	\$ 229,300	\$ 231,320	\$ 199,379	\$ 191,496	\$ 127,557	\$ 246,213	\$ 295,380	\$ 186,805	\$ 133,432	\$ -
Restricted										
Food service	-	-	155,942	220,943	731,324	773,133	631,640	546,444	\$ 426,277	-
Building fund activities	-	-	5,047,019	11,128,861	13,845,728	-	-	-	-	-
Debt service	7,949,809	7,511,610	7,721,653	7,052,361	6,833,442	6,720,674	5,652,767	4,988,817	5,851,983	5,496,912
Assigned	-	-	-	2,279,827	1,606,765	5,122,449	3,841,479	6,071,452	1,351,288	980,636
Committed	1,629,485	1,724,086	286,989	-	-	1,109,184	1,387,647.00	-	-	-
Unassigned	(2,667,953)	622,378	-	-	-	-	-	-	(2,250)	-
Total other governmental funds	<u>\$ 7,140,641</u>	<u>\$ 10,089,394</u>	<u>\$ 13,410,982</u>	<u>\$ 20,873,488</u>	<u>\$ 23,144,816</u>	<u>\$ 13,971,653</u>	<u>\$ 11,808,913</u>	<u>\$ 11,803,518</u>	<u>\$ 7,760,730</u>	<u>\$ 6,477,548</u>
Total Governmental Funds	<u>\$ 25,102,057</u>	<u>\$ 37,243,329</u>	<u>\$ 42,923,913</u>	<u>\$ 41,967,192</u>	<u>\$ 44,108,203</u>	<u>\$ 36,213,375</u>	<u>\$ 29,854,922</u>	<u>\$ 26,202,803</u>	<u>\$ 18,313,303</u>	<u>\$ 16,618,347</u>

ADAMS COUNTY SCHOOL DISTRICT 14
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year					Fiscal Year				
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 38,750,663	\$ 36,108,782	\$ 34,264,009	\$ 35,190,930	\$ 31,784,979	\$ 32,450,483	\$ 29,811,875	\$ 31,202,617	\$ 29,239,114	\$ 29,668,336
Intergovernmental	60,150,677	56,052,952	81,447,619	60,605,563	59,846,660	56,566,718	56,963,200	56,732,691	52,599,787	45,825,049
Investment income	624,629	68,256	29,124	352,402	594,102	402,629	186,622	54,136	12,243	12,154
Tuition	1,047,616	494,651	75,491	564,579	380,186	409,936	295,059	113,351	216,383	159,723
Miscellaneous	6,779,841	3,209,383	2,392,760	717,971	1,003,513	957,842	810,224	1,155,515	1,236,754	1,405,592
Total revenues	<u>107,353,426</u>	<u>95,934,024</u>	<u>118,209,003</u>	<u>97,431,445</u>	<u>93,609,440</u>	<u>90,787,608</u>	<u>88,068,980</u>	<u>89,258,310</u>	<u>83,304,281</u>	<u>77,070,854</u>
Expenditures										
Instructional services	50,985,933	45,488,960	40,855,443	40,993,967	39,268,589	36,530,752	37,220,596	35,353,002	35,771,554	37,439,874
Operations and maintenance	14,503,207	10,639,391	11,628,564	8,129,799	7,702,643	8,809,996	9,206,876	6,822,646	6,776,533	8,960,817
Pupil services	3,269,324	2,642,174	5,027,491	5,135,218	5,229,652	4,835,817	5,175,402	5,906,443	7,565,720	7,392,180
Central support services	8,716,927	8,466,280	5,930,708	5,401,833	6,350,605	4,297,655	4,413,536	4,544,196	4,136,858	4,113,673
School administration	6,816,142	5,972,498	5,930,887	5,712,236	5,721,653	5,211,359	4,883,844	5,425,302	5,009,684	4,914,962
Instructional staff	10,881,256	8,090,194	7,131,799	7,434,647	7,350,562	6,342,891	5,788,844	6,954,048	4,913,455	4,593,847
Pupil transportation	2,432,303	2,100,262	1,861,483	2,392,726	2,423,408	2,168,250	2,047,322	1,863,691	1,825,450	1,995,165
Business administration	1,730,280	1,498,192	1,850,058	1,512,281	1,361,995	1,326,586	1,355,118	1,243,847	1,359,153	1,321,442
General administration	5,327,948	3,436,292	5,596,142	3,781,433	1,788,397	1,332,986	1,276,034	1,594,010	1,258,258	1,130,916
Other supporting services	424,069	8,715	3,094	71,521	79,772	67,821	403,652	104,558	616,999	682,157
Adult Education	8,181	-	-	-	-	-	-	-	-	-
Community services & education for adults	716,537	743,523	629,772	1,475,914	1,451,202	1,381,222	1,540,898	1,431,310	873,326	685,923
Food service operations	4,419,359	4,125,463	2,735,657	3,434,549	3,691,821	3,689,266	3,737,752	3,974,289	4,305,733	203,210
Construction in progress and capital outlay	2,297,839	3,922,060	26,555,479	7,478,359	3,994,258	2,087,126	1,636,701	1,982,666	1,749,631	2,211,730
Debt service										
Principal	5,780,899	5,686,730	121,831	4,192,491	3,724,507	3,619,407	2,618,032	4,397,877	3,869,619	3,904,813
Interest and fiscal charges	1,203,738	1,479,636	4,795,465	3,005,964	3,039,002	3,072,057	3,157,016	3,296,704	3,258,719	4,150,681
Bond issuance cost	-	-	2,343,508	2,500.00	-	725	1,750	2,101	117,652	-
Total expenditures	<u>119,513,942</u>	<u>104,300,370</u>	<u>122,717,381</u>	<u>100,155,438</u>	<u>93,178,066</u>	<u>84,773,916</u>	<u>84,463,373</u>	<u>84,896,690</u>	<u>83,408,344</u>	<u>83,701,390</u>
Excess of revenues over (under) expenditures	(12,160,516)	(8,366,346)	(4,508,378)	(2,723,993)	431,374	6,013,692	3,605,607	4,361,620	(104,063)	(6,630,536)
Other financing sources (uses)										
Transfers in	9,841,914	7,768,000	1,472,997	2,806,500	9,581,347	3,085,000	2,370,000	3,434,200	1,300,000	1,460,000
Transfers out	(9,841,914)	(7,768,000)	(1,472,997)	(2,806,500)	(9,581,347)	(3,085,000)	(2,370,000)	(3,434,200)	(1,300,000)	(1,460,000)
Bonds/COP's issued	-	-	47,095,000	-	6,729,407.00	-	-	-	11,590,000	-
Bond premium	-	-	-	-	-	-	-	-	2,033,058	-
Proceeds from Sale	19,244	63,324	71,202	9,106	42,170	8,039	46,512	3,527,880	-	-
Bond cost	-	-	(46,737,694)	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	336,722	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(13,505,406)	-
Capital Lease	-	-	5,036,591	320,641	691,877.00	-	-	-	-	-
Total other financing sources (uses)	<u>\$ 19,244</u>	<u>\$ 63,324</u>	<u>\$ 5,465,099</u>	<u>\$ 329,747</u>	<u>\$ 7,463,454</u>	<u>\$ 344,761</u>	<u>\$ 46,512</u>	<u>\$ 3,527,880</u>	<u>\$ 117,652</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ (12,141,272)</u>	<u>\$ (8,303,022)</u>	<u>\$ 956,721</u>	<u>\$ (2,394,246)</u>	<u>\$ 7,894,828</u>	<u>\$ 6,358,453</u>	<u>\$ 3,652,119</u>	<u>\$ 7,889,500</u>	<u>\$ 13,589</u>	<u>\$ (6,630,536)</u>
Debt service as a percentage of noncapital expenditures	6.0%	7.4%	4.2%	7.7%	7.4%	8.0%	6.9%	9.2%	8.6%	9.7%

Revenue Capacity

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Table 5	Summary of Revenue by Source and Other Financing Sources, General Fund
Table 6	Assessed Value and Estimated Actual Value of Taxable Property
Table 7	Property Tax Rates – Direct and Overlapping Governments
Table 8	Principal Taxpayers
Table 9	Property Tax Levies and Collections

ADAMS COUNTY SCHOOL DISTRICT 14
SUMMARY OF REVENUE BY SOURCE AND OTHER FINANCING SOURCES
GENERAL FUND
LAST TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenue from Local Sources										
Property taxes	\$ 32,388,580	\$ 30,066,287	\$ 25,701,866	\$ 26,400,611	\$ 22,839,576	\$ 23,116,081	\$ 21,207,341	\$ 22,198,080	\$ 19,678,922	\$ 20,562,755
Specific ownership taxes	2,410,530	1,946,270	2,155,379	2,159,379	2,483,588	2,578,093	2,469,891	2,419,465	2,330,239	2,086,957
Investment income	430,989	56,719	25,107	280,466	-	289,603	130,726	33,948	6,318	7,346
Tuition	503,408	-	-	-	-	0	0	81,615	176,994.00	156,723.00
Other	3,768,202	857,408	1,993,671	543,260	826,176	857,763	656,654	634,567	1,019,028	999,204
	5.1 %	1.3 %	2.8 %	0.8 %	3.6 %	3.7 %	3.0 %	2.8 %	1.6 %	1.9 %
Total local sources	39,501,729	33,028,684	29,860,013	29,383,716	26,644,093	26,941,540	24,464,412	25,367,655	23,211,501	23,815,985
	53.4 %	44.7 %	42.4 %	42.7 %	42.7 %	38.9 %	33.4 %	32.9 %	35.6 %	39.4 %
Revenue from State Sources										
Equalization	33,747,145	32,926,682	34,821,744	37,376,977	40,144,598	38,260,102	38,759,964	38,554,537	36,011,262	33,216,587
Vocational education	135,932	56,037	40,583	80,121	93,746	96,066	89,792	221,284	145,976	105,520
Exceptional children's act (ECEA)	2,397,950	1,845,049	1,605,686	1,561,036	1,359,637	1,376,745	1,438,292	1,532,900	1,549,382	1,661,595
Transportation reimbursement	507,503	510,776	455,944	410,580	903,033	459,387	460,421	495,624	479,526	469,214
ELPA reimbursement	565,784	540,037	519,879	520,412	501,228	443,939	460,537	419,549	381,488	367,442
Other	68,057	2,514,434	113,669	1,157,981	1,193,650	-	-	-	-	(191,593.00)
	0.1 %	3.4 %	0.2 %	0.2 %	1.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total state sources	37,424,371	38,393,015	37,358,505	41,107,107	44,196,992	40,636,239	41,209,643	41,224,074	38,567,634	35,628,765
	50.6 %	51.9 %	50.5 %	59.8 %	59.8 %	64.3 %	63.9 %	68.1 %	59.0 %	55.4 %
Revenue from Federal Sources										
Impact aid	3,137,336	3,088,096	2,801,979	3,062,048	3,119,441	2,934,979	3,105,282	2,660,849	2,679,175	2,801,979
Other	-	-	-	-	-	-	-	-	3,660	89,519
	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %
Total federal sources	3,137,336	3,088,096	2,801,979	3,062,048	3,119,441	2,934,979	3,105,282	2,660,849	2,682,835	2,891,498
	4.2 %	4.2 %	3.8 %	4.5 %	4.5 %	4.2 %	4.8 %	4.3 %	4.8 %	11.5 %
Total revenue	\$ 80,063,436	\$ 74,508,795	\$ 70,040,497	\$ 73,552,871	\$ 73,960,526	\$ 70,512,758	\$ 66,779,337	\$ 69,252,578	\$ 64,461,970	\$ 62,336,248
	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

ADAMS COUNTY SCHOOL DISTRICT 14
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Assessment Year	Residential Property	Commercial Property	Personal Property	Industrial, Agricultural, and Natural Resources	State Assessed, Vacant Land, And Other	Total Assessed Value	Total Direct Tax Rate Per \$1,000 of Valuation	Estimated Actual Taxable Value	Value as a Percentage of Actual Value	Assessment Rate	
										Residential	All Others
2013	\$ 83,631,300	\$ 226,156,950	\$ 259,219,100	\$ 25,700,090	\$ 19,842,720	\$ 614,550,160	45.080	\$ 2,894,428,250	21.23%	7.96%	29.00%
2014	\$ 83,726,930	\$ 225,178,420	\$ 258,247,350	\$ 25,318,080	\$ 19,749,270	\$ 612,220,050	45.080	\$ 2,896,617,498	21.14%	7.96%	29.00%
2015	\$ 106,045,440	\$ 241,802,090	\$ 244,511,400	\$ 26,535,930	\$ 21,819,700	\$ 640,714,560	45.080	\$ 3,233,091,493	19.82%	7.96%	29.00%
2016	\$ 107,122,670	\$ 241,334,810	\$ 240,437,200	\$ 26,784,270	\$ 21,925,730	\$ 637,604,680	43.154	\$ 3,196,328,364	19.95%	7.96%	29.00%
2017	\$ 142,942,960	\$ 280,053,770	\$ 240,812,400	\$ 31,449,930	\$ 30,440,730	\$ 725,699,790	40.759	\$ 4,012,759,896	18.08%	7.96%	29.00%
2018	\$ 144,464,410	\$ 282,721,040	\$ 244,868,220	\$ 31,999,980	\$ 29,573,900	\$ 733,627,550	40.184	\$ 4,055,062,687	18.09%	7.96%	29.00%
2019	\$ 185,800,460	\$ 333,238,020	\$ 265,407,900	\$ 48,053,860	\$ 32,670,990	\$ 865,171,230	38.009	\$ 4,962,517,546	17.43%	7.15%	29.00%
2020	\$ 186,829,170	\$ 341,735,710	\$ 256,938,940	\$ 47,907,960	\$ 34,892,440	\$ 868,304,220	38.088	\$ 4,964,156,155	17.49%	7.15%	29.00%
2021	\$ 208,657,350	\$ 434,501,130	\$ 254,299,240	\$ 55,191,900	\$ 38,896,860	\$ 991,546,480	36.918	\$ 5,768,321,124	17.19%	7.15%	29.00%
2022	\$ 202,902,350	\$ 442,509,100	\$ 255,704,000	\$ 54,985,830	\$ 37,139,960	\$ 993,241,240	39.965	\$ 5,651,205,907	17.58%	6.95%	29.00%

Source: Adams County Assessor's Office.

ADAMS COUNTY SCHOOL DISTRICT 14
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN CALENDAR YEARS
(Unaudited)

<u>Taxing Authority</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Adams County School District 14</u>										
General Fund	33.605	32.975	34.799	33.492	31.702	31.377	30.403	30.467	30.757	31.763
Bond Redemption Fund	<u>11.475</u>	<u>12.105</u>	<u>10.281</u>	<u>9.681</u>	<u>9.057</u>	<u>8.807</u>	<u>7.606</u>	<u>7.621</u>	<u>6.161</u>	<u>6.249</u>
Adams County School District 14 Total	<u>45.080</u>	<u>45.080</u>	<u>45.080</u>	<u>43.173</u>	<u>40.759</u>	<u>40.184</u>	<u>38.009</u>	<u>38.088</u>	<u>36.918</u>	<u>38.012</u>
Adams County	26.815	27.042	26.817	27.055	27.055	27.055	26.917	26.897	27.069	26.967
Cities & Towns										
Commerce City	3.280	3.280	3.280	3.128	3.160	3.280	3.104	3.200	2.920	3.110
City of Thornton	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.210
Fire Districts										
North Metro Fire Rescue District #1	11.246	14.903	14.713	14.810	14.710	14.730	14.674	14.812	14.681	14.738
Adams County Fire Protection District	17.274	17.286	16.892	16.841	16.733	16.650	16.594	16.683	16.683	17.554
South Adams County Fire Protection District	9.900	9.900	9.900	9.900	9.900	14.750	14.750	14.750	14.750	14.750
North Metro Fire Dist #1 Bond	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400
North Metro Fire Dist #1 Fire Pension	0.500	-	-	-	-	-	-	-	-	-
Sanitation & Water Districts										
South Adams Water & Sanitation District	3.102	3.102	3.102	3.102	2.701	2.714	2.449	2.490	2.277	2.424
District	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
Metropolitan Districts										
Eagle Creek Metropolitan District	88.000	88.000	83.000	80.000	75.000	70.000	65.000	65.000	65.000	65.000
Special Districts										
Central Colo. Water Conservancy District	1.887	1.737	1.533	2.004	1.800	1.540	1.286	1.156	1.404	1.068
Central Colo. Well Augmentation Subdistrict	-	-	-	-	9.010	9.001	9.034	9.000	9.034	9.000
Central Colo. Ground Water Subdistrict	1.301	1.309	1.272	1.583	1.353	2.739	2.279	2.151	2.189	1.582
City of Commerce City North GID	27.000	27.000	27.000	27.000	27.000	27.000	20.000	20.000	20.000	14.000
Urban Drainage & Flood Control District	0.632	0.608	0.553	0.559	0.500	0.726	0.900	0.900	0.900	0.900
Urban Drainage South Platte	0.068	0.064	0.058	0.061	0.057	0.094	0.097	0.100	0.100	0.100
Rangeview Library	3.659	3.659	3.659	3.659	3.669	3.666	3.677	3.670	3.689	3.615

Notes:

Industrial Park Water & Sanitation District, Cherry lane Metro District and Regional Transportation District also overlap the School District, but have not assessed a mill

Source: Adams County Assessor's Office.

**ADAMS COUNTY SCHOOL DISTRICT 14
PRINCIPAL TAXPAYERS
FOR THE ASSESSMENT YEARS ENDING**

Taxpayer	Type of Business	December 31, 2022			December 31, 2013		
		Taxable Assessed Value	Rank	Total Taxable Assessed Value	Taxable Assessed Value	Rank	Total Taxable Assessed Value
Suncor Energy USA Inc.	Oil Refinery	\$ 354,718,848	1	35.70%	\$ 143,996,240	1	25.90%
Public Service CO of Colorado	Public Utility	106,871,580	2	10.80%	11,060,690	4	2.00%
Quintero Owner LLC	Warehouse	67,933,623	3	6.80%	-	N/R	-
Reep-Brennan Commerce City JV LLC	Warehouse	48,769,999	4	4.90%	-	N/R	-
Lineage Master 2 RE LLC	Warehouse	44,630,000	5	4.50%	-	N/R	-
UPS Facility (BT-OH LLC)	Commercial Building	42,471,411	6	4.30%	-	N/R	-
Kew Realty Corporation	Real Estate Leasing	36,968,108	7	3.70%	-	N/R	-
8251 Quintero Street Brecknell Investors LLC	Industrial Property	36,415,337	8	3.70%	-	N/R	-
PR Ascent Commerce Center LLC	Warehouse	35,250,000	9	3.50%	-	N/R	-
Master Builders Solutions	Industrial Property	32,536,672	10	3.30%	-	N/R	-
Fed Ex Facility (ARC3 FECCO01 LLC)	Commercial Building	-	N/R	-	6,048,540	9	1.10%
Qwest Corp (formerly U.S. West, Inc.)	Telecommunications	-	N/R	-	7,587,500	5	1.40%
Rentech Energy Technology Center	Renewable energy technologies	-	N/R	-	13,852,670	3	2.50%
FEDEX Ground Package System	Air delivery & freight services	-	N/R	-	6,139,740	7	1.10%
D & M Division of STC	Transportation/Trucking	-	N/R	-	14,315,270	2	2.60%
Continental World Leasing Real Estate	Real estate leasing	-	N/R	-	7,380,640	6	1.30%
Cal East Nat LLC	Warehouse	-	N/R	-	5,369,270	10	1.00%
Con Agra Floor Milling Company	Process and packed food	-	N/R	-	6,136,110	8	1.10%
Totals		<u>\$ 806,565,578</u>		<u>81.20%</u>	<u>\$ 221,886,670</u>		<u>40.00%</u>
Total Assessed Valuation		<u>\$ 993,241,240</u>			<u>\$ 556,858,540</u>		

Source: City of Commerce City Office

ADAMS COUNTY SCHOOL DISTRICT 14
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Assessment Year	Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy ⁽¹⁾	Estimated Outstanding Delinquent Taxes	Estimated Delinquent Taxes to Total Tax
2013	2014	27,703,921	27,490,741	99.23%	(29,546)	27,461,195	99.12%	213,200	0.77%
2014	2015	27,598,880	26,806,988	97.13%	(496,179)	26,310,809	95.33%	791,900	2.87%
2015	2016	28,883,412	29,261,158	101.31%	(553,096)	28,708,062	99.39%	(377,700)	-1.31%
2016	2017	27,515,001	27,206,714	98.88%	35,140	27,241,854	99.01%	308,300	1.12%
2017	2018	29,578,794	29,550,442	99.90%	(110,763)	29,439,679	99.53%	28,400	0.10%
2018	2019	29,502,392	28,691,690	97.25%	78,895	28,770,585	97.52%	810,700	2.75%
2019	2020	32,884,466	32,009,853	97.34%	101,480	32,111,333	97.65%	874,600	2.66%
2020	2021	32,821,452	31,439,356	95.79%	83,816	31,523,172	96.04%	1,382,100	4.21%
2021	2022	36,373,458	34,861,692	95.84%	121,755	34,983,447	96.18%	1,511,800	4.16%
2022	2023	37,466,122	38,685,808	103.26%	64,855	38,750,663	103.43%	(1,219,700)	-3.26%

Note:

(1) Tracking of paid delinquent taxes by levy year is currently not available, instead delinquent taxes are recorded in the year collected.
The district is working to ensure future reports include this information. Ratios above 100% represent collections of prior year delinquent taxes.

Source: Adams County Abstract of Assessments.

Debt Capacity

Debt Capacity

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

Table 10	Ratio of Outstanding Debt by Type
Table 11	Ratio of General Obligation Debt to Assessed Value and Bonded Debt per Capita
Table 12	Ratio of Direct and Overlapping Debt
Table 13	Legal Debt Margin Information

ADAMS COUNTY SCHOOL DISTRICT 14
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities				Less: Debt Redemption		Debt as a Percentage of	
	General Obligation Bonds	Certificate of Participation	Capital Leases	Total Primary Government	Fund Available	Net Debt	Personal Income (1)	Per Capita (1)
2014	89,158,912	-	1,564,746	90,723,658	5,496,912	85,226,746	547.24%	1,757
2015	85,984,970	-	1,385,292	87,370,262	5,851,983	81,518,279	513.64%	1,681
2016	81,068,335	-	1,197,415	82,265,750	4,998,817	77,266,933	452.98%	1,408
2017	77,988,084	-	979,383	78,967,467	5,652,767	73,314,700	413.02%	1,311
2018	74,747,053	-	-	74,747,053	6,720,674	68,026,379	360.43%	1,164
2019	70,554,264	6,729,407	547,370	77,831,041	6,833,442	70,997,599	351.04%	1,177
2020	66,176,474	6,497,518	672,409	73,346,401	7,051,712	66,294,689	311.68%	1,062
2021	63,290,676	6,260,240	5,105,814	74,656,730	7,721,612	66,935,118	271.39%	1,041
2022	58,070,619	6,013,725	4,845,599	68,929,943	7,511,497	61,418,446	245.42%	984
2023	51,752,743	5,757,613	4,570,811	62,081,167	7,837,364	54,243,803	221.03%	869

(1) See the Schedule of Demographic Statistics for personal income and population data.

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

ADAMS COUNTY SCHOOL DISTRICT 14
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE
AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Unaudited)

Assessment Year	Collection Year	Assessed Value	General Bonded Debt	Less Debt Service Fund Available	Net Debt	Ratio of General Bonded Debt to Assessed Value	Population	Net Bonded Debt Per Capita
2013	2014	614,550,160	86,109,025	6,292,697	79,816,328	14.01%	43,193 (3)	1,848
2014	2015	612,220,050	89,158,912	5,851,983	83,306,929	14.56%	45,913 (3)	1,822
2015	2016	640,714,560	85,984,970	5,851,983	80,132,987	13.42%	45,913 (3)	1,745
2016	2017	637,604,680	81,068,335	4,998,817	76,069,518	12.71%	45,913 (3)	1,657
2017	2018	725,699,790	77,988,084	5,652,767	72,335,317	10.75%	54,869 (3)	1,318
2018	2019	733,627,550	74,747,053	6,720,674	68,026,379	10.19%	55,923 (3)	1,216
2019	2020	865,171,230	70,554,264	6,833,442	63,720,822	8.15%	58,449 (3)	1,090
2020	2021	868,304,220	66,176,474	7,051,712	59,124,762	7.62%	60,336 (3)	980
2021	2022	991,546,480	58,070,619	7,511,497	50,559,122	5.86%	62,418 (3)	838
2022	2023	993,241,240	51,752,743	7,837,364	43,915,379	5.21%	64,287 (3)	728

Note: Net Debt shown as Restricted Net Position on the Statement of Net Position is less accrued interest payable.

Source: (1) Colorado Department of Local Affairs, Demography Section, last modified November 2008

(2) City of Commerce City - estimate

(3) US Census Bureau

ADAMS COUNTY SCHOOL DISTRICT 14
RATIO OF DIRECT AND OVERLAPPING DEBT (1)
JUNE 30, 2023
(Unaudited)

	2023 Assessed Valuation (3)	Outstanding General Obligation Debt (4)	Percent Applicable To The District	Overlapping Debt (2)
Direct Debt:				
Adams County School District 14	\$ 993,241,240	\$ 62,081,167	100.000%	\$ 62,081,167
Overlapping Debt: (1)				
Commerce City North GID	476,159,120	84,225,000	0.58%	487,157
Rangeview Library	7,162,613,650	67,557,295	10.23%	6,909,895
North Metro Fire Rescue District	648,516,470	9,530,000	0.13%	12,094
Central CO. Water Conservancy	1,155,867,720	40,367,616	9.20%	3,714,063
Central CO. Well Augmentation Subdis	35,371,880	16,956,005	26.33%	4,465,245
Central CO. Ground Water Subdistrict	320,916,820	26,490,192	13.92%	3,686,852
Aberdeen Metropolitan District No 1	5,053,870	7,870,000	11.54%	908,355
Eagle Creek Metropolitan District	<u>9,567,180</u>	<u>2,835,000</u>	<u>79.91%</u>	<u>2,265,372</u>
Total Overlapping Debt	<u>10,521,352,930</u>	<u>255,831,108</u>		<u>22,449,034</u>
 TOTAL	 <u>\$ 11,514,594,170</u>	 <u>\$ 317,912,275</u>		 <u>\$ 84,530,201</u>

Notes:

- (1) Adams County, City of Commerce City, City of Thornton, Cherrylane Metro GID, Hazeltine Heights Water and Sanitation District, Industrial Park Water and Sanitation District, South Adams County Fire District #4, Regional Transportation District, Urban Drainage Flood Control, and Urban Drainage South Platte also overlap the School District, but have no general obligation debt outstanding.
- (2) Overlapping debts are general obligations of local and county governments that apply to property owners within Adams County School District 14. Not all overlapping rates apply to all District property owners because the rates for special districts apply only to those property owners who are within the geographic boundaries of both districts.
- (3) Sources: Adams County Assessor's Office
- (4) Sources: Overlapping debt confirmed with overlapping entities

**ADAMS COUNTY SCHOOL DISTRICT 14
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Assessment Year	Assessed Value	DEBT LIMIT COMPUTATIONS			Percentage of Total net debt applicable to the limit to Debt limit
			Debt limit (20% of Assessed Value)	Total net debt applicable to the limit	Legal debt margin	
2014	2013	\$ 614,550,160	\$ 122,910,032	- \$ 83,306,929 =	<u>\$ 39,603,103</u>	67.78%
2015	2014	\$ 612,220,050	\$ 122,444,010	- \$ 80,132,987 =	<u>\$ 42,311,023</u>	65.44%
2016	2015	\$ 640,714,560	\$ 128,142,912	- \$ 76,069,518 =	<u>\$ 52,073,394</u>	59.36%
2017	2016	\$ 637,604,680	\$ 127,520,936	- \$ 72,335,317 =	<u>\$ 55,185,619</u>	56.72%
2018	2017	\$ 725,699,790	\$ 145,139,958	- \$ 68,026,379 =	<u>\$ 77,113,579</u>	46.87%
2019	2018	\$ 733,627,550	\$ 146,725,510	- \$ 63,720,822 =	<u>\$ 83,004,688</u>	43.43%
2020	2019	\$ 865,171,230	\$ 173,034,246	- \$ 68,026,379 =	<u>\$ 105,007,867</u>	39.31%
2021	2020	\$ 868,304,220	\$ 173,660,844	- \$ 59,124,762 =	<u>\$ 114,536,082</u>	34.05%
2022	2021	\$ 991,546,480	\$ 198,309,296	- \$ 50,559,122 =	<u>\$ 147,750,174</u>	25.50%
2023	2022	\$ 993,241,240	\$ 198,648,248	- \$ 43,915,379 =	<u>\$ 154,732,869</u>	22.11%

Source: Adams County Assessor's Office.

Demographic and Economic Information

Demographic and Economic Information

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

Table 14	Demographic Statistics
Table 15	Property Values and Construction
Table 16	City of Commerce City

ADAMS COUNTY SCHOOL DISTRICT 14
DEMOGRAPHIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)

Year Ending December 31,	Population (1)	Personal Income (2)	Median Age (in years) (4)	School Enrollment	Unemployment Rate (5)
2013	48,500	\$15,945,588 (3)	32.50	7,598	5.7%
2014	48,500	\$16,578,475 (3)	32.50	7,663	5.6%
2015	48,500	\$17,010,005 (3)	32.40	7,577	3.8%
2016	54,869	\$18,160,959 (3)	33.00	7,467	3.6%
2017	55,923	\$19,119,527 (3)	33.00	7,400	3.6%
2018	58,449	\$20,738,261 (3)	33.00	7,060	3.5%
2019	60,336	\$22,171,317 (3)	33.00	6,697	8.3%
2020	62,418	\$23,532,735 (3)	33.80	6,111	8.0%
2021	64,287	\$27,509,311 (3)	34.80	5,692	3.8%
2022	62,418	\$28,087,007 (3)	34.90	5,484	3.7%

Sources:

- (1) 2013, 2014 & 2015 data is from the City of Commerce City's website at c3gov.com. 2012 and earlier data from Colorado Bureau of Labor Statistics for Commerce City, Colorado. The District boundaries include parts of two different cities and unincorporated Adams County, however, the majority of the District is located within the City of Commerce City. The 2009 population is an estimate provided by the City of Commerce City.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis for Adams County, Colorado.
- (3) Estimate based upon information from U.S. Department of Commerce, Bureau of Economic Analysis for Adams County, Colorado.
- (4) US Census for Adams County, Colorado.
- (5) Colorado Department Labor & Employment and for Adams County, Colorado.

**ADAMS COUNTY SCHOOL DISTRICT 14
PROPERTY VALUES AND CONSTRUCTION
LAST TEN CALENDAR YEARS
(Unaudited)**

Year Ending December 31,	City of Commerce City Commercial and Residential Construction (1)		Adams County School District 14 Property Values (2)	
	No. of Permits	Value	Assessed	Estimated Actual (3)
2013	402	79,522,309	565,354,990	2,894,428,250
2014	372	80,937,975	614,550,160	2,896,617,498
2015	361	63,310,017	612,220,050	3,233,091,493
2016	517	198,373,405	637,604,680	3,196,328,364
2017	902	246,799,539	725,699,790	4,012,759,896
2018	848	298,987,895	733,627,550	4,055,062,687
2019	706	279,247,747	865,171,230	4,962,517,546
2020	1,017	315,081,256	868,304,220	4,964,156,155
2021	706	396,624,087	991,546,480	5,768,321,124
2022	1,017	511,632,896	985,634,140	5,651,205,907

Notes:

- (1) Source: Commerce City Building Department.
- (2) Source: Adams County Assessor's Office.
- (3) Actual value in the above table is defined as base year for assessment purposes. The base year is from 6 to 9 years prior to the collection year. Current market values are considerably higher than the actual values shown in the above table.

ADAMS COUNTY SCHOOL DISTRICT 14
CITY of COMMERCE CITY, COLORADO PRINCIPAL EMPLOYERS
For the Calendar Years Ended December 31, 2022 and 2013
(Unaudited)

Name of Employer (1)	Industry (1)	December 31, 2022			December 31, 2013		
		Number of Employees (1)	Rank	Percentage to Total City Employment	Number of Employees (1)	Rank	Percentage to Total City Employment
United Parcel Service	Parcel Delivery Service	3,282	1	9.9%	2,555	1	8.9%
Sturgeon Electric	Electrical Services	1,523	2	4.6%	-	N/R	-
FedEX Ground Package System INC	Parcel Delivery Service	1,239	3	3.7%	906	3	3.2%
Shamrock Foods(United Food Service)	Food Service Distribution	981	4	3.0%	602	4	2.1%
FedEx Freight	Trucking	632	5	1.9%	445	6	1.6%
Liberty Oilfield Services	Hydraulic Fracking and Engineering Services	627	6	1.9%	-	N/R	-
Q3 Contracting	Construction	471	7	1.4%	-	N/R	-
Suncor Energy USA Inc.	Energy Production	434	8	1.3%	423	7	1.5%
Old Dominion Freight Lines	Trucking	378	9	1.1%	297	8	1.0%
Douglass Colony	Roofing	202	10	1.9%	-	N/R	-
City of Commerce City	City Government	-	N/R	-	449	5	1.6%
Walmart Stores Inc.	Retail	-	N/R	-	251	10	0.9%
Waste Management of Colo Inc.	Waste Removal	-	N/R	-	281	9	1.0%
Adams County School District 14	School District	-	N/R	-	1,124	2	3.9%
	Total	<u>9,769</u>		29.5%	<u>6,209</u>		21.7%
Total Employers' Employees		<u>33,167</u>	(1)		<u>28,631</u>	(1)	

Sources:

(1) City of Commerce City Website

Operating Information

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and activities it performs.

Table 17	Full-time Equivalent Employees by Fund
Table 18	Miscellaneous Statistical Data
Table 19	Capital Asset Statistics by Function/Program

ADAMS COUNTY SCHOOL DISTRICT 14
FULL-TIME EQUIVALENT EMPLOYEES BY FUND
(Unaudited)

Fund Type	Full Time Equivalents									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Total general fund	805.15	734.59	729.46	747.29	756.83	743.71	756.06	793.76	786.10	840.06
Total grants fund	80.95	79.15	55.84	63.19	64.05	70.74	71.13	59.02	58.95	72.39
Total other special revenue funds	49.12	49.89	48.58	51.22	50.76	52.69	52.91	55.93	46.62	43.53
Total all funds	935.22	863.63	833.88	861.70	871.64	867.14	880.10	908.71	891.67	955.98

(1) Source: Adams County School District 14; Position Control

ADAMS COUNTY SCHOOL DISTRICT 14

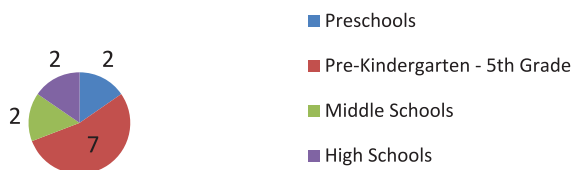
MISCELLANEOUS STATISTICAL DATA

(Unaudited)

District Statistics:

- * Year of organization: 1902
- * Year of consolidation: 1947
- * Geographical area: 52 Square miles all within Adams County
- * Accreditation: North Central Association of Colleges and Schools
- * Twenty-sixth (30th) largest school district (by student population) in the state fiscal year 2022-23
- * Fifth (5th) largest school district (by student population) in Adams County fiscal year 2022-23

Number of Schools in FY2022-23



Enrollment and Funded Pupil Count (1)

School Year	Student Enrollment	Funded Pupil Count
2013-2014	7,598	6,978
2014-2015	7,663	7,205
2015-2016	7,400	7,185
2016-2017	7,467	7,151
2017-2018	7,400	7,117
2018-2019	7,060	6,703
2019-2020	6,366	6,602
2020-2021	5,808	6,341
2021-2022	6,148	6,168
2022-2023	5,644	6,058

Summary of Teachers by Education Level

Teacher FTE	Education Level	% of Total
105	Bachelor of Arts (BA)	26.99%
5	BA + 10 Hrs	1.29%
9	BA+ 20 Hrs	2.31%
4	BA + 30 Hrs	1.03%
3	BA + 40 Hrs	0.77%
155	BA + 50 Hrs or Master's Degree	39.85%
13	Master's Degree + 10 Hrs	3.34%
27	Master's Degree + 20 Hrs	6.94%
14	Master's Degree + 30 Hrs	3.60%
39	Master's Degree + 40 Hrs	10.03%
<u>15</u>	Doctorate (EDD or PhD)	<u>3.86%</u>
<u>389</u>		<u>100.00%</u>

Summary of Teachers by Years of Service

Teacher FTE	Years of Service	% of Total
71.0	Less than 1 year	18.25%
98.0	At least 1 year, but less than 2	25.19%
57.0	At least 2 years, but less than 3	14.65%
28.0	At least 3 years, but less than 4	7.20%
32.0	At least 4 years, but less than 5	8.23%
24.0	At least 5 years, but less than 6	6.17%
17.0	At least 6 years, but less than 10	4.37%
29.0	At least 10 years, but less than 15	7.46%
14.0	At least 15 years, but less than 20	3.60%
14.0	At least 20 years, but less than 25	3.60%
<u>5.0</u>	25 or more years	<u>1.29%</u>
<u>389</u>		<u>100.00%</u>

(1) Source: Colorado Department of Education - exclusive of Charter Schools

(2) Number of persons employed as teachers during the fiscal year ending June 30, 2023

ADAMS COUNTY SCHOOL DISTRICT 14
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
Last Ten Fiscal Years
(Unaudited)

Schools	Year of Original Construction	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Sanville Preschool	1954										
Square feet		5,440	5,440	5,440	5,440	5,440	5,440	5,440	5,440	5,440	5,440
Capacity (students)		50	50	50	50	50	50	50	50	50	50
Enrollment (head count)		43	47	75	83	86	87	92	91	89	92
Stars Early Learning Center Preschool	1981										
Square feet		7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005	7,005
Capacity (students)		94	94	94	94	94	94	94	94	94	94
Enrollment (head count)		74	87	72	90	85	111	120	105	104	115
Alsup Elementary	1959										
Square feet		50,114	50,114	50,114	50,114	50,114	50,114	50,114	50,114	50,114	50,114
Capacity (students)		477	477	477	477	477	477	477	477	477	477
Enrollment (head count)		399	463	365	415	470	519	532	545	521	504
Central Elementary	1954										
Square feet (3)		54,790	54,790	54,790	54,790	54,790	54,790	54,790	54,790	54,790	54,790
Capacity (students)		548	548	548	548	548	548	548	548	548	548
Enrollment (head count)		367	380	417	442	502	570	577	580	544	577
Dupont Elementary	1956										
Square feet		51,599	51,599	51,599	51,599	51,599	51,599	51,599	51,599	51,599	51,599
Capacity (students)		516	516	516	516	516	516	516	516	516	516
Enrollment (head count)		435	407	399	477	511	576	589	642	698	699
Kemp Elementary	1951										
Square feet (3)		46,403	46,403	46,403	46,403	46,403	46,403	46,403	44,963	44,963	44,963
Capacity (students)		475	475	475	475	475	475	475	450	450	450
Enrollment (head count)		487	449	473	501	554	554	569	566	625	587
Monaco Elementary	1956										
Square feet		37,496	37,496	37,496	37,496	37,496	37,496	37,496	37,496	37,496	37,496
Capacity (students)		375	375	375	375	375	375	375	375	375	375
Enrollment (head count)		371	237	290	287	340	439	449	472	490	501
Rose Hill Elementary	1952										
Square feet (3)		56,542	56,542	56,542	56,542	56,542	56,542	56,542	56,542	56,542	56,542
Capacity (students)		565	565	565	565	565	565	565	565	565	565
Enrollment (head count)		279	311	347	397	405	455	472	536	521	539
Hanson PK-8	1968										
Square feet (3)		50,355	50,355	50,355	50,355	50,355	50,355	50,355	50,355	50,355	50,355
Capacity (students)		419	419	419	419	419	419	419	419	419	419
Enrollment (head count)		0	257	348	395	423	448	416	426	446	461
Adams City Middle School	2009										
Square feet		96,900	96,900	96,900	96,900	96,900	96,900	96,900	96,900	96,900	96,900
Capacity (students)		808	808	808	808	808	808	808	808	808	808
Enrollment (head count)		498	550	718	773	809	831	818	798	761	774
Kearney Middle School	1953										
Square feet		120,601	120,601	120,601	120,601	120,601	120,601	120,601	120,601	120,601	120,601
Capacity (students)		1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005
Enrollment (head count)		634	663	730	794	839	785	792	821	820	783
Lester Arnold Alternative High School	1949										
Square feet		19,972	19,972	19,972	19,972	19,972	19,972	19,972	19,972	19,972	19,972
Capacity (students)		133	133	133	133	133	133	133	133	133	133
Enrollment (head count)		217	175	176	253	272	227	239	213	182	220
Adams City High School	2009										
Square feet		293,000	293,000	293,000	293,000	293,000	293,000	293,000	293,000	293,000	293,000
Capacity (students)		1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720
Enrollment (head count)		1,586	1,666	1,656	1,721	1,764	1,798	1,799	1,782	1,783	1,749
Other capital assets (Square feet)											
ESS Building	1971	43020	43,020	43,020	43,020	43,020	43,020	43,020	43,020		
Administration building	1956	14020	14,020	14,020	14,020	14,020	14,020	14,020	14,020		
Bus Terminal	1956	15113	15,113	15,113	15,113	15,113	15,113	15,113	15,113		
Warehouse	1971	12096	12,096	12,096	12,096	12,096	12,096	12,096	12,096		
Operations and Maintenance	1971	5568	5,568	5,568	5,568	5,568	5,568	5,568	5,568		

- (1) Source: District Facilities Office (Original Construction, Square Feet & Capacity)
(2) Source: Colorado Department of Education (Enrollment)
(3) Increases in square footage are the result of renovations and additions.

Compliance Section

Single Audit



**Independent Auditor's Report on Internal Control Over
Financial Reporting and On Compliance and Other Matters
Based on An Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards***

Board of Education
Adams County School District 14
Commerce City, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County School District 14 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, and have issued our report thereon dated May 21, 2024.

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 procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Adams County School District 14's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Hick & Company, PC

Englewood, Colorado
May 21, 2024





**Independent Auditor's Report on Compliance for Each
Major Federal Program, Internal Control Over Compliance,
And the Schedule of Expenditures of Federal Awards
Required by The Uniform Guidance**

Board of Education
Adams County School District 14
Commerce City, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Adams County School District 14's (the District's) 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 each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are 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 each of its major federal programs for the year ended June 30, 2023.

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.

Office Locations:

Colorado Springs, CO
Denver, CO
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Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
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FAX: 303.796.1001
www.HinkleCPAs.com

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.

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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a



combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hick & Company, PC

Englewood, Colorado
May 21, 2024



Adams County School District 14
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major federal program:

<u>Assistance Listing Number</u>	<u>Name of Federal Cluster/Program</u>
*	Special Education Cluster
84.010	Title I Grants to Local Educational Agencies

* - Refer to the Schedule of Expenditures of Federal Awards for CFDA numbers related to this program.

Dollar threshold used to distinguish
Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Adams County School District 14
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

Adams County School District 14
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

Findings Required to be reported by the Uniform Guidance

No matters are reportable.

Adams County School District 14
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education				
<i>Passed through the Colorado Department of Education</i>				
<i>Special Education Cluster</i>				
Special Education	84.027	4027	\$ 1,163,934	\$ -
Special Education Preschool	84.173	4173	60,360	-
COVID-19 ARP: Individuals with Disabilities Education Act (IDEA): Special Education: Preschool Grants	84.027X	6027	202,160	
COVID-19 ARP: Individuals with Disabilities Education Act (IDEA): Special Education: Preschool Grants	84.173X	6173	19,164	
Special Education Cluster Total			<u>1,445,618</u>	<u>-</u>
Title I				
Grants to Local Education Agencies (Title I, Part A of ESEA)	84.010	4010	1,344,760	-
Improving Basic Programs Operated by Schools	84.010	5010	1,293,746	-
Total Title I			<u>2,638,506</u>	<u>-</u>
Improving Teacher Quality	84.367	4367	244,240	-
English Language Acquisition	84.365	4365	182,856	-
Student Support and Academic Enrichment	84.424	4424	14,193	-
COVID-19 Elementary & Secondary School Emergency Relief (ESSER III)	84.425U	4414	7,156,917	-
<i>Passed through the Colorado Office of the Governor</i>				
COVID 19 Governor's Emergency Education Relief Fund	84.425C	6426	1,160,570	-
Total Covid-19 Education Stabilization Fund Program			<u>8,317,487</u>	<u>-</u>
<i>Passed through the Colorado Community College System</i>				
Career and Technical Education	84.048	4048	41,534	-
Total U.S. Department of Education			<u>12,884,434</u>	<u>-</u>
U.S. Department of Agriculture				
<i>Passed through the Colorado Department of Education</i>				
Summer Food Service Program for Children	10.559	4559	33,231	-
<i>Passed through the Colorado Department of Public Health and the Environment</i>				
Fresh Fruit & Vegetable Program	10.555	455	260,215	-
Child Nutrition Cluster Total			<u>293,446</u>	<u>-</u>
<i>Passed through the Colorado Department of Human Services</i>				
Child and Adult Care Food Program	10.558	4558	25,090	-
<i>Passed through the Colorado Department of Education</i>				
Fresh Fruit & Vegetable Program	10.582	4582	181,263	-
Total U.S. Department of Agriculture			<u>499,799</u>	<u>-</u>
U.S. Department of Defense				
<i>Direct assistance</i>				
ROTC	12.000		138,334	-
Total U.S. Department of Defense			<u>138,334</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 13,522,567</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards.

Adams County School District 14
Notes to Schedule of Expenditures of Federal Awards
June 30, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards 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*, using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

Note 2: Noncash Programs

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. The commodities are recognized as expenses when used by the 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.

Note 3: Indirect Costs

The District has not elected to use the 10% *de minimis* indirect cost rate allowed in the Uniform Guidance, section 414.

State Compliance



Colorado Department of Education

Auditors Integrity Report

District: 0030 - Adams County 14

Fiscal Year 2022-23

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	24,638,359		75,252,672	81,929,616		17,961,416
18 Risk Mgmt Sub-Fund of General Fund	-111,130		111,130	0		0
19 Colorado Preschool Program Fund	2,626,705		-2,626,705	0		0
Sub-Total	27,153,934		72,737,097	81,929,616		17,961,416
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	61,661		68,106	130,412		-645
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	503,719		3,592,998	3,991,972		104,744
22 Govt Designated-Purpose Grants Fund	-10		16,257,409	17,471,835		-1,214,436
23 Pupil Activity Special Revenue Fund	274,778		371,702	406,980		239,501
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	7,511,497		6,555,045	6,229,178		7,837,364
39 Certificate of Participation (COP) Debt Service Fund	113		488,000	375,669		112,444
41 Building Fund	0		0	-2,337		2,337
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	1,737,636		7,302,314	8,980,619		59,331
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	37,243,329		107,372,671	119,513,944		25,102,056
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	0		0	0		0
FINAL						

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