



# Annual Comprehensive Financial Report

for the Fiscal Year Ended June 30, 2024

School District 27J  
18551 E. 160th Avenue • Brighton, CO 80601

SCHOOL DISTRICT 27J  
ADAMS, WELD AND BROOMFIELD COUNTIES  
BRIGHTON, COLORADO

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

Prepared by:  
Finance Office

**School District 27J, Colorado**  
**Annual Comprehensive Financial Report**  
**For The Year Ended June 30, 2024**

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**Annual Comprehensive Financial Report**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Introductory Section**



SCHOOL DISTRICT 27J

List of Elected and Appointed Officials  
June 30, 2024

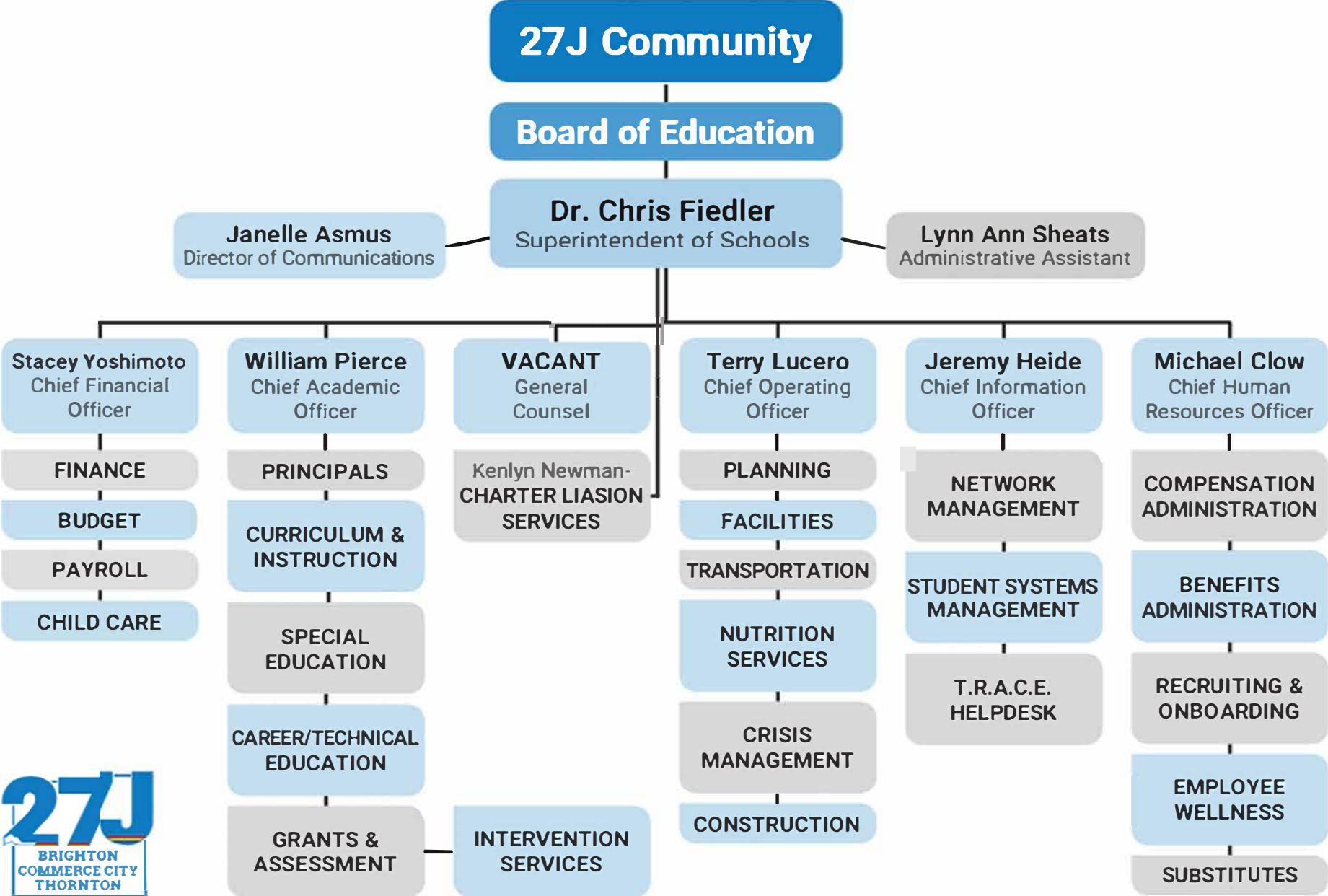
Board of Education

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Tom Green	President	2027
Mandy Thomas	Vice-President	2025
Melinda Carbajal	Director	2027
Ashley Conn	Director	2025
Annie Jensen	Director	2025
Starr Trujillo	Director	2025
Rachel Wilhelm	Director	2027

Executive Administrative Staff

Chris Fiedler	Superintendent
Stacey Yoshimoto	Chief Financial Officer
William Pierce	Deputy Superintendent
Terry Lucero	Chief Operations Officer
Michael Clow	Chief Human Resources Officer
Jeremy Heide	Chief Information Officer

# 27J SCHOOLS • ORGANIZATIONAL CHART





## 27J Schools

Superintendent William Pierce  
18551 E. 160th Avenue, Brighton, CO 80601

**27J Schools Board of Education**  
Tom Green, President  
Mandy Thomas, Vice President  
Melinda Carbajal, Director  
Ashley Conn, Director  
Starr Trujillo, Director  
Rachel Wilhelm, Director

December 5, 2024

Members of the Board of Education  
School District 27J  
Brighton, CO 80601

The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements and publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This Annual Comprehensive Financial Report (ACFR) is published to fulfill that requirement for the fiscal year ended June 30, 2024.

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

The ACFR is presented in three sections: Introductory, Financial, and Statistical.

- The introductory section includes this letter of transmittal, the District's organizational chart and a list of principal officials.
- The financial section includes the report of the independent auditor, management's discussion and analysis (MD&A), basic financial statements, required supplementary information and notes, combining statements, and individual fund statements and schedules.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

RubinBrown LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the School District 27J's financial statements for the year ended June 30, 2024. The independent auditors' report is located at the front of the financial section of this report.

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

### **Profile of School District 27J**

Counties of Adams and Weld School District 27J, commonly referred to as School District 27J, formed in 1959 upon the reorganization and consolidation of several former school districts. School District 27J is located northeast of the Denver, Colorado metropolitan area and encompasses approximately 212.4 square miles in northwest Adams County, northeast Broomfield County and southwest Weld County and serves a population of about 107,900. The District is the only school district serving the City of Brighton and also serves segments of the cities of Thornton and Commerce City, in addition to the surrounding unincorporated and generally rural areas.

The District is a legally separate, primary government entity that operates under a publicly elected seven-member Board of Education. The Board of Education members are elected to alternating four-year terms with elections held every two years. Board members represent a specific area of the District, but are elected at-large. The School District 27J Board of Education voted January 27, 2009 to adopt the Policy Governance model of board governance. The Board of Education adopts the budget, employs all personnel required to maintain the operations, determines the educational programs provided by the district, and is primarily accountable for fiscal matters.

The District provides a full range of educational programs and services authorized by Colorado State Statutes to over 23,000 enrolled students. Included are basic kindergarten through twelfth-grade (K-12) education as well as preschool, vocational, special education, gifted and talented, bilingual education and numerous services and programs. The District's K-12 curriculum is delivered in its neighborhood school system of 13 elementary schools, 5 middle schools, 4 high schools (3 comprehensives and 1 alternative), 1 blended learning school, and 6 charter schools.

School District 27J is financially accountable for six charter schools and one capital foundation that are legally separate entities; all financial activity of the seven component units is discretely presented in the District's financial statements for the year ended June 30, 2024. The District's seven component units, are Belle Creek Charter School, Bromley East Charter School, Eagle Ridge Academy, Foundations Academy and Landmark Academy (charter schools operated by National Heritage Academies), The STEAD School, and the School District 27J Capital Facility Fee Foundation (CFFF). Additional information on all of these legally separate entities can be found in the notes to the financial statements (see note 1-A).

Colorado State Statutes require that the District adopt the budget by June 30 prior to the beginning of the subsequent fiscal year. Budget revisions may be adopted prior to January 31 of the current fiscal year. The District maintains extensive budgetary controls, to ensure compliance with legal requirements, Board of Education policies and District administrative guidelines. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. Staffing levels are authorized for each site and are tracked monthly to ensure usage within budgeted limits. Monthly reports are provided to each site's administrative staff, to allow monitoring of their discretionary budgets. As demonstrated by the statements and schedules included in the financials section of this report, the District continues to meet its responsibility for sound financial management.

### **Local economy**

School District 27J provides educational services in the Metro Denver area inclusive of the cities of Brighton, Thornton and Commerce City. The District has a significant economic presence, employing in total more than 2,000 teachers, professionals and support staff.

The labor market in Colorado remains strong, with overall employment well exceeding pre-pandemic levels. While Colorado continues to outpace the nation on most labor market measures, there are some indications of softening. Elevated job openings continue to indicate that there is room to reign in inflationary pressures without decreasing employment. Employment levels in Colorado reached pre-pandemic levels in February 2022. Jobs are abundant, and ample household savings have helped to shrink the gap between rising incomes and even more quickly rising prices, but inflation has taken its toll. Rapid price hikes from energy and housing to food and vehicles have eroded real gains in earnings and income. Imposing and persistent inflationary pressures have prompted the Federal Reserve to raise interest rates and reduce asset purchases. The coming months will illuminate the inflation response to monetary policy treatment, as well as any persistent impacts for households and businesses.

Metro Denver has a limited supply of residential real estate and above-average population growth, so home prices and appreciation are rising, and construction activity is robust. School District 27J is one of the few remaining areas in Metro Denver with large amounts of land for development. The population in Brighton, Thornton and Commerce City have all increased in recent years.

Brighton City Council has continued its commitment to expanding both the employment base and range of retail opportunities by funding and working in cooperation with the Brighton Economic Development Corporation, Brighton Urban Renewal Authority, and Adams County Economic Development and Upstate Colorado Economic Development.

The District maintains a credit rating for schools of "A+" with a stable outlook. Credit ratings, provided by independent third parties, serve as an indicator of an organization's financial stability—as well as the safety and security of the debt sold by that organization. The most recent report from Standard and Poor referenced the District's access to, and participation in, the large and diverse Denver economy, coupled with very strong per capita wealth levels and good to very strong income indicators; which include continued growth in enrollment, the primary influence on the District's operating revenues; and consecutive years of positive operations with strong available general fund balances. In general, higher credit ratings often result in lower borrowing costs for the District because our interest rates are lower and there is a wider market of buyers.

### *Long-term financial planning and major initiative*

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 25.5 percent of the total general fund revenues.

Student enrollment increased annually through fiscal year 2023-2024. Enrollment in fiscal year 2024-2025 will increase minimally due to the opening of a new charter school, Capstone Academy. The District has worked through budget policy and practice of a structurally balanced budget in order to maintain stability, despite the changing legislative decisions surrounding the state budget, which ultimately has an impact on the Colorado School Finance Act which has limited growth on a per pupil basis.

The District was successful in passing a \$515 million bond in the November 2021 election supporting building four new schools, including a fourth district high school, a sixth district middle school, the second phase of the fourteenth district elementary and a K-8 school. In addition, STEM/CTE expansions at the three high schools, a new transportation terminal, additional technology, increased safety and security and continued deferred maintenance at the existing District buildings will all be supported by the bond. Discovery Magnet opened in the fall of 2023 along with all three CTE centers at the comprehensive high schools.

The District was also successful in passing a \$17.74 mill levy override in the November of 2022 election supporting compensation, safety and security and supporting our career technical and education centers.

### *Achievement*

- Students in 27J are approaching the state average on Colorado Measures of Academic Success (CMAS).
- Students in 27J are scoring below the state average in nearly every assessment.
- These proficiency gaps widen as students approach graduation.
- There is a significant gap in performance with ELA students, Hispanic students, and free and reduced lunch students within 27J.

### *Growth*

- Students in 27J are approaching making enough yearly growth.

### *Gaps*

- Proficient or advanced 27J students are not "keeping up" with their proficiency at the same rate that other Colorado students are, nor are the proficient students "moving up" toward an advanced score.
- "Students with Disabilities" received a "Does Not Meet" rating in Reading, Math, and Writing at the elementary and middle school levels. They also received a "Does Not Meet" rating for Graduation rate.

The three major improvement strategies outlined in the 27J Unified Improvement Plan are:

Thinking Classrooms provide a framework for outlining the structures for 27J leaders. The Thinking Classroom is a classroom that transfers the definition of learning from the teacher delivering knowledge to the teacher being a driver of focused intentional learning, and students moving from a passive receiver of facts to a thinker using information. All students will have access to the same goal derived from the adopted 27J standards which are based on Colorado Academic Standards and the Common Core Standards.

The Thinking Classroom will have student evidence that is thoughtfully considered for each goal and assessed against the desired learning. Adjustments will be made in the instruction, and accommodations are offered to ensure the goal attainment based on the evidence.

The second focus is to use 27J curricular frames to align instruction toward big ideas. The 27J curricular frame is used to help create unit goals. These unit goals consider big ideas, the acquisition of essential knowledge and understandings, and the skills that a student will need to transfer this learning. Daily lessons are planned backwards from the unit goals. Each daily lesson's objective is essential in the development of larger unit goals.

The third area is to use 27J common assessment evidence to improve instruction. The teacher is also clear about what successful learning looks like and sounds like for each unit goal, daily objective and assignment. The teacher uses these learning criteria to tune in smartly to every student conversation, project, quiz, exit ticket or homework assignment as a way to gather evidence of learning, provide feedback, adjust future lessons, organize instructional supports, etc.

### *Relevant financial policies*

The District's accounting system is designed to provide reasonable assurance that its assets are adequately safeguarded and that transactions are accurately recorded and have proper authorization. The District's budgetary and accounting controls provide reasonable assurance that errors or irregularities of a material nature are prevented or are detected in a reasonable period of time. The District is required by state law to adopt an annual budget that represents a complete financial plan for the ensuing fiscal year. A detailed programmatic budget is used as a guideline for expenditures, and monthly financial variance reports are prepared and distributed to the Superintendent and District leadership. The monthly reports contain information for all funds regarding revenue and expenditures as compared to the approved budget and prior fiscal year. While minor deviations from budget at the line-item level are allowed, control of expenditures is maintained at the fund level to ensure that all budget areas stay within their total budgeted appropriations. School principals and department

managers use the reports to monitor budgetary variances and significant differences are discussed with the appropriate supervisory staff as they occur. The Board of Education also receives monitoring reports throughout the fiscal year providing further detailed financial information on all funds as well as charter school operational and financial activity.

The financial accounting and budgetary system is automated and includes edits and balancing routines to ensure the integrity of the data entered. An evaluation of internal controls conducted by our auditors is included as part of this annual financial audit. The auditors' findings are presented to the Board of Education in the Single Audit report in the Compliance Section.

Acknowledgements

This preparation of this report would not have been possible without the skill, effort, and dedication of the entire Finance Office staff. Each and every member of the Finance Office staff provides input into this report. We commend the Board of Education for their interest and unfailing support related to the planning and management of the District's finances in a responsible and progressive manner. Additionally, we would like to express our appreciation to the cities of Brighton, Commerce City, Thornton, Adams and Weld Counties, and other public entities which provided meaningful information in the preparation of this report.

Respectfully submitted,



William Pierce  
Superintendent of Schools



Stacey Yoshimoto  
Chief Financial Officer

# **Annual Comprehensive Financial Report**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

## **Financial Section**



## Independent Auditors' Report

Board of Education  
School District 27J  
Brighton, Colorado

### Report On The Audit Of The Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information for School District 27J (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Eagle Ridge Academy Charter School, Bromley East Charter School, Belle Creek Charter School, Foundation Academy Charter School, Landmark Academy Charter School, Capital Facility Fee Foundation, and the STEAD School, which represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Eagle Ridge Academy Charter School, Bromley East Charter School, Belle Creek Charter School, Foundation Academy Charter School, Landmark Academy Charter School, Capital Facility Fee Foundation and the STEAD School, is based solely on the reports of the other auditors.

### ***Basis For Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. The financial statements of Bromley East Charter School, Belle Creek Charter School, the Capital Facility Fee Foundation, and the STEAD School were not audited in accordance with *Government Auditing Standards*.

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

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

### ***Auditors' 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 auditors' 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 management's discussion and analysis on pages 13 through 24 and budgetary comparison information, schedule of the District's proportionate share of the net pension liability, schedule of the District's contributions to the pension plan, schedule of the District's proportionate share of the net other postemployment benefit (OPEB) liability and the schedule of the District's contributions to the OPEB plan on pages 94 through 100 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, which 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 GAAS, 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 schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget's Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures, the combining and individual fund financial statements and schedules and the combining component unit financial statements and schedules 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditors, the schedule of expenditures of federal awards, the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures, the combining and individual fund financial statements and schedules and the combining component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 December 5, 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 the District's internal control over financial reporting and compliance.

*RubinBrown LLP*

December 5, 2024

**School District 27J**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the fiscal year ended June 30, 2024

As management of School District 27J, counties of Adams, Weld and Broomfield, Colorado (the School District), we offer readers of the School District's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal; which can be found on pages 3-7 of this report, and the School District's financial statements, which follow this section.

**Financial Highlights**

- The District applies the Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions (GASB 68). GASB 68 addresses financial reporting requirements for governments that provide their employees with pension benefits. The School District provides its employees with pension benefits through a multiple employer cost sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).
- Due to the (\$234.9) million effect of GASB 68, the assets and deferred outflows of resources of the School District only exceeded its liabilities and deferred inflows of resources at June 30, 2024, by \$46.8 million (net position).
- During the November 2020 election, the School District voters successfully passed an authorization for issuance of \$515 million of bonds. The bonds are funding building a new comprehensive high school; two new middle schools; STEM/CTE centers at all three of the current high schools, all of which opened in the fall of 2023; a K-8 school, Discovery Magnet, which opened in the fall of 2023 and the second phase of a new elementary, Southlawn Elementary, which opened in fall of 2022. In addition, the School District will continue to increase safety and security measures district-wide and lengthen the life of existing educational facilities through repairs, maintenance and renovations.
- During the November 2022 election, the School District voters successfully passed a Mill Levy Override to increase the District's taxes by \$17.74 million beginning in tax collection year 2023, and by whatever amounts as may be generated annually thereafter by the imposition of an additional mill levy of not to exceed 8 mills. This funding is used for the safety of students, staff, and community; compensation to attract and retain effective and experienced staff to serve and support students; and for career and technical education/stem center staffing and program support.
- The net position of the School District governmental activities includes \$94.5 million net investment in capital assets; net position of \$93 million restricted for debt service payments, \$6.7 million required emergency reserves; and an unrestricted net position balance of negative (\$159.3) million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$43.2 million or 16.8% of General Fund Expenditures.

**Overview of the Financial Statements**

The discussion and analysis provided are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The government-wide financial statements are designed to provide the reader of the School District's Annual Comprehensive Financial Report a broad overview of the School District's finances in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents financial information on all of the School District's assets, deferred outflows or resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District as a whole is improving or deteriorating. Evaluation of the overall health of the School District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of School District infrastructure, in addition to the financial information provided in this report.

The statement of activities presents information showing how the School District's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods. The purpose of the statement of activities is to show the financial reliance of the School District's activities or functions on revenues provided by the School District's taxpayers.

In the government-wide financial statements, the School District's activities include:

- ***Governmental activities:*** Most of the School District's basic services are included here, such as instruction and support services that are principally supported by property taxes and state funding.

The government-wide financial statements include not only financial data for the School District itself (known as the primary government), but also the legally separate Capital Facility Fee Foundation and seven legally separate charter schools for which the School District is financially accountable. Financial information for these component units is presented separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 25-26 of this report.

## ***Fund Financial Statements***

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 School District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds:*** 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 financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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

The School District maintains nine individual governmental funds. The major funds are the general fund, the capital projects fund, the government designated purpose grants fund, the debt service fund, and the nutrition services fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled other governmental funds. Individual fund information for the non-major funds is presented as supplementary information in this document.

The School District adopts an annual appropriated budget for each of the governmental funds. Budgetary comparison statements for the nine governmental funds are included in the supplementary information to demonstrate compliance with the amended budget.

The basic governmental fund financial statements can be found on pages 27-30 of this report.

**Proprietary funds:** Effective July 1, 2014 the School District maintains one type of proprietary fund, internal service funds. Internal service funds are used to accumulate and allocate costs internally among the governmental functions. The School District has two internal service funds, the risk management/dental insurance fund, which is used for the School District self-insured dental program and the print shop fund, which is used for the in-house printing services. The School District adopts an annual appropriated budget for each of the proprietary funds. Budgetary comparison statements for the two proprietary funds are included in the supplementary information to demonstrate compliance with the amended budget.

The basic proprietary fund financial statements can be found on pages 31-33 of this report.

**Private Purpose Trust Fund:** The private purpose trust fund is used to account for resources held for the benefit of parties outside of the School District. The private purpose trust fund is not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for private purpose trust funds is much like that used for proprietary funds. The School District has one private purpose trust fund which is primarily used for scholarship activity.

The basic private purpose trust fund financial statements can be found on pages 34-35 of this report.

#### ***Notes to the Basic Financial Statements***

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

#### ***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the School District's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund, nutrition services fund and the government designated purpose grant fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the School District's adopted budget.

As discussed, the School District reports major funds in the basic financial statements. Combining and individual fund statements and schedules for non-major funds can be found beginning on page 104 of this report.

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

#### ***Government-wide Net Position***

As noted earlier, net position may serve as a useful indicator of a government's financial position. Largely affected by the effect of GASB 68, the assets and deferred outflows of resources of the School District exceeded its liabilities and deferred inflows at June 30, 2024, by \$46.5 million.

The assets of the School District are classified as current assets, capital assets, net of depreciation and amortization and other non-current assets. Cash, investments, deposit with insurance pool, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the

School District. Cash and investments account for 94.3% of the current assets. Receivables are due in large part as a result of the property tax collection process. The School District receives close to 95% of the annual property tax assessment between March and June. The School District reports deferred outflows of resources related to pensions and the loss on refunding.

Current and noncurrent liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, accrued interest payable, unearned revenue, early retirement payable, compensated absences payable, leases payable, SBITAs payable, estimates for claims and premiums, and current portion of debt obligations. The liquidation of current liabilities is anticipated to be from current available resources, current assets or new resources that become available during fiscal year 2024-2025. Noncurrent liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2024-2025.

The School District's net position includes a \$94.5 million investment in capital assets net of accumulated depreciation and amortization and any related outstanding debt that was used to acquire those assets. The School District uses these capital assets to provide educational services to its students. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of \$93.0 million, accumulated due to voter approved bonded debt mill levy assessments, have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments.

Unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to GASB 68 and 75 along with the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The \$1.56 million long-term portion of compensated absences is recorded as a liability on the government-wide statements, but not on the governmental fund statements because they are not payable with current funds. The GASB 68 net pension liability and GASB 75 net other post-employment benefit liability are reported in the same manner as compensated absences and are \$322.8 million and \$7.8 million, respectively.

<b>Comparative Summary of Net Position</b>			
<b>As of June 30, 2024</b>			
	Governmental Activities		Total % Change
	2024	2023	2023 to 2024
<b><u>Assets:</u></b>			
Total Current Assets	\$ 213,886,581	\$ 162,219,675	31.8%
Capital Assets net of Depreciation and Amortization	560,833,276	540,229,612	3.7%
Other Non-Current Assets	<u>133,493,291</u>	<u>199,292,385</u>	-33.0%
<b>Total Assets</b>	<b><u>908,213,148</u></b>	<b><u>901,741,672</u></b>	<b><u>0.7%</u></b>
<b>Deferred Outflows of Resources</b>	106,109,869	65,260,012	62.6%
<b><u>Liabilities:</u></b>			
Total Current	43,369,069	64,259,805	-32.5%
Total Non-Current	<u>906,867,977</u>	<u>848,955,761</u>	6.8%
<b>Total Liabilities</b>	<b><u>950,237,045</u></b>	<b><u>913,215,566</u></b>	<b><u>4.1%</u></b>
<b>Deferred Inflows of Resources</b>	<u>17,222,384</u>	<u>34,829,845</u>	-50.6%
<b><u>Net Position:</u></b>			
Net Investment in Capital Assets	94,832,292	99,201,987	-4.8%
Restricted for:			
TABOR	6,698,233	5,596,417	19.7%
Debt Service	93,037,976	74,995,304	24.1%
Government Designated Purpose Grants	590,458	649,696	-9.1%
Colorado Preschool Program	1,177,845	827,454	42.3%
Nutrition Service	5,924,443	4,976,557	19.0%
Other Program Purposes	3,927,377	1,796,900	118.6%
Unrestricted	<u>(159,325,035)</u>	<u>(169,088,042)</u>	-5.8%
<b>Total Net Position</b>	<b>\$ 46,863,588</b>	<b>\$ 18,956,273</b>	<b>145.4%</b>

The School District's overall net position increased \$27.9 million from the prior fiscal year. Further detail for this overall increase is provided in the following sections for governmental activities.

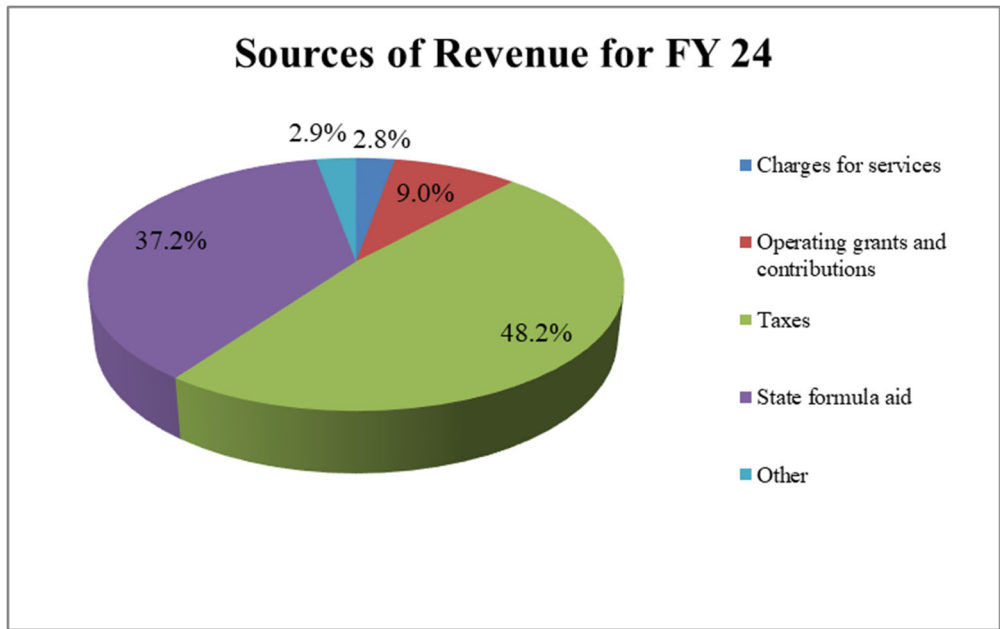
**Governmental Activities**

Governmental activities increased the net position of the School District by \$27.6 million.

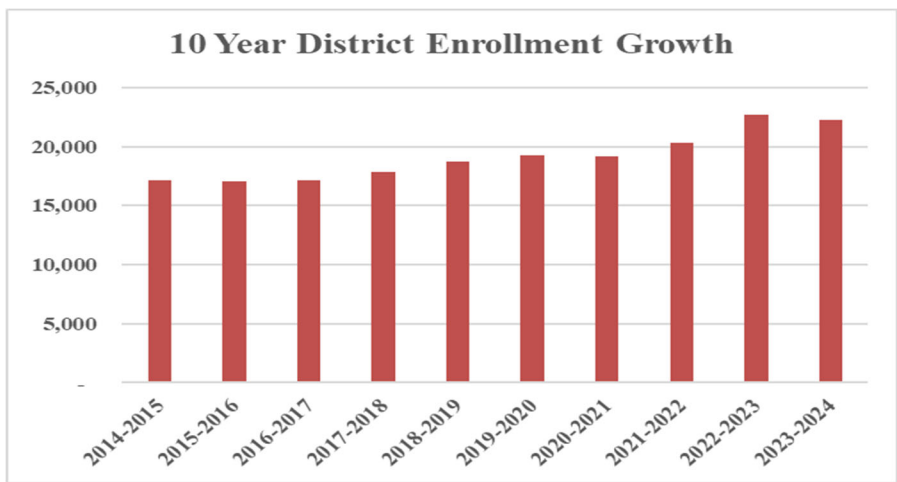
<b>Comparative Schedule of Changes in Net Position</b>			
<b>For the Year Ended June 30, 2024</b>			
	Governmental Activities		Total % Change
	2024	2023	2023 to 2024
<b><u>Program Revenues:</u></b>			
Charges for Services	\$ 11,103,237	\$ 12,610,412	-12.0%
Operating Grants and Contributions	35,741,970	39,817,349	-10.2%
<b><u>General Revenues:</u></b>			
Local Property Taxes	174,904,541	138,212,817	26.5%
Specific Ownership Taxes	17,414,190	5,537,768	214.5%
Equalization	148,507,058	138,639,823	7.1%
Other	11,430,479	10,126,396	12.9%
<b>Total Revenues</b>	<b><u>399,101,475</u></b>	<b><u>344,944,565</u></b>	<b><u>15.7%</u></b>
<b><u>Expenses:</u></b>			
Instruction	158,574,050	121,930,926	30.1%
Supporting Services			
Pupil Services	15,676,949	14,854,016	5.5%
Instructional Staff	10,092,098	7,751,337	30.2%
General Administration	3,847,710	2,741,128	41.0%
School Administration	21,178,190	14,166,299	50.2%
Operations and Maintenance	23,912,487	17,006,602	40.9%
Pupil Transportation	11,151,250	9,146,464	21.9%
Business Supporting Services	3,135,787	3,832,784	-18.2%
Central Supporting Services	19,431,738	15,016,360	29.4%
Community Services	2,264,391	1,857,633	21.9%
Pupil Activities	4,691,778	4,353,277	7.8%
Charter Schools	66,437,883	57,187,048	16.2%
Debt Service - Interest	20,909,071	23,197,693	-9.9%
Nutrition Service	10,072,396	7,946,548	26.7%
<b>Total Expenses</b>	<b><u>371,194,161</u></b>	<b><u>300,988,115</u></b>	<b><u>23.4%</u></b>
<b>Change in Net Position</b>	<b>27,907,315</b>	<b>43,956,450</b>	<b>-37.3%</b>
Beginning Net Position	18,956,273	(25,000,177)	-175.8%
<b>Ending Net Position</b>	<b>\$ 46,863,588</b>	<b>\$ 18,956,273</b>	<b>145.4%</b>

While the continued loss in funding due to the inclusion of the negative factor in the Colorado Public School Finance Act (SFA) has certainly had an impact on the School District, management has been able to limit expenses to minimize the impact on governmental activities over the long term. The SFA provides for the majority of the funding of local school districts based on a funded pupil count formula and a maximum property tax mill levy determined for each school district. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. State equalization provided 37.2% of the School District's total governmental revenues, which is a decrease of 3.0% over the prior fiscal year. Local taxes provided 48.2% of governmental revenue. The \$36.7

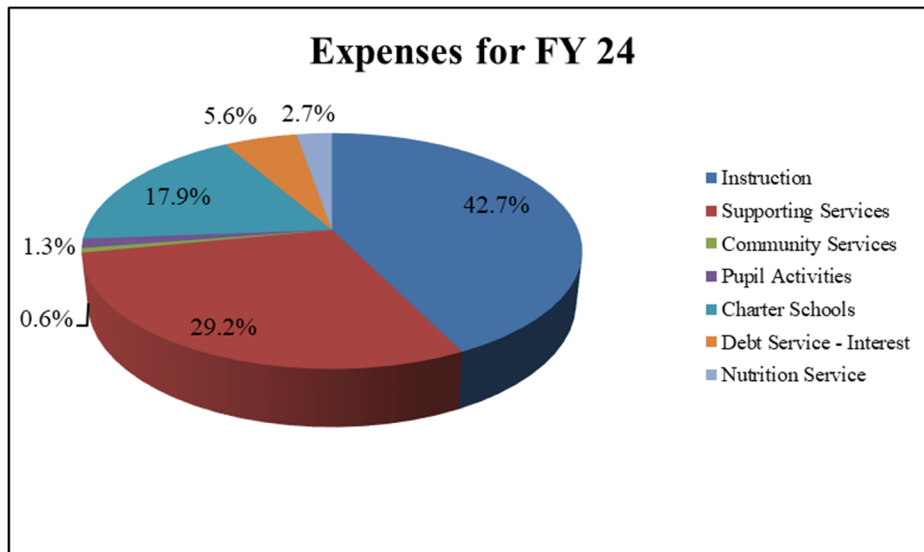
million increase in local property taxes from the prior fiscal year is associated with the increase in levies for mills and passing of the 2022 Mill Levy Override. The School District levies 35.306 mills annually for the SFA, an increase of 1.085 from the prior year. The \$9.9 million increase in equalization is due to an increase in per pupil funding in 2023-24.



Year	Student Count	% Change
2014-2015	17,103	2.4%
2015-2016	17,042	-0.4%
2016-2017	17,115	0.4%
2017-2018	17,883	4.5%
2018-2019	18,711	4.6%
2019-2020	19,248	2.9%
2020-2021	19,188	-0.3%
2021-2022	20,338	6.0%
2022-2023	22,687	11.5%
2023-2024	22,249	-1.9%



Government-wide expenses increased \$70.6 million from the prior year. A large portion of this was due to the increase in the amount the State contributed to the state pension fund and the amount the District was required to report as an “on-behalf” benefit. Direct governmental instructional expenses make up 42.7% of the total governmental expenses. This category includes direct instruction to students. Support services, which includes but is not limited to operations and maintenance, transportation, pupil services, and other general support services is 29.2% of the total governmental expenses. Charter schools’ governmental expenses constitute 17.9% of the total governmental expenses in fiscal year 2024. The remaining 10.2% of the total governmental expenses include community services, pupil activities, nutrition services and debt service interest payments.



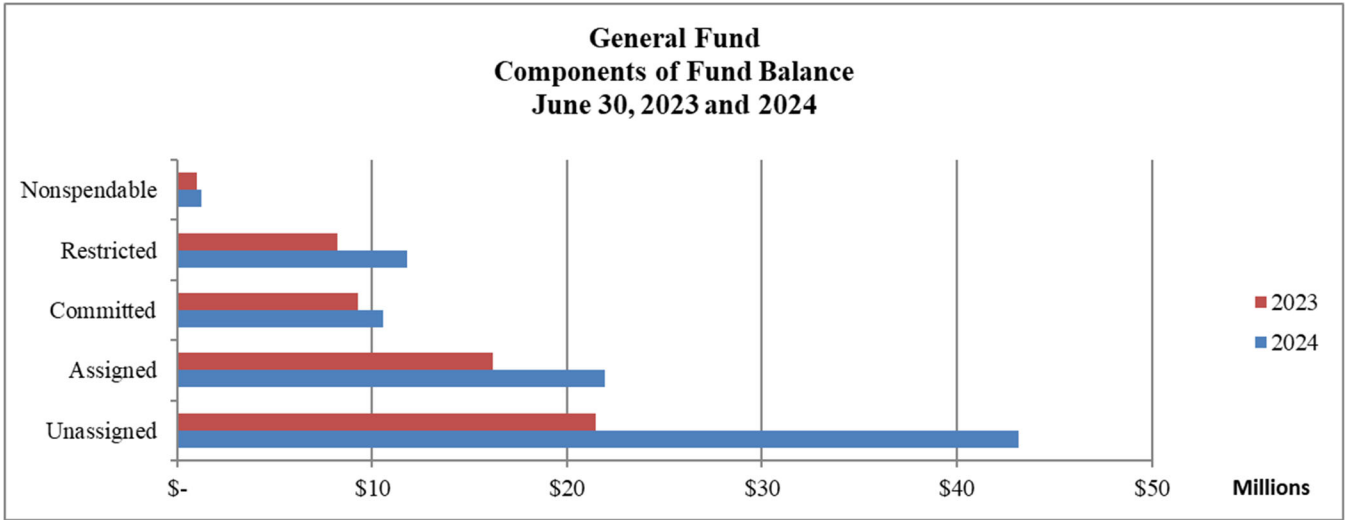
### Financial Analysis of Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations.

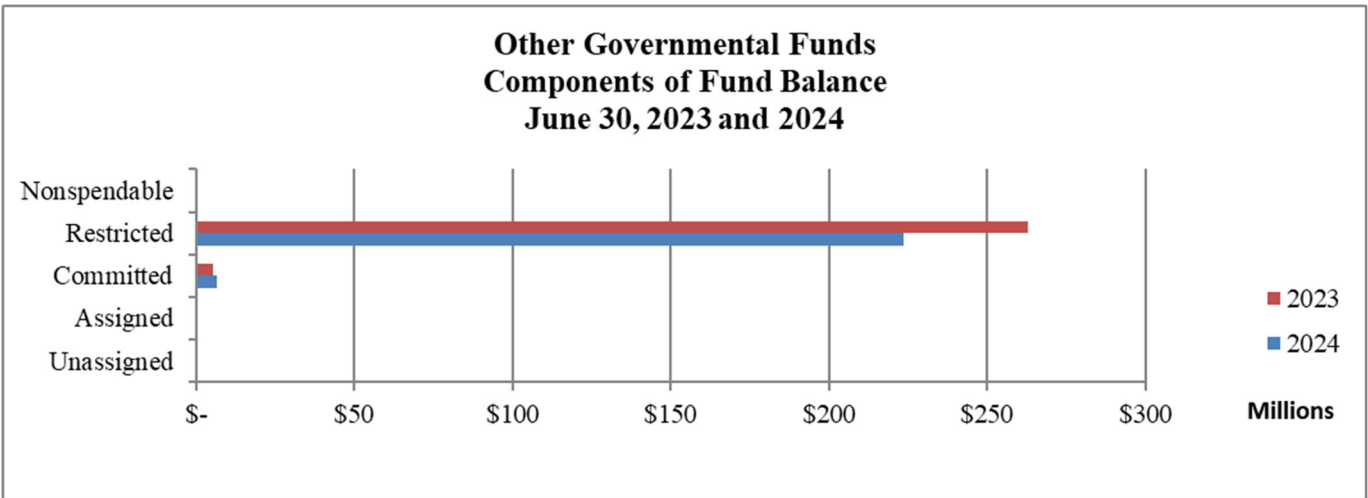
#### *Governmental Funds*

The focus of the School District’s governmental funds is to provide information on near-term inflows, outflow, and balances of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the School District, or a group or individual that has been delegated authority to assign resources for particular purposes by School District’s Board of Education.

Of this year-end total, \$43.2 million is unassigned, indicating availability for continuing School District service requirements. Legally restricted fund balances include \$91.9 million for debt service, \$121.3 million for capital projects and \$6.7 million restricted pursuant to the TABOR Amendment. Article X 20(5) of the Colorado State Constitution (TABOR Amendment), requires that an amount equal to 3% or more of its fiscal year spending excluding debt service be set aside. Committed fund balances include \$6.4 million for special revenue funds, \$6.9 million for Board contingencies, \$2.6 million for capital reserve projects, \$3.6 million for risk management insurance and contracted services.



The General Fund is the School District’s primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, unassigned fund balance in the general fund was \$43.2 million, while total fund balance increased \$32.4 million to \$88.7 million. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 12.7% of total general fund expenditures net of intergovernmental – charter schools, while total fund balance represents approximately 26.1% of that same amount.



***Proprietary Funds***

The School District’s proprietary funds consist of two internal service funds that provide the same type of information found in the government-wide financial statements, but in more detail. In fiscal year 2024, the School District accounted for the School District’s self-insured dental plan and print shop as part of the proprietary funds.

The unrestricted net position for the School District’s self-insured dental plan and print shop is \$0.7 million, with the School District’s self-insured dental plan accounting for 100 percent of the total.

**General Fund Budgetary Highlights**

**Revenue** - Actual revenues were \$18.4 million less than the final approved budget. This is primarily due to state equalization projections being higher than received.

<b>FY24 General Fund Revenue</b>	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>
Taxes	\$ 111,551,210	\$ 127,235,369	\$ 15,684,159
Intergovernmental Revenue	196,628,045	157,797,212	(38,830,833)
Charges for Services	1,804,384	1,902,271	97,887
Investment Earnings	1,000,000	2,507,202	1,507,202
Miscellaneous	4,554,654	7,673,132	3,118,478
<b>Total</b>	<b>\$ 315,538,293</b>	<b>\$ 297,115,186</b>	<b>\$ (18,423,107)</b>

**Expenditures** – General fund expenditures were \$68.7 million less than budgeted. The fiscal year 2024 budget includes reserves to account and prepare for the new mill levy override funds received in fiscal year 2024 but not expensed until fiscal year 2025. In addition, the District negotiated an increase to compensation that was budgeted in fiscal year 2024 to go into effect in fiscal year 2025 and fiscal year 2026, since this is a recurring cost to the District.

**Capital Assets and Debt Administration**

**Capital assets**

The School District's investment in capital assets, net of accumulated depreciation and amortization, for governmental activities as of June 30, 2024, was \$560.8 million. The overall increase in this net investment was \$20.3 million. This increase is due to the increase in construction in progress as well as the increase of capitalized completed buildings that were in construction in progress in the prior year. See Note 2-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

<b>Capital Assets</b>		
<b>As of June 30, 2024</b>		
	Governmental Activities	
	2024	2023
<b>Non-depreciable assets:</b>		
Land	\$ 13,131,691	\$ 13,131,691
Water Shares	1,496,673	1,496,673
Construction in progress	36,754,340	131,876,986
<b>Total non-depreciable</b>	<b>51,382,704</b>	<b>146,505,350</b>
<b>Depreciable assets:</b>		
Buildings	635,183,968	507,320,731
Equipment	24,720,702	24,240,843
Right-to-Use Lease Equipment	843,174	574,994
Subscription Based IT Arrangements	2,000,574	1,716,204
<b>Total depreciable assets</b>	<b>662,748,418</b>	<b>533,852,772</b>
Less accumulated depreciation and amortization	153,297,845	140,128,510
<b>Book Value - depreciable assets</b>	<b>509,450,572</b>	<b>393,724,262</b>
Percentage depreciated	23.1%	26.2%
<b>Book Value - all assets</b>	<b>\$ 560,833,276</b>	<b>\$ 540,229,612</b>

***Long-term debt***

At the end of the fiscal year, the School District had outstanding general obligation bonds of \$526.6 million.

This debt is backed by the full faith and credit of the School District (general obligation bonds) with debt service fully funded by voter-approved property taxes.

The School District has incurred liabilities for early retirement obligations and compensated absences earned by employees. The following chart provides summary information on the School District's long-term debt:

<b>Long Term Debt</b>		
<b>As of June 30, 2024</b>		
	Governmental Activities	
	2024	2023
<b><u>Type of Debt:</u></b>		
General Obligation Bonds	\$ 526,640,000	\$ 552,745,000
Certificates of Participation	3,155,529	3,467,452
Leases Payable	356,687	22,822
SBITA Payable	621,556	467,708
Bond Premium	57,931,210	62,172,142
<b>Total</b>	<b>588,704,982</b>	<b>618,875,124</b>
Early Retirement of Obligation	216,056	216,056
Compensated Absences	3,897,868	3,699,279
<b>Total</b>	<b>\$ 4,113,924</b>	<b>\$ 3,915,335</b>

The School District maintains an “A+” rating from Standard & Poor’s and an “Aa2” from Moody’s Investors Service for general obligation debt.

Additional information on the School District’s long-term debt can be found in Note 2-G of this report.

### **Economic Factors and Budget Highlights**

The School District is highly dependent upon the State of Colorado for operating revenue. Amendment 10 of the Colorado Constitution, TABOR, restricts the School District’s ability to raise property taxes without a vote of the electorate. The School District has seen lower than expected funding from the state for ten consecutive years.

The State economy heading into the 2024-2025 fiscal year reflects an optimistic outlook for revenue stated in the Governor’s budget published November 2024. The effects of the 2024 Election have yet to be analyzed as it pertains to the budget and fiscal year 2025 expenditures.

The Board of Education established a course of action for 2024-2025 fiscal year planning and budgeting. The direction from the Board is “Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board’s Goals priorities, risk financial jeopardy, or fail to be derived from a multi-year plan.” The Board’s Global Goals are:

- The graduation/completer rate will increase by 2% per year until 95% is attained at which it will not drop lower.
- A) Every student will graduate from High School prepared to enroll in a 2 or 4-year college, enter the workforce with employment credentials, or enlist in the military. B) 27J Schools’ matriculation rate will increase by 2% every year.
- The 27J Schools Academic Dashboard will measure beginning in the fall of 2021, the academic status of the District and individual schools within 27J. By the fall of 2025, 80% of district-managed schools will have an accomplishing rating on the 27J Schools Academic Dashboard.
- A) Each 27J-managed school will increase the percentage of students who are demonstrating proficient social emotional skills by 2% each year until every student demonstrates proficient social emotional skills. B) Each 27J-managed school will decrease the percentage of students demonstrating “at risk” behavior by 2% until there are no students behaving “at risk”. C) 80% of district-managed schools will have an accomplishing rating on the 27J Schools Climate/Culture Dashboard.

The key principles of the budget development process are:

- Maximize resources in direct and indirect instruction of students
- Increase parent involvement and communications
- Focus on enrollment growth and seat capacity where needed
- Maintain fiscal stability by keeping expenditures (of which employee compensation is the largest component) in-line with revenue expectations
- Continued support of current technology in schools
- Investment in asset protection and maintenance of facilities
- Maintenance of strategic long range financial plan

### **Contacting the School District’s Financial Management**

The intent of this financial report is to provide a general overview of the School District’s finances, comply with finance-related laws and regulations, and demonstrate the School District’s commitment to public accountability. If there are questions about this report or you would like to request additional information, contact the School District at the Educational Services Center located at 18551 E. 160<sup>th</sup> Ave in Brighton, CO 80601. You can also visit the School District’s website at [www.sd27j.org](http://www.sd27j.org) for additional information about its schools, departments, and finances.

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**School District 27J, Colorado**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Governmental Activities</b>	<b>Component Units</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Investments	\$ 201,604,123	\$ 18,071,656
Investment in Insurance Pool	3,584,471	-
Inventory	103,930	1,300
Receivables		
Accounts	358,186	1,095,397
Property Taxes	4,562,162	-
Intergovernmental	1,342,965	723,197
Grants	101,701	433,182
Leases	662,226	-
Accrued Interest on Investments	284,165	-
Deposits and Prepaids	1,282,652	340,623
<b>Total Current Assets</b>	<b>213,886,581</b>	<b>20,665,355</b>
<b>Noncurrent Assets</b>		
Restricted Cash and Investments	133,493,291	17,742,671
Non Depreciable Capital Assets	51,382,704	40,136,630
Depreciable Capital Assets, Net	509,450,572	30,853,280
<b>Total Noncurrent Assets</b>	<b>694,326,567</b>	<b>88,732,581</b>
<b>Total Assets</b>	<b>908,213,148</b>	<b>109,397,936</b>
<b>Deferred Outflows of Resources</b>		
Loss on Refunding	1,482,490	158,644
Related to OPEB	2,202,149	156,411
Related to Pensions	102,425,230	9,154,478
	<u>106,109,869</u>	<u>9,469,533</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	8,433,293	4,217,912
Accrued Salary and Benefits	11,993,026	1,151,205
Accrued Interest Payable	1,994,967	1,052,749
Loan Payable	-	340,000
Building Loan	-	660,032
Unearned Revenue	4,303,364	369,413
Compensated Absences Payable	2,338,721	-
Early Retirement Payable	216,056	-
Claims Payable	72,652	170,686
Leases Payable	124,398	36,667
SBITA Payable	368,401	-
Certificates of Participation	319,191	-
General Obligation Bonds Payable	13,205,000	-
<b>Total Current Liabilities</b>	<b>43,369,069</b>	<b>7,998,664</b>
<b>Noncurrent Liabilities</b>		
Compensated Absences Payable (net of current portion)	1,559,144	-
Leases Payable (net of current portion)	232,289	27,872
SBITA Payable (net of current portion)	253,155	-
COPS (net of current portion)	2,836,338	-
General Obligation Bonds Payable (net of current portion)	571,366,210	-
Loans Payable (net of current portion)	-	38,715,000
Building Loans Payable (net of current portion)	-	14,175,121
Net OPEB Liability	7,794,964	750,408
Net Pension Liability	322,825,876	31,077,965
<b>Total Noncurrent Liabilities</b>	<b>906,867,977</b>	<b>84,746,366</b>
<b>Total Liabilities</b>	<b>950,237,045</b>	<b>92,745,030</b>
<b>Deferred Inflows of Resources</b>		
Related to Leases	631,828	-
Related to OPEB	2,032,224	270,040
Related to Pensions	14,558,331	1,975,126
	<u>17,222,384</u>	<u>2,245,166</u>
<b>Net Position</b>		
Net Investment in Capital Assets	94,832,292	19,536,783
Restricted for		
TABOR	6,698,233	1,854,586
Debt Service	93,037,976	4,935,068
Government Designated Purpose Grants	590,457	-
Colorado Preschool Program	1,177,845	-
Other Program Purposes	3,927,377	496,508
Nutrition Service	5,924,443	-
Building Maintenance	-	2,204,086
Operations and Maintenance	-	164,555
Capital Projects	-	6,547,602
Unrestricted	(159,325,035)	(11,861,915)
<b>Total Net Position</b>	<b>\$ 46,863,588</b>	<b>\$ 23,877,273</b>

See accompanying notes to the basic financial statements.

School District 27J, Colorado  
Statement of Activities  
For The Year Ended June 30, 2024

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Component Units
<b>Primary Government</b>						
<b>Governmental Activities</b>						
Instructional Services	\$ 158,392,433	\$ -	\$ 24,238,936	\$ -	\$ (134,153,497)	\$ -
Supporting Services						
Pupil Services	15,676,949	-	-	-	(15,676,949)	-
Instructional Staff	10,092,098	-	-	-	(10,092,098)	-
General Administration	3,847,710	-	-	-	(3,847,710)	-
School Administration	21,178,190	-	-	-	(21,178,190)	-
Operations and Maintenance	23,912,487	-	-	-	(23,912,487)	-
Pupil Transportation	11,151,250	831,729	1,931,407	-	(8,388,114)	-
Business Supporting Services	3,135,787	-	-	-	(3,135,787)	-
Central Supporting Services	19,431,738	-	-	-	(19,431,738)	-
Community Services	2,264,391	5,891,565	-	-	3,627,174	-
Pupil Activities	4,691,778	3,805,247	-	-	(886,531)	-
Charter School Funding	66,437,883	-	-	-	(66,437,883)	-
Interest on Long-Term Debt	20,909,071	-	-	-	(20,909,071)	-
Nutrition Services	10,072,396	574,696	9,571,627	-	73,927	-
<b>Total Governmental Activities</b>	<u>\$ 371,194,161</u>	<u>\$ 11,103,237</u>	<u>\$ 35,741,970</u>	<u>\$ -</u>	<u>(324,348,953)</u>	<u>-</u>
<b>Component Units</b>						
Eagle Ridge Academy	\$ 6,738,847	\$ 243,107	\$ 70,918	\$ 5,333,167	-	(1,091,655)
Bromley East Charter School	14,864,123	1,393,714	561,393	488,521	-	(12,420,495)
Belle Creek Charter School	7,253,705	439,998	391,235	4,799,231	-	(1,623,241)
Foundations Academy Charter School	10,073,129	-	317,230	-	-	(9,755,899)
Landmark Academy Charter School	10,413,061	-	640,998	-	-	(9,772,063)
The STEAD School	6,640,719	668,955	4,181,502	101,825	-	(1,688,437)
Capital Facility Fee Foundation	49,851	1,369,340	40,457	-	-	1,359,946
<b>Total Component Units</b>	<u>\$ 56,033,435</u>	<u>\$ 4,115,114</u>	<u>\$ 6,203,733</u>	<u>\$ 10,722,744</u>	<u>-</u>	<u>(34,991,844)</u>
<b>General Revenues</b>						
Local Property Taxes					174,904,541	-
Specific Ownership Taxes					17,414,190	-
Equalization					148,507,058	-
Equalization - Charter Schools					-	45,321,694
Mill Levy Override					-	5,310,472
Investment Earnings					3,638,605	924,575
Other					7,791,874	1,316,719
<b>Total General Revenues</b>					<u>352,256,268</u>	<u>52,873,460</u>
<b>Change in Net Position</b>					<u>27,907,315</u>	<u>17,881,616</u>
<b>Net Position Beginning of Year</b>					<u>18,956,273</u>	<u>5,995,657</u>
<b>Net Position End of Year</b>					<u>\$ 46,863,588</u>	<u>\$ 23,877,273</u>

See accompanying notes to the basic financial statements.

School District 27J, Colorado  
Balance Sheet  
Governmental Funds  
June 30, 2024

	General	Capital Projects	Government Designated Purpose Grants	Debt Service	Nutrition Services	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and Investments	\$ 103,975,222	\$ -	\$ -	\$ 90,737,437	\$ 6,322,343	\$ 569,121	\$ 201,604,123
Restricted Cash and Investments	-	133,493,291	-	-	-	-	133,493,291
Deposit with Insurance Pool	3,584,471	-	-	-	-	-	3,584,471
Inventory	-	-	-	-	103,930	-	103,930
Receivables							
Accounts	58,976	78,725	-	-	-	204,133	341,834
Property Taxes	2,586,707	-	-	1,975,455	-	-	4,562,162
Intergovernmental	-	-	1,224,338	-	118,627	-	1,342,965
Leases	-	-	-	-	-	662,226	662,226
Interfund Receivable	6,954,385	-	4,399,401	40,919	-	10,176,691	21,571,396
Interest on Investment	-	-	-	284,165	-	-	284,165
Prepaid Items	1,236,476	-	-	-	-	46,176	1,282,652
Grant Fund Advance	-	-	101,701	-	-	-	101,701
<b>Total Assets</b>	<b>\$ 118,396,237</b>	<b>\$ 133,572,016</b>	<b>\$ 5,725,440</b>	<b>\$ 93,037,976</b>	<b>\$ 6,544,900</b>	<b>\$ 11,658,347</b>	<b>\$ 368,934,916</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts and Other Current Payables	\$ 2,144,799	\$ 5,790,596	\$ 408,942	\$ -	\$ 26,518	\$ 62,438	\$ 8,433,293
Accrued Salary and Benefits	10,737,057	-	541,304	-	125,673	588,992	11,993,026
Unearned Revenue	-	-	4,184,737	-	118,627	-	4,303,364
Interfund Payable	15,636,085	6,446,836	-	-	245,709	-	22,328,630
<b>Total Liabilities</b>	<b>28,517,941</b>	<b>12,237,432</b>	<b>5,134,983</b>	<b>-</b>	<b>516,527</b>	<b>651,430</b>	<b>47,058,313</b>
<b>Deferred Inflows of Resources</b>							
Unavailable Property Tax Revenue	1,197,095	-	-	1,139,515	-	-	2,336,610
Unavailable Lease Receivable	-	-	-	-	-	631,828	631,828
<b>Total Deferred Inflows of Resources</b>	<b>1,197,095</b>	<b>-</b>	<b>-</b>	<b>1,139,515</b>	<b>-</b>	<b>631,828</b>	<b>2,968,438</b>
<b>Fund Balances</b>							
Nonspendable Items	1,236,476	-	-	-	103,930	44,500	1,384,906
Restricted for Debt Service	-	-	-	91,898,461	-	-	91,898,461
Restricted for Capital Projects	-	121,334,584	-	-	-	-	121,334,584
Restricted for TABOR	6,698,233	-	-	-	-	-	6,698,233
Restricted for Cash-in-Lieu of Land	3,007,377	-	-	-	-	-	3,007,377
Restricted for Government Designated Purpose Grants	-	-	590,457	-	-	-	590,457
Restricted for Multi-Year Obligations	920,000	-	-	-	-	-	920,000
Restricted for Nutrition Services	-	-	-	-	5,924,443	-	5,924,443
Restricted for Colorado Preschool	1,177,845	-	-	-	-	-	1,177,845
Restricted for Pupil Activity	-	-	-	-	-	3,947,301	3,947,301
Committed for Risk Management Insurance	3,584,471	-	-	-	-	-	3,584,471
Committed, Reported in Special Revenue Funds	-	-	-	-	-	6,383,288	6,383,288
Committed for Board Contingencies	6,980,328	-	-	-	-	-	6,980,328
Assigned for Capital Reserve Projects	2,583,202	-	-	-	-	-	2,583,202
Assigned for Career and Technical Education	150,000	-	-	-	-	-	150,000
Assigned for Subsequent Year Expenditures	19,184,077	-	-	-	-	-	19,184,077
Unassigned, Reported in General Fund	43,159,192	-	-	-	-	-	43,159,192
<b>Total Fund Balances</b>	<b>88,681,201</b>	<b>121,334,584</b>	<b>590,457</b>	<b>91,898,461</b>	<b>6,028,373</b>	<b>10,375,089</b>	<b>318,908,166</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 118,396,237</b>	<b>\$ 133,572,016</b>	<b>\$ 5,725,440</b>	<b>\$ 93,037,976</b>	<b>\$ 6,544,900</b>	<b>\$ 11,658,347</b>	<b>\$ 368,934,916</b>

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2024**

<b>Total Governmental Fund Balances</b>	\$	318,908,166
Amounts reported for governmental activities in the Statement of Activities are different due to:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds but are reported on the Statement of Activities:		
Cost	\$ 714,131,121	
Less Accumulated Depreciation and Amortization	<u>(153,297,845)</u>	560,833,276
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds:		
Unavailable Property Tax Revenue		2,336,610
An Internal Service Fund is used by management to charge the costs of dental insurance premiums to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities on the Statement of Net Position.		
		700,934
Accrued interest on long-term debt is not reported at the fund financial reporting level, but is reported on the Statement of Net Position.		
		(1,994,967)
Liabilities not due and payable in the current period are not reported in the funds but are reported on the Statement of Net Position:		
COPS Payable	\$ (3,155,529)	
Bonds Payable	(526,640,000)	
Leases Payable	(356,687)	
SBITA Payable	(621,556)	
Compensated Absences Payable	(3,897,868)	
Early Retirement Payable	<u>(216,056)</u>	(534,887,696)
Premiums, discounts and refunding differences are reported as expenditures in the funds when the debt is issued but capitalized on the Statement of Net Position:		
Premium	\$ (57,931,210)	
Deferred Outflow: Loss on Refunding	<u>1,482,490</u>	(56,448,720)
Net pension liability not due and payable in the current period are not reported in the funds but are reported on the Statement of Net Position:		
Deferred Outflow	\$ 102,425,230	
Deferred Inflow	(14,558,331)	
Net Pension Liability	<u>(322,825,876)</u>	(234,958,978)
Net OPEB liability not due and payable in the current period are not reported in the funds but are reported on the Statement of Net Position:		
Deferred Outflow	\$ 2,202,149	
Deferred Inflow	(2,032,224)	
Net OPEB Liability	<u>(7,794,964)</u>	(7,625,039)
<b>Net Position of Governmental Activities</b>	<u>\$</u>	<u>46,863,588</u>

See accompanying notes to the basic financial statements

School District 27J, Colorado  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
 Governmental Funds  
 For The Year Ended June 30, 2024

	General	Capital Projects	Government Designated Purpose Grants	Debt Service	Nutrition Services	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 127,235,369	\$ -	\$ -	\$ 65,211,516	\$ -	\$ -	\$ 192,446,885
Intergovernmental Revenue							
Vocational Education	884,043	-	-	-	-	-	884,043
Special Education	7,897,390	-	-	-	-	-	7,897,390
State On-Behalf	508,721	-	30,601	-	-	-	539,322
Transportation	-	-	-	-	-	1,931,407	1,931,407
Federal Grants	-	-	10,332,068	-	6,084,635	-	16,416,703
State Grants	-	-	4,586,113	-	3,486,992	-	8,073,105
Equalization	148,507,058	-	-	-	-	-	148,507,058
Pupil Activities	-	-	-	-	-	3,805,247	3,805,247
Charges for Services	1,902,271	-	-	-	574,696	4,821,023	7,297,990
Investment Earnings (loss)	2,507,202	(2,234,645)	-	3,102,478	246,731	16,839	3,638,605
Miscellaneous	7,673,132	-	109,364	-	-	9,378	7,791,874
<b>Total Revenues</b>	<b>297,115,186</b>	<b>(2,234,645)</b>	<b>15,058,146</b>	<b>68,313,994</b>	<b>10,393,054</b>	<b>10,583,894</b>	<b>399,229,629</b>
<b>Expenditures</b>							
<b>Current</b>							
Instructional Services	117,327,345	-	8,761,722	-	-	755,505	126,844,572
Supporting Services							
Pupil Services	12,067,139	-	2,705,914	-	-	-	14,773,053
Instructional Staff	6,807,318	-	2,376,208	-	-	213,672	9,397,198
General Administration	2,486,126	-	-	-	-	-	2,486,126
School Administration	13,703,347	-	99,193	-	-	-	13,802,540
Operations and Maintenance	18,014,012	-	-	-	-	-	18,014,012
Pupil Transportation	41,785	-	40,273	-	-	9,891,881	9,973,939
Business Supporting Services	1,899,143	-	414,824	-	-	42,425	2,356,392
Central Supporting Services	16,202,909	-	693,511	-	-	138,703	17,035,123
Community Services	314,214	-	25,398	-	-	1,794,220	2,133,832
Nutrition Services	-	-	-	-	9,431,341	-	9,431,341
Pupil Activities	-	-	-	-	-	4,421,261	4,421,261
Capital Outlay	1,102,867	55,864,040	56,531	-	30,951	44,000	57,098,389
Intergovernmental - Charter Schools	66,437,883	-	-	-	-	-	66,437,883
Debt Service							
Principal Retirement	688,958	-	-	26,105,000	-	-	26,793,958
Interest	82,890	-	-	24,591,523	-	-	24,674,413
Fiscal Charges	2,000	-	-	6,500	-	-	8,500
<b>Total Expenditures</b>	<b>257,177,936</b>	<b>55,864,040</b>	<b>15,173,574</b>	<b>50,703,023</b>	<b>9,462,292</b>	<b>17,301,667</b>	<b>405,682,532</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>39,937,250</b>	<b>(58,098,685)</b>	<b>(115,428)</b>	<b>17,610,971</b>	<b>930,762</b>	<b>(6,717,773)</b>	<b>(6,452,903)</b>
<b>Other Financing Sources (Uses)</b>							
Leases and SBITAs	832,104	-	35,122	-	-	-	867,226
Transfers Out	(8,328,158)	-	-	-	-	-	(8,328,158)
Transfers In	-	-	21,067	-	-	8,222,667	8,243,734
<b>Total Other Financing Sources (Uses)</b>	<b>(7,496,054)</b>	<b>-</b>	<b>56,189</b>	<b>-</b>	<b>-</b>	<b>8,222,667</b>	<b>782,802</b>
<b>Net Change in Fund Balances</b>	<b>32,441,196</b>	<b>(58,098,685)</b>	<b>(59,239)</b>	<b>17,610,971</b>	<b>930,762</b>	<b>1,504,894</b>	<b>(5,670,101)</b>
<b>Fund Balance Beginning of Year</b>	<b>56,240,006</b>	<b>179,433,269</b>	<b>649,696</b>	<b>74,287,490</b>	<b>5,097,611</b>	<b>8,870,195</b>	<b>324,578,267</b>
<b>Fund Balances End of Year</b>	<b>\$ 88,681,202</b>	<b>\$ 121,334,584</b>	<b>\$ 590,457</b>	<b>\$ 91,898,461</b>	<b>\$ 6,028,373</b>	<b>\$ 10,375,089</b>	<b>\$ 318,908,166</b>

See accompanying notes to the basic financial statements.

**School District 27J, Colorado**  
**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, 2024**

**Net Changes In Fund Balances - Total Governmental Funds** \$ (5,670,101)

Amounts reported for governmental activities in the Statement of Activities are different because 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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation and loss on disposal of capital assets in the current period.

	Depreciation and Amortization	\$ (13,596,746)	
	Net Book Value of Disposed Assets	(103,290)	
	Capital Outlay	34,303,701	20,603,665

Property tax and grant revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (128,154)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

	Bond Principal	\$ 26,105,000	
	Lease Payable	16,967	
	SBITA Payable	362,546	
	COPs Principal	311,923	26,796,436

Governmental funds report the effect of premiums and discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.

	Amortization:		
	Premium	\$ 4,240,932	
	Bond Refunding	(584,243)	3,656,689

The issuance of long-term debt (e.g. bonds, leases, certificates of participation) provides current financial resources of governmental funds. Neither transaction has any effect on net position.

	Issuance of Lease	(350,832)	
	Issuance of SBITA	(516,394)	(867,226)

Pension benefit reported in the Statement of Activities, does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds. (17,697,119)

OPEB benefit reported in the Statement of Activities, does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds. 1,331,648

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. The change in the current year's accruals are as follows:

	Compensated Absences		
	Liability 2023	\$ 3,699,279	
	Liability 2024	(3,897,868)	(198,589)
	Accrued Interest		
	Liability 2023	\$ 2,103,620	
	Liability 2024	(1,994,967)	108,653

Internal Service Fund activity related to third parties is not reported in governmental funds but is reported as governmental activities in the Statement of Activities. (28,594)

**Change In Net Position Of Governmental Activities** \$ 27,907,315

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>	
Receivables:	
Accounts	\$ 77
Interfund Receivable	773,509
	773,586
<b>Total Assets</b>	<b>773,586</b>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	72,652
	72,652
<b>Total Liabilities</b>	<b>72,652</b>
<b>Total Net Position</b>	<b>\$ 700,934</b>

See accompanying notes to the basic financial statements.

**School District 27J, Colorado**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For The Year Ended June 30, 2024**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Interfund Services Provided:	
Dental Insurance Premiums	\$ 1,017,090
Print Shop	46,886
<b>Total Operating Revenues</b>	<b>1,063,976</b>
<b>Operating Expenses</b>	
Salaries and Benefits	99,824
Purchased Services	9,374
Materials and Supplies	17,889
Indirect Costs	4,219
Dental Claims	1,045,684
<b>Total Operating Expenses</b>	<b>1,176,990</b>
<b>Income (Loss) from Operations</b>	<b>(113,014)</b>
<b>Other Financing Sources</b>	
Transfers In (Out)	84,420
<b>Change in Net Position</b>	<b>(28,594)</b>
<b>Net Position Beginning of Year</b>	<b>729,528</b>
<b>Net Position End of Year</b>	<b>\$ 700,934</b>

See accompanying notes to the basic financial statements.

**School District 27J, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2024**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash Flows From (Used for) Operating Activities</b>	
Cash Received from Interfund Services Provided	\$ 1,071,162
Cash Payments for Goods and Services	(131,306)
Cash Payments for Insurance Premiums and Expenses	(1,024,276)
	(84,420)
<b>Net Cash From (Used for) Operating Activities</b>	(84,420)
<b>Cash Flows From (Used for) Noncapital Financing Activities</b>	
Transfers In (Out)	84,420
	84,420
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	-
<b>Cash and Cash Equivalents Beginning of Year</b>	-
<b>Cash and Cash Equivalents End of Year</b>	\$ -
<b>Reconciliation of Operating Income (Loss) to Net Cash From (Used for) Operating Activities</b>	\$ (113,014)
<b>Adjustments:</b>	
<b>(Increase) Decrease in Assets:</b>	
Interfund Receivable	7,186
<b>Increase (Decrease) in Liabilities:</b>	
Accounts Payable	21,408
	21,408
<b>Net Cash From (Used for) Operating Activities</b>	\$ (84,420)

See accompanying notes to the basic financial statements.

**School District 27J, Colorado**  
**Statement of Fiduciary Net Position**  
**Private Purpose Trust Fund**  
**June 30, 2024**

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	<b>Private Purpose Trust Fund</b>
<b>Assets</b>	
Cash and Investments	\$ 47,327
<b>Total Assets</b>	<u>47,327</u>
<b>Liabilities</b>	
Due to Other Groups	<u>16,275</u>
<b>Total Liabilites</b>	<u>16,275</u>
<b>Net Position</b>	
Restricted for Scholarships	<u>31,052</u>
<b>Total Net Position</b>	<u><u>\$ 31,052</u></u>

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
***Statement of Changes in Fiduciary Net Position***  
***Private Purpose Trust Fund***  
***For The Year Ended June 30, 2024***

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	<b>Private Purpose Trust Fund</b>
<b>Additions</b>	
Investment Earnings	\$ 2,523
<b>Change in Net Position</b>	2,523
<b>Net Position Beginning of Year</b>	28,529
<b>Net Position End of Year</b>	\$ 31,052

See accompanying notes to the basic financial statements.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

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***Notes to the Basic Financial Statements***  
***For The Year Ended June 30, 2024***

Counties of Adams, Weld and Broomfield School District 27J, Colorado (the School District) is a school district located northeast of Denver, Colorado. The School District provides Preschool through 12th Grade Public Education.

***Note 1 - Summary of Significant Accounting Policies***

The financial statements of the School District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for government accounting and financial reporting. The most significant of the School District's accounting policies are described below.

***1-A. Reporting Entity***

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this reporting entity includes the legal entity, School District 27J, Colorado and seven discretely presented component units.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organizations; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the School District in that the School District approves the budget, levies their taxes or issues their debt. Finally, the School District may include separate legal entities that do not meet the above criterion; however, the School District would consider the financial statements to be misleading if omitted.

The component unit column included on the government-wide financial statements identifies the financial data of the School District's aggregate discretely presented component units. They are reported separately to emphasize that they are legally separate from the School District.

Significant transactions between the School District and its component unit Charter Schools consist of monthly payments to each Charter School for their share of mill levy override and state equalization money and charges from the School District to each Charter School for contracted purchased services. Brief descriptions of the discretely presented component units follow:

The Bromley East Charter School was established by contract with the School District during fiscal year 2000. The School is a legally separate entity. The contract between the Bromley East Charter School and the School District was executed on April 26, 2000, for the purpose of establishing and clarifying the relationship between the Bromley East Charter School and the School District. The Bromley East Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding the Bromley East Charter School would result in misleading financial reporting. Financial activity of the Bromley East Charter School is included within the School District's financial statements.

The Belle Creek Charter School was established by contract with the School District during fiscal year 2002. The School is a legally separate entity. The contract between the Belle Creek Charter School and the School District was executed on June 25, 2002, for the purpose of establishing and clarifying the relationship between the Belle Creek Charter School and the School District. The Belle Creek Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding the Belle Creek Charter School would result in misleading financial reporting. Financial activity of the Belle Creek Charter School is included within the School District's financial statements.

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The Landmark Academy Charter School was established by contract with the School District during fiscal year 2008. The School is a legally separate entity. The contract between the Landmark Academy Charter School and the School District was executed on January 23, 2007 for the purpose of establishing and clarifying the relationship between the Landmark Academy Charter School and the School District, but the school did not open until fiscal year 2008. Landmark Academy Charter School has entered into a management agreement with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Landmark Academy Charter School operates. Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Landmark Academy Charter School from all revenue sources. The Landmark Academy Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding the Landmark Academy Charter School would result in misleading financial reporting. Financial activity of the Landmark Academy Charter School is included within the School District's financial statements.

The Foundations Academy Charter School was established by contract with the School District during fiscal year 2011. The Foundations Academy Charter School is a legally separate entity. The contract between the Foundations Academy Charter School and the School District was executed on October 19, 2008, for the purpose of establishing and clarifying the relationship between the Foundations Academy Charter School and the School District, but the school did not open until fiscal year 2011. Foundations Academy Charter School has entered into a management agreement with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Foundations Academy Charter School operates. Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Foundations Academy Charter School from all revenue sources. The Foundations Academy Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding the Foundations Academy Charter School would result in misleading financial reporting. Financial activity of the Foundations Academy Charter School is included within the School District's financial statements.

The Eagle Ridge Academy Charter School was established by contract with the School District and is a legally separate entity. A contract between the Eagle Ridge Academy Charter School and the School District was executed in July 2010 for the purpose of establishing and clarifying the relationship between this Eagle Ridge Academy Charter School and the School District. The Eagle Ridge Academy Charter School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding Eagle Ridge Academy Charter School would result in misleading financial reporting. Financial activity of the Eagle Ridge Academy Charter School is included within the School District's financial statements.

The STEAD School was established by contract with the School District and is a legally separate entity. A contract between The STEAD School and the School District was executed in August 2020 for the purpose of establishing and clarifying the relationship between this The STEAD School and the School District, but the school did not open until fiscal year 2022. The STEAD School is deemed to be a component unit of the School District because the organization is dependent upon the School District for the majority of its funding and the School District approves the charter and excluding The STEAD School would result in misleading financial reporting. Financial activity of The STEAD School is included within the School District's financial statements.

The School District 27J Capital Facility Fee Foundation (Foundation) was established during fiscal year 2001 in response to rapid growth with the onset of the development of the Denver International Airport. The School District wanted to be proactive about the growth rather than reactive and began discussion in the late 1990's with the primary municipalities within the School District. This included Brighton, Commerce City and Thornton as well as a group of developers with projects within the School District. At the time, the primarily rural School District would not have had the financial capacity to raise enough capital through the sale of voter-approved bonds to meet the needs for new schools in a timely manner.

A small group of builders and developers and School District representatives formed a working group to find solutions to address the shortfall needs. A program of voluntary financial contributions was implemented. The Foundation is a 501(c)(3)

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
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organization whose purpose is to promote and assist in the development, financing, and acquisition of educational facilities and capital improvements in the School District. The Foundation consists of a nine-member board of directors and includes three representatives of contributing builders or developers, three School District representatives, and one city council representative of each city. Voluntary contributions are accepted by the Foundation and kept in foundation-managed accounts. The Board of Education makes requests for the release of Foundation funds for school construction purposes as needed. The Foundation Board determines if the request meets the requirements for disbursement of the funds.

The Capital Facility Fee Foundation is deemed to be a component unit of the School District because the Foundation may only distribute funds to the School District and only at the request of the School District. Because of this restricted use of Foundation Funds, the Foundation is a discretely presented component unit. Complete financial statements for each of the individual component units may be obtained at each entity's administrative offices.

Eagle Ridge Academy  
3551 Southern Street  
Brighton, CO 80601

Belle Creek Charter School  
9290 E 107<sup>th</sup> Ave  
Henderson, CO 80640

Landmark Academy Charter School  
c/o National Heritage Academies, Inc.  
3850 Broadmoor SE, Suite 201  
Grand Rapids, MI 49512

Bromley East Charter School  
c/o Bart A. Skidmore, CPA  
356 Longspur Drive  
Brighton, CO 80601

School District 27J  
Capital Facility Fee Foundation  
18551 East 160<sup>th</sup> Avenue  
Brighton, CO 80601

Foundations Academy  
c/o National Heritage Academies, Inc.  
3850 Broadmoor SE, Suite 201  
Grand Rapids, MI 49512

The STEAD School  
18251 Homestead Trail  
Commerce City, CO 80022

**Related Organization** - The 27J Education Foundation provides opportunities for individuals and/or groups beyond what the School District can offer. Their mission is to preserve, support and improve the educational opportunities within the community by developing a community partnership among schools, businesses and individuals. Through this partnership, this Foundation encourages a wide variety of educational experiences through grants awarded to individuals and organizations. The Foundation is governed by a twelve-member board consisting of community members and education members. The School District Board does not appoint members of the 27J Education Foundation, nor is this Foundation fiscally dependent on the School District and therefore, this Foundation is not considered a component unit and is not included in the School District's financial statements.

**1-B. Basis of Presentation**

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** - The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the School District as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by grants and governmental general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. However, the District has no business-type activities. Fiduciary funds and fiduciary-type component units are excluded from the government-wide financial statements because the School District holds these assets in a purely custodial capacity and cannot use these resources for School District programs.

The Statement of Net Position presents the financial position of the governmental activities of the School District and the School District's discretely presented component units at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District activities and for each identifiable activity of the business-type activities of the School District's component units. Direct expenses are those that are specifically associated

**School District 27J, Colorado**  
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**For The Year Ended June 30, 2024**

with a function and therefore clearly identifiable to that particular function. The School District does not allocate indirect expenses to functions in the Statement of Activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the School District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment earnings; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. When identifying which function program revenue pertains to, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is for which function the revenues are restricted. Other revenue sources not properly included with program revenues are reported as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental funds are reported in separate columns.

**Fund Accounting** - The School District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The School District uses three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds** - School District funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The School District reports the difference between governmental fund assets, liabilities, and deferred inflows of resources as fund balance. The following are the School District's major governmental funds:

**General Fund** - The general fund accounts for all financial resources except those required to be accounted for in another fund.

**Capital Projects Fund** - This fund accounts for bond proceeds and other revenues used for the construction and acquisition of major capital facilities other than those related to the nutrition services fund.

**Governmental Designated-Purpose Grants Fund** - This fund accounts for grants received for designated programs funded by federal, state or local governments. It is a special revenue fund.

**Debt Service Fund** - This fund accounts for the accumulated resources (normally property taxes) used to retire principal and interest on general long-term debt.

**Nutrition Services Fund** - This fund accounts for financial resources related to food service operations. The School District receives USDA school breakfast/lunch money in this fund. It is a special revenue fund.

The School District also has four non-major governmental funds that account for financial resources specific to each funds purpose.

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**Notes to the Basic Financial Statements**  
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Additionally, the School District reports the following fund types:

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The School District's proprietary funds are classified as internal service funds.

**Internal Service Funds** - The internal service funds account for the School District's self-insured dental plan and the School District's print shop.

**Private Purpose Trust Funds** – Funds that are fiduciary in nature and present changes in fiduciary net position. Private purpose trust funds are accounted for using the full accrual basis of accounting. These funds are used to account for assets the School District holds for others in a fiduciary capacity. The School District's fiduciary fund provides scholarships to students.

**1-C. Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows/inflows of resources and liabilities associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities reports revenues and expenses.

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

**Fund Financial Statements** - The governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. The School District's fiduciary funds are accounted for on an economic resources measurement focus.

**1-D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. The fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough

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thereafter to be used to pay liabilities of the current fiscal year. For the School District, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenues – Non-exchange Transactions** - Non-exchange transactions in which the School District receives value without directly giving equal value in return, include grants, taxes and donations. Revenue from property taxes and specific ownership taxes is recognized in the fiscal year for which the taxes are levied (Note 2-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include: timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected by the School District within 60 days except for specific ownership taxes which use a 30-day available period, and grant revenues which use a 180-day available period) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, specific ownership taxes, interest and federal and state grants.

**Unearned Revenue** - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and when certain grants are received before eligibility requirements are met.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue at both reporting levels.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**1-E. Assets, Deferred Outflows, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position**

**1-E-1. Cash, Cash Equivalents, and Investments**

The School District utilizes the pooled cash concept whereby cash balances of each of the School District’s funds are pooled and invested by the School District in short-term certificates of deposit, repurchase agreements, money market deposit accounts, government pools, and U.S. Treasury obligations.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the School District to be cash equivalents.

Generally, the School District invests in governmental securities, local government investment pools, and collateralized certificates of deposits in Colorado banks and repurchase agreements. Investments are either measured at net asset value, which approximates fair value, or at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

**1-E-2. Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

**1-E-3. Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund

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**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

receivables/ interfund payables". Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

**1-E-4. Consumable Inventories**

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements all inventories are stated at cost. For all fund level reporting, cost is determined on a first-in, first-out basis. Donated surplus commodities received are valued based upon the cost furnished by the Federal Government.

**1-E-5. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond current fiscal year are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is non-spendable in the governmental fund types as this amount is not available for general appropriation.

**1-E-6. Capital Assets**

Capital assets from governmental activities are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The School District reports these assets in the governmental activities column of the government-wide Statement of Net Position but does not report these assets in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School District maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. All reported capital assets are depreciated except for land, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. The adjustment for removal of salvage value is shown in the Capital Assets Note 2-D. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Component Units Estimated Lives</u>
Buildings	20-50 years	5-50 Years
Equipment	3-25 years	5-15 years

At the inception of right-to-use asset leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

**1-E-7. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position and fund level balance sheet will sometimes report a separate section for deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of net assets and deferred inflows represent an acquisition of net assets that applies to future periods and so will not be recognized as an outflow or inflow of resources until then. Deferred charge on refunding is reported in the government-wide Statement of Net Position as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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**For The Year Ended June 30, 2024**

In addition to liabilities, the Statement of Net Position and fund level balance sheet will sometimes report a separate section for deferred inflows of resources. This section represents acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Receivables for long-term leases where the school district is the lessor are reported in the government-wide Statement of Net Position and governmental fund financial statements as a deferred inflow of resources. On governmental fund financial statements (i.e., on the modified accrual basis), other receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue.

Deferred outflows of resources and deferred inflows of resources as related to pensions and other post-employment benefits can result from the net difference between expected and actual experience, projected and actual earnings on plan investments, changes in the District's proportionate of liability, changes of assumptions, as well as contributions made by the District to PERA after PERA's measurement date. Generally, deferred inflows are not aggregated with deferred outflows.

***1-E-8. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Temporary leave (sick leave, personal and bereavement) benefits are accrued as a liability using the termination payment method. An accrual for earned temporary leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

In fiscal year 2014, the District offered Early Separation Plans and Long Term Service Benefits to its employees. Only those employees who have completed fifteen or more years of service in the District as of July 1, 2009 are eligible after completing twenty years of service. These plans ended on June 30, 2014. Classified employees may receive 90% of their current year's salary at either July 31<sup>st</sup> or January 31<sup>st</sup> of the year following their retirement. Eligible certified employees who voluntarily resign or retire shall receive a payout that equals the difference between the certified employee's actual salary for the 2008-2009 school years and the \$45,129 average salary of full-time teachers hired by the District during that school year. Administrators may receive the average paid out to certified employees during the year of their retirement. There were no early separation plan/long term service payments in fiscal year 2024. As of June 30, 2024, there were four certified employees who were eligible for future payments at a total remaining cost of \$216,056.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due*".

***1-E-9. Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts and deferred amounts on refunding bonds, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums and discounts.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds are recognized as a liability in the governmental fund financial statements when due.

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**1-E-10. Leases and Subscription Based Information Technology Arrangements (SBITA)**

For arrangements where the District is a lessee or enters into a SBITA, a liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease or arrangement term. RTU assets represent the District's right to use an underlying asset for the contracted term and liabilities represent the District's obligation to make payments arising from the lease or arrangement. RTU assets and liabilities are recognized at the lease or arrangement commencement date based on the estimated present value of the payments over the contracted term. Subsequently, the liability is reduced by the principal portion of payments made. The RTU asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs and is amortized on a straight-line basis over its useful life for leases and subscription term for SBITAs.

Key estimates and judgements related to leases and SBITAs include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease or arrangement term, and (3) payments.

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

The District monitors changes in circumstances that would require a remeasurement and will remeasure the RTU asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. RTU assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

For government-wide and fund statements, for arrangements in which the District is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term. The deferred inflows of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

**1-E-11. Bond Premiums, Discounts and Issuance Costs**

On the government-wide Statement of Net Position and the proprietary fund type Statement of Net Position, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as an expense in the year they are charged. On the government-wide and proprietary fund type Statement of Activities, gains/losses on refunding are recognized as deferred inflows/outflows and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental funds recognize bond premiums, discounts, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of bond proceeds made to an escrow agent for refunding bonds are reported as other financing uses.

**1-E-12. Fund Balance/Net Position**

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

**Fund Balance** – Generally, fund balance represents the difference between the fund assets and fund liabilities. The School District restricts those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

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Assignments are management's intent to set aside these resources for specific services. The School District follows GASB 54, *Fund Balance Reporting and Government Fund Type Definition*, and records fund balances in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

Non-spendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts that can be used only for specific purposes determined by a formal action of the Board of Education, 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.

Assigned fund balance – 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, only the Superintendent or his/her designee may assign amounts for specific purposes.

Unassigned fund balance – amounts that are available for any purpose; a positive unassigned fund balance is reported only in the general fund.

The School District adopted fund balance policy (Superintendent Policy DA-R(1)) in fiscal year 2011. The governing body's process for assigning fund balance is determined by the Chief Financial Officer.

The District's order of fund balance spending policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. The District reserves the right to selectively spend unassigned fund balance.

**Net Position** - Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net investment in capital assets consists of capital assets, net of accumulated depreciation and related debt. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**1-E-13. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating expenses are necessary costs incurred to provide meals, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

**1-E-14. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

**1-E-15. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating

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revenues/expenses section in proprietary funds. The effect of interfund activity has been eliminated from the government-wide financial statements. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide Statement of Activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated.

Since the internal service fund revenues are employee payments for dental insurance, they are not eliminated (i.e., they do not relate to other funds, rather they relate to third parties).

**1-E-16. Estimates**

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**1-E-17. Budgets**

A budget was adopted for all government funds, proprietary funds, internal service funds and fiduciary funds on a basis consistent with Generally Accepted Accounting Principles. A proposed budget is submitted to the Board of Directors for the fiscal year commencing the following July 1. The budget is adopted by the board prior to June 30.

Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board. The budget includes proposed expenditures and the means of financing them.

**Note 2 – Detailed Notes on All Funds**

**2-A. Cash and Investments**

At June 30, 2024, the School District had the following cash and investments:

	District	Private Purpose Trust	Component Units
Cash on Hand	\$ 450	\$ -	\$ -
Deposits	52,978,516	-	10,260,468
Investments	282,118,447	47,327	25,553,859
Total	\$ 335,097,413	\$ 47,327	\$ 35,814,327
Governmental Activities	\$ 201,604,122	\$ -	\$ 18,071,656
Restricted Cash and Investments	133,493,291	-	17,742,671
Subtotal	\$ 335,097,413	\$ -	\$ 35,814,327
Fiduciary Activities	-	47,327	-
Total	\$ 335,097,413	\$ 47,327	\$ 35,814,327

**Restricted Cash and Investments** – As of June 30, 2024, the School District has restricted cash and investments of \$133,493,291 recorded in the School District’s capital projects fund for that purpose.

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**Cash Held in Trust** – As of June 30, 2024, the School District has \$1,946,397 held in trust. Adams County and Weld County collected property taxes for the School District and holds the funds in trust until sent to the School District on a monthly basis. Cash held in trust is grouped in deposits in the Cash and Investments section in the above table.

**Deposits** – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2024, the State regulatory commissioners had indicated that all financial institutions holding deposits for the School District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102 percent of the uninsured deposits. As of June 30, 2024, the School District had bank deposits of \$53,268,391 all of which was covered by federal depository insurance or collateralized with securities held by the financial institution’s agency not in the School District’s name.

At June 30, 2024, component unit Eagle Ridge Academy had deposits with financial institutions with a carrying amount of \$4,940,873 all of which was covered by federal depository insurance or collateralized under PDPA. At June 30, 2024, Bromley East Charter School had deposits with financial institutions with a carrying amount of \$1,033,699. Of the bank balances, \$250,000 was covered by federal deposit insurance and the remaining balance was uninsured but collateralized in accordance with the provisions of PDPA. At June 30, 2024, Belle Creek Charter School had bank deposits of \$1,488,704. Of the bank balances, \$250,000 was covered by federal deposit insurance and the remaining balance was uninsured but collateralized in accordance with the provisions of PDPA. At June 30, 2024, The STEAD School had bank deposits of \$1,835,188. Of the bank balances, \$250,000 were covered by federal deposit insurance and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA. At June 30, 2024, Landmark Academy had deposits with a carrying amount and bank balance of \$700,250, of which \$450,250 was uninsured and uncollateralized by federal depository insurance. At June 30, 2024, Foundations Academy had deposits with a carrying amount of \$714,649 of which \$464,649 was uninsured and uncollateralized by federal depository insurance.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure the School District’s deposits may not be returned to it. The School District and the discretely presented component units do not have a formal deposit policy for custodial credit risk, but are following PDPA. At June 30, 2024 the School District had no deposits exposed to custodial credit risk.

**Investments** – Colorado statutes specify investment instruments meeting defined rating maturity and concentration risk criteria. The School District has adopted an investment policy which is more restrictive and limits investments to the following:

- Obligations of the United States Treasury
- Agencies and Instrumentalities of the federal government
- Bank deposits collateralized according to PDPA
- AA or AAA rated corporate bonds
- A-1 or P-1 rated commercial paper or negotiable certificates of deposit
- A, AA or AAA rated municipal bonds
- Money market mutual funds
- Local government investment pools (“LGIP”)

The District and its component units have investments either at net asset value (NAV), which approximates fair value, including certain external investment pools and market funds, and amortized cost, including certificates of deposit, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

The District’s Colorado Government Liquid Asset Trust (ColoTrust) external investment pool of \$53,819,316 at June 30, 2024 is valued using the NAV per share (or its equivalent) of the investments. The District’s Colorado Statewide Investment Program (CSIP) external investment pool of \$82,501,791 at June 30, 2024 is valued using the NAV per share (or its equivalent) of the investments. The District’s Colorado Surplus Asset Fund Trust (CSAFE) external investment pool of \$1,479,189 is measured at amortized cost. The component units’ external investment pools of \$22,632,101 at June 30, 2024, are valued using the NAV

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per share (or its equivalent) and amortized cost of the investments. The investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. The component units have investments in U.S. Treasuries, Fixed Income, and Certificates of Deposit in the amount of \$206,243, \$1,277,506 and \$5,796,130, respectively, with maturity dates of less than one and two years. The Money Market investments are valued with Level 1 inputs and the Certificates of Deposit are valued with Level 2 inputs.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

<u>Investments by Fair Value Level</u>	<u>June 30, 2024</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Mutual Fund	\$ 83,277,653	\$ 83,277,653	\$ -	\$ -
U.S. Treasury Obligations	61,087,826	-	61,087,826	-
Total Investments by Fair Value Level	<u>\$ 144,365,479</u>	<u>\$ 83,277,653</u>	<u>\$ 61,087,826</u>	<u>\$ -</u>
<u>Investments at Net Asset Value (NAV)</u>	<u>June 30, 2024</u>			
ColoTrust Investment Pool	\$ 53,819,316			
CSIP Investment Pool	82,501,791			
Total Investments held at Net Asset Value (NAV)	<u>\$ 136,321,107</u>			
<u>Investments at Amortized Cost</u>	<u>June 30, 2024</u>			
CSAFE Investment Pool	\$ 1,479,189			
Total Investments held at Amortized Cost	<u>\$ 1,479,189</u>			
<b>Total Investments</b>	<u>\$ 282,165,775</u>			

As of June 30, 2024, the School District had the following investments. Deposits and investments are internally pooled to maximize investment safety, liquidity and interest yield:

<u>Type of Security</u>	<u>Value</u>	<u>Concentration</u>	<u>S&amp;P Rating</u>	<u>Maturity</u>		
				<u>12 Months or Less</u>	<u>1-3 Years</u>	<u>3-5 Years</u>
ColoTrust (external investment pool)	\$ 53,819,316	19.07%	AAAm	\$ 53,819,316	\$ -	\$ -
CSAFE (external investment pool)	1,479,189	0.52%	AAAm	1,479,189	-	-
CSIP (external investment pool)	82,501,791	29.24%	AAAm	82,501,791	-	-
U.S. Treasury Obligations	61,087,826	21.65%	AA+	61,087,826	-	-
Money Market Mutual Fund	83,277,653	29.51%	AAAm	83,277,653	-	-
	<u>\$ 282,165,775</u>	<u>100.00%</u>		<u>\$ 282,165,775</u>	<u>\$ -</u>	<u>\$ -</u>

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At June 30, 2024, the School District’s discretely presented component units’ investments are as follows:

Eagle Ridge Academy	
CSAFE	<u>\$ 1,351,379</u>
Bromley East Charter School	
Colotrust	\$ 4,298,677
CSAFE	2,432,903
Fixed Income	<u>1,277,506</u>
Total	<u>\$ 8,009,086</u>
Belle Creek Charter School	
CSAFE	\$ 3,376,757
Colotrust	<u>59,444</u>
Total	<u>\$ 3,436,201</u>
The STEAD School	
CSAFE	<u>\$ 6,754,820</u>
Capital Facility Fee Foundation	
U.S. Treasuries	\$ 206,243
Certificate of Deposits	<u>5,796,130</u>
Total	<u>\$ 6,002,373</u>
Total Component Units	<u>\$ 25,553,859</u>

Local Government Investment Pool - These are investment trusts established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. These pools operate similarly to a money market fund and each share is equal in value to \$1. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by pools in connection with the direct investment and withdrawal functions of the pools. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial banks. The custodian’s internal records identify the investments owned by the School District. Due to their high liquidity, these funds are classified as investments for reporting purposes. The Trusts are rated AAAM by Standard and Poor’s.

Interest Rate Risk – The School District and the component units do not have formal investment policies that limit investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado Revised Statute 24-75-601 limits investment maturities to five years or less without governing board approval. Based on the current rate environment, the School District and the component units assume that investments will be held to maturity. As of June 30, 2024, no coupon and discount securities had investment maturities greater than five years. The weighted average maturity of the local government entity investment pools investments shall not exceed 60 days for ColoTrust and CSAFE at June 30, 2024.

Credit Risk – State statute limit investments in U.S. Government Agency securities to the highest rating issued by Nationally Recognized Statistical Rating Organizations (NRSROs).

Concentration of Credit Risk – State statutes do not limit the amount the School District may invest in one issuer. The School District has adopted a policy which is more restrictive and limits investments to: not more than 25% of the School District’s portfolio invested in the securities in any “one” government agency with the exception of United States Treasury securities;

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not more than 25% of the School District’s portfolio invested in deposit accounts; money market mutual funds shall be diversified so that no fund shall hold more than 50% of the School District’s portfolio; combined fund investments not to exceed 75% of the total portfolio and not exceeding 25% of the School District’s total portfolio in repurchase agreements. All of the Charter Schools and the Capital Facility Fee Foundation have adopted an investment policy that does not vary significantly from Colorado State Statutes.

Belle Creek Charter had \$59,444 and \$3,376,757 respectively, invested in ColoTrust and CSAFE at June 30, 2024. The investment pools were rated AAAM by Standard & Poor’s. Belle Creek Charter held restricted cash and cash equivalents of \$592,821 for the Education Center Fund.

Bromley East Charter had \$4,298,677 and \$2,432,903 respectively, invested in ColoTrust and CSAFE respectively, at June 30, 2024. The investment pools were rated AAAM by Standard & Poor’s. Bromley East Charter held restricted cash and cash equivalents of \$3,041,278 for the Building Corp Fund.

Eagle Ridge Academy had \$1,351,379 invested in CSAFE at June 30, 2024. The pool is rated AAAM by Standard and Poor’s. Investments in the amount of \$1,351,379 are restricted in the special revenue fund for debt service requirements, as a result of the Series 2016 Bond issuance.

The STEAD School had \$6,754,820 invested in CSAFE at June 30, 2024. The pool is rated AAAM by Standard and Poor’s. The STEAD School held restricted cash and cash equivalents of \$6,754,820 for the Building Corp Fund.

Foundation Academy Charter School and Landmark Academy Charter School did not have investments in marketable securities or ColoTrust and CSAFE investment pools at June 30, 2024.

**2-B. Receivables**

Receivables at June 30, 2024, consisted of taxes, interest, accounts (billings for user charges) and School District receivables arising from grants, fiduciary activity and lease payments.

Receivables and payables are recorded on the governmental financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

**Leased Asset Receivable**

The School District, serving in a lessor capacity, is required to recognize a lease receivable for certain lease transactions. These Lease assets receivables are offset by a deferred inflows of resources as well as accrued interest earned. For the period, principal lease revenue of \$35,817 was collected along with interest revenue of \$2,403

	Balance 7/1/2023	Additions	Deductions	Balance 6/30/2023	Current Portion
Leased Asset Receivable	698,043	-	35,817	662,226	38,384
Total Leased Asset Receivable	\$ 698,043	\$ -	\$ 35,817	\$ 662,226	\$ 38,384

*AT&T* – In February of 2019, the District entered into a lease agreement with New Cingular Wireless PCS, LLC to lease approximately six hundred (600) square feet of land, including the air space above such ground space, owned by the District and located at S. 8<sup>th</sup> avenue and E. Southern Street in the City of Brighton, Adams County, Colorado. New Cingular Wireless will use a portion of the Property in connection with its federally licensed communications business. The initial term of the lease will be five (5) years, commencing on February 2019. The lease will automatically renew for four (4) additional five (5) year terms unless the tenant notifies the landlord in writing of its intention not to renew the lease agreement. The lease requires monthly lease payments to the District of \$1,217 with rent payments increasing fifteen percent (15.0%) on an annual basis. The

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outstanding lease receivable on June 30, 2024, is \$385,052

*Verizon* - In November of 2019, the District entered into a lease agreement with Verizon Wireless, LLC to lease approximately two thousand nine hundred (2,900) square feet of land, including the air space above such ground space, owned by the District and located at Brighton Gardens in the City of Brighton, Adams County, Colorado. Verizon Wireless will use a portion of the Property in connection with its federally licensed communications business. The initial term of the lease will be five (5) years, commencing on November 2019. The lease will automatically renew for two (2) additional five (5) year terms unless the tenant notifies the landlord in writing of its intention not to renew the lease agreement. The lease requires monthly lease payments to the District of \$1,808 with rent payments increasing fifteen percent (15.0%) on an annual basis. The outstanding lease receivable on June 30, 2024, is \$277,174.

***2-C. Property Taxes***

The Board of Education levies property taxes. The levy is based on assessed valuations determined by the County Assessors' offices generally as of January 1<sup>st</sup> of each year. The levy is set by December 15<sup>th</sup> by certification to the County Commissioners to put the tax lien on the individual properties as of December of each year. The County Treasurers' offices collect the determined taxes during the ensuing calendar year. The taxes are payable by April 30<sup>th</sup> or, if in equal installments, at the taxpayer's election on February 28<sup>th</sup> and June 15<sup>th</sup>. Delinquent taxpayers are notified in August and tax sales of the liens on delinquent properties are held in November. The County Treasurers' offices remit the taxes collected to the School District on the 10<sup>th</sup> of each month and on March 25<sup>th</sup>, May 25 and June 25<sup>th</sup>.

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**2-D. Capital Assets** – Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 7/1/2023	Additions	Deductions	Balance 6/30/2024
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 13,131,691	\$ -	\$ -	\$ 13,131,691
Water Shares	1,496,673	-	-	1,496,673
Construction in Progress	131,876,986	32,740,591	127,863,237	36,754,340
Total Capital Assets not being depreciated	146,505,350	32,740,591	127,863,237	51,382,704
Other Capital Assets being depreciated:				
Buildings and Improvements	507,320,731	127,863,237	-	635,183,968
Equipment	24,240,843	695,884	216,025	24,720,702
Total Other Capital Assets	531,561,574	128,559,121	216,025	659,904,670
Lease and SBITA Right-to-Use Assets				
Equipment	574,994	350,832	82,652	843,174
Software	1,716,204	516,394	232,024	2,000,574
Total Lease Assets	2,291,198	867,226	314,676	2,843,748
Total Capital Assets	680,358,122	162,166,938	128,393,938	714,131,121
Accumulated Depreciation and Amortization				
Buildings and Improvements	120,879,196	11,085,633	-	131,964,829
Equipment	18,014,381	1,642,552	112,735	19,544,198
Lease Right-of-Use Asset Equipment	445,033	122,170	82,652	484,551
SBITA Right-of-Use Asset Software	789,900	746,391	232,024	1,304,267
Total Accumulated Depreciation and Amortization	140,128,510	13,596,746	427,411	153,297,845
Total Capital Assets being Depreciated and Right-of-Use Assets, Net	393,724,262	115,829,601	103,290	509,450,572
Governmental Activities Capital Assets, net	\$ 540,229,612	\$ 148,570,192	\$ 127,966,527	\$ 560,833,276

**Governmental Activities Depreciation/Amortization Expense**

Instructional Services	\$ 10,262,689
Business Supporting Services	872,587
Operation and Maintenance	534,356
Pupil Transportation	590,583
Central Supporting Services	1,276,227
Nutrition Services	60,304
	<u>\$ 13,596,746</u>

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<b>Component Units Capital Assets</b>	Balance 7/1/2023	Additions	Deductions	Balance 6/30/2024
<b>Eagle Ridge Academy</b>				
Capital Assets not being depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Construction in Progress	1,123,559	5,328,111	-	6,451,670
Total capital assets not being depreciated	1,173,559	5,328,111	-	6,501,670
Capital Assets being depreciated:				
Buildings and Improvements	10,011,600	-	-	10,011,600
Land Improvements	2,558,959	-	-	2,558,959
Equipment	33,756	-	-	33,756
Total capital assets being depreciated	12,604,315	-	-	12,604,315
Less Accumulated Depreciation	(3,234,614)	(345,194)	-	(3,579,808)
Total Depreciable Capital Assets	9,369,701	(345,194)	-	9,024,507
Net Eagle Ridge Academy	<u>\$ 10,543,260</u>	<u>\$ 4,982,917</u>	<u>\$ -</u>	<u>\$ 15,526,177</u>
<b>Bromley East Charter School:</b>				
Capital Assets not being depreciated:				
Land	\$ 144,120	\$ -	\$ -	\$ 144,120
Construction in Progress	508,005	75,223	(583,228)	-
Total Capital Assets not being depreciated	652,125	75,223	(583,228)	144,120
Capital Assets being depreciated:				
Buildings and Improvements	23,003,436	-	-	23,003,436
Vehicles and Equipment	463,259	1,236,521	-	1,699,780
Total Capital Assets being depreciated	23,466,695	1,236,521	-	24,703,216
Less Accumulated Depreciation	(6,311,776)	(606,684)	-	(6,918,460)
Total - Depreciable Capital Assets	17,154,919	629,837	-	17,784,756
Lease Assets being Amortized:				
Vehicles and Equipment	74,679	-	-	74,679
Total Lease Assets being Amortized	74,679	-	-	74,679
Less Accumulated Amortization	(18,670)	(18,670)	-	(37,340)
Total Amortized Lease Assets	56,009	(18,670)	-	37,339
Total Depreciable & Amortizable Capital Assets	17,210,928	611,167	-	17,822,095
Net Bromley East Charter School	<u>\$ 17,863,053</u>	<u>\$ 686,390</u>	<u>\$ (583,228)</u>	<u>\$ 17,966,215</u>
<b>Belle Creek Charter School:</b>				
Capital Assets not being depreciated:				
Construction in Progress	\$ 1,177,895	\$ 5,141,341	\$ -	\$ 6,319,236
Total Capital Assets not being depreciated	1,177,895	5,141,341	-	6,319,236
Capital Assets being depreciated:				
Buildings and Improvements	\$ 7,639,235	\$ 99,179	\$ -	\$ 7,738,414
Furniture & Equipment	49,600	13,357	-	62,957
Vehicles	101,481	-	-	101,481
Total Capital Assets being depreciated	7,790,316	112,536	-	7,902,852
Less Accumulated Depreciation	(3,750,207)	(191,143)	-	(3,941,350)
Total Depreciable Capital Assets	4,040,109	(78,607)	-	3,961,502
Lease Assets being Amortized:				
Furniture and Equipment	40,555	14,440	-	54,995
Total Lease Assets being Amortized	40,555	14,440	-	54,995
Less Accumulated Amortization	(16,222)	(9,945)	-	(26,167)
Total Amortized Lease Assets	24,333	4,495	-	28,828
Total Depreciable and Amortizable Capital Assets	4,064,442	(74,112)	-	3,990,330
Net Belle Creek Charter School	<u>\$ 5,242,337</u>	<u>\$ 5,067,229</u>	<u>\$ -</u>	<u>\$ 10,309,566</u>

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Component Units Capital Assets, Continued	Balance			Balance
	7/1/2023	Additions	Deductions	6/30/2024
<b>The STEAD School:</b>				
Capital Assets not being depreciated:				
Construction in Progress	\$ 22,495,398	\$ 4,676,206	\$ -	\$ 27,171,604
Total Capital Assets not being depreciated	<u>22,495,398</u>	<u>4,676,206</u>	<u>-</u>	<u>27,171,604</u>
Capital Assets being depreciated:				
Furniture and Equipment	28,026	-	-	28,026
Less Accumulated Depreciation	<u>(7,373)</u>	<u>(4,305)</u>	<u>-</u>	<u>(11,678)</u>
Total Capital Assets being depreciated	<u>20,653</u>	<u>(4,305)</u>	<u>-</u>	<u>16,348</u>
Net The STEAD School	<u>\$ 22,516,051</u>	<u>\$ 4,671,901</u>	<u>\$ -</u>	<u>\$ 27,187,952</u>
<b>Total Component Unit Capital Assets, Net</b>	<u>\$ 56,164,701</u>	<u>\$ 15,408,437</u>	<u>\$ (583,228)</u>	<u>\$ 70,989,910</u>

Bromley East has entered into a lease agreement for equipment. The total costs of these right-to-use lease assets are recorded as \$74,679, less amortization of \$37,340. Belle Creek has entered into lease agreements for equipment. The total costs of these right-to-use lease assets are recorded as \$54,995, less amortization of \$26,167.

**2-E. Interfund Receivables, Payables and Transfers**

Interfund receivable and payable balances at June 30, 2024, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The School District expects to repay all interfund balances within one year.

Receivable Fund		Payable Fund	
Government Designated Purpose Grant Fund	\$ 4,399,401	General Fund	15,636,085
Nonmajor Governmental Funds	10,176,691	Nutrition Services Fund	245,709
General Fund	6,954,385	Capital Projects Fund	6,446,836
Internal Service Fund	773,509	Private Purpose Trust Fund	16,275
Debt Service Fund	40,919		
Total	<u>\$ 22,344,905</u>		<u>\$ 22,344,905</u>

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Transfers Out	Transfers In					Total
	Designated Purpose Grants Fund	Pupil Activity Fund	Other Special Programs Fund	Transportation Fund	Print Shop Fund	
General Fund	\$ 21,067	\$ 822,456	\$ 271,466	\$ 7,128,745	\$ 84,424	\$ 8,328,158

**School District 27J, Colorado**  
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Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations.

All School District transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

**2-F. Compensated Absences**

School District policy limits the accumulation of earned employee vacation to the equivalent of 2 years earned vacation. Also, the School District grants temporary (sick, personal & bereavement, etc.) leave to all classes of employees. Unused leave balances are paid at termination. Upon termination and/or retirement, Administrative, Professional, Technical (APT) personnel are paid at a flat rate of \$79.54 a day. Certified personnel are paid at a flat rate of \$79.54 for all temporary leave days accumulated before July 1, 2018 and \$87.11 for all temporary leave days accumulated after July 1, 2018. Classified personnel are paid at a rate of \$5.95 per hour for the first 75 days; after 75 days they are paid \$7.08 per hour. Classified employees with 75 or more days of accrued temporary leave and certified employees with 45 or more days of accrued temporary leave have the option of being paid for the excess days each June. In addition, eligible employees may elect to contract with the School District for early retirement upon terms and conditions specified by School District policy. Eligible employees may contract for early retirement benefits after twenty years of service to the School District. An accrual is recorded in the Government-wide financial statements. However, in the governmental fund financial statements, a liability is only recorded in the amount that has matured and is due at the end of the fiscal year.

**2-G. Long-Term Liabilities**

**Long-term Debt**

Periodically, the School District issues bonds to finance the construction of its various facilities.

**Certificates of Participation Series 2019**– Certificates of Participation, Series 2019, dated and issued September 30, 2019, were a direct purchase non-bank qualified tax exempt obligation of \$4,768,184. The Certificates of Participation include Series 2016 Certificates refunded at current principal and interest of \$1,730,184 and a Lease Purchase Agreement to provide funds to acquire 30,599 square feet of space in the Brighton Learning Resource Center at a purchase price of \$3,000,000.

Interest on the Certificates at a rate of 2.33% is payable annually at August 1, including principal, each calendar year thereafter to 2032. The certificates are payable solely from annually appropriated base rentals and any purchase option price paid by the School District under the lease from the Capital Reserve Fund.

Annual debt service requirements to maturity for the Certificates of Participation, Series 2019, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	319,191	73,524	392,715
2026	326,628	66,087	392,715
2027	334,238	58,476	392,714
2028	342,026	50,689	392,715
2029	349,995	42,719	392,714
2030-2032	1,483,451	87,406	1,570,857
Total	<u>\$ 3,155,529</u>	<u>\$ 378,901</u>	<u>\$ 3,534,430</u>

**School District 27J, Colorado**  
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**General Obligation Refunding Bonds Series 2012A** – General Obligation Refunding Bonds, Series 2012A, were dated and issued April 24, 2012, total issue of \$31,340,000. The bonds were issued to refund a portion of the School District’s outstanding general obligation debt for the purpose of reducing debt service requirements. The obligation refunded consisted of the School District’s General Obligation Bonds, Callable Series 2004, originally issued in the principal aggregate amount of \$49,900,000.

Interest at a rate of 2.00% –5.00% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2012 and each calendar year thereafter to 2025. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2012A, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	6,190,000	154,750	6,344,750
Total	\$ 6,190,000	\$ 154,750	\$ 6,344,750

**General Obligation Refunding Bonds Series 2014** – General Obligation Refunding Bonds, Series 2014, were dated and issued December 9, 2014, total issue of \$49,530,000. The bonds were issued to refund a portion of the School District’s outstanding general obligation debt for the purpose of reducing debt service requirements. The obligation refunded consisted of the School District’s General Obligation Bonds, Callable Series 2006C, originally issued in the principal aggregate amount of \$74,900,000.

Interest at a rate of 4.00% –5.375% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2017 and each calendar year thereafter to 2027. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose. Refunding the callable 2004 bonds at 2.54% TIC equates to a present value savings of \$5,700,000 in fiscal year 2016.

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2014, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	4,050,000	1,367,250	5,417,250
2026	12,350,000	957,250	13,307,250
2027	12,970,000	324,250	13,294,250
Total	\$ 29,370,000	\$ 2,648,750	\$ 32,018,750

**General Obligation Bonds Series 2015** – General Obligation Bonds, Series 2015, were dated and issued December 15, 2015, total issue of \$160,000,000. The bonds were issued to finance the costs to construct, improve, repair and make additions to school buildings, to equip or furnish school buildings, improve school grounds, or to acquire, construct or improve any capital asset for District purposes. A premium of \$25,353,909 was realized at time of issue.

**School District 27J, Colorado**  
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Interest at a rate of 2.00%–5.00% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2017 and each calendar year thereafter to 2041. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2015, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	-	7,275,700	7,275,700
2026	-	7,275,700	7,275,700
2027	-	7,275,700	7,275,700
2028	-	7,275,700	7,275,700
2029	8,560,000	7,061,700	15,621,700
2030-2034	49,175,000	28,878,900	78,053,900
2035-2039	62,185,000	15,437,625	77,622,625
2040-2041	29,445,000	1,490,125	30,935,125
Total	\$ 149,365,000	\$ 81,971,150	\$ 231,336,150

**General Obligation Bonds Series 2016A** – General Obligation Refunding Bonds, Series 2016A, were dated and issued November 3, 2016, total issue of \$33,570,000. The bonds were issued to current refund aggregate principal amounts of the District’s general obligation refunded bonds, Series 2006A and advance refund the District’s general obligation refunded bonds, Series 2008. A premium of \$3,494,045 was realized at time of issue.

Interest at a rate of 4.25%–5.25% is payable at each June 1 and December 1. Taxable yield on the Series 2016A bonds is 1.82%. Principal payments are payable on December 1, 2018 and each calendar year thereafter to 2028. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2016A, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	1,155,000	286,050	1,441,050
2026	290,000	254,275	544,275
2027	295,000	247,688	542,688
2028	9,760,000	122,000	9,882,000
Total	\$ 11,500,000	\$ 910,013	\$ 12,410,013

**General Obligation Bonds Series 2016B** – General Obligation Refunding Bonds, Taxable Series 2016B, were dated and issued November 3, 2016, total issue of \$3,040,000. The bonds were issued to current refund aggregate principal amounts of the District’s general obligation refunded bonds, Series 2006A and advance refund the District’s general obligation refunded bonds, Series 2008. The Taxable Series 2016B bonds are not subject to optional redemption prior to maturity.

**School District 27J, Colorado**  
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Interest at a rate of 4.00%–5.25% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2017 and each calendar year thereafter to 2028. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2016B, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	60,000	77,738	137,738
2026	65,000	75,971	140,971
2027	65,000	74,103	139,103
2028	2,480,000	36,579	2,516,579
Total	\$ 2,670,000	\$ 264,391	\$ 2,934,391

**General Obligation Bonds Series 2017** – General Obligation Bonds, Taxable Series 2017, were dated and issued September 14, 2017, total issue of \$88,000,000. The bonds were issued to finance the costs to construct, improve, repair and make additions to school buildings, to equip or furnish school buildings, improve school grounds, or to acquire, construct or improve any capital asset for District purposes. A premium of \$17,658,825 was realized at time of issue.

Interest at a rate of 2.00%–5.00% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2028 and each calendar year thereafter to 2043. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

Annual debt service requirements to maturity for the General Obligation Bonds, Series 2017, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	-	4,400,000	4,400,000
2026	-	4,400,000	4,400,000
2027	-	4,400,000	4,400,000
2028	-	4,400,000	4,400,000
2029	2,575,000	4,335,625	6,910,625
2030-2034	14,925,000	19,563,625	34,488,625
2035-2039	19,060,000	15,334,750	34,394,750
2040-2043	51,440,000	6,845,000	58,285,000
Total	\$ 88,000,000	\$ 63,679,000	\$ 151,679,000

**School District 27J, Colorado**  
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**For The Year Ended June 30, 2024**

**General Obligation Bonds Series 2022** – General Obligation Bonds, Taxable Series 2022, were dated and issued March 31, 2022, total issue of \$272,915,000. The bonds were issued to finance the costs to construct, improve, repair and make additions to school buildings, to equip or furnish school buildings, improve school grounds, or to acquire, construct or improve any capital asset for District purposes. A premium of \$28,368,117 was realized at time of issue.

Interest at a rate of 2.00% –5.00% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2022 and each calendar year thereafter to 2047. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

Annual debt service requirements to maturity for the General Obligation Bonds, Series 2022, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	1,750,000	10,048,650	11,798,650
2026	1,160,000	9,975,900	11,135,900
2027	1,215,000	9,916,525	11,131,525
2028	3,025,000	9,810,525	12,835,525
2029	4,600,000	9,619,900	14,219,900
2030-2034	26,680,000	44,319,000	70,999,000
2035-2039	33,840,000	37,085,850	70,925,850
2040-2044	64,200,000	28,989,400	93,189,400
2045-2047	103,075,000	6,292,300	109,367,300
Total	\$ 239,545,000	\$ 166,058,050	\$ 405,603,050

A summary of the above bonds and certificates outstanding at June 30, 2024 follows:

<u>Long Term Debt</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Certificates of Participation Series 2019	\$ 3,155,529	\$ 378,901	\$ 3,534,430
General Obligation Bonds Series 2012A	6,190,000	154,750	6,344,750
General Obligation Refunding Bonds Series 2014	29,370,000	2,648,750	32,018,750
General Obligation Bonds Series 2015	149,365,000	81,971,150	231,336,150
General Obligation Refunding Bonds Series 2016A	11,500,000	910,013	12,410,013
General Obligation Refunding Bonds Series 2016B	2,670,000	264,391	2,934,391
General Obligation Bonds Series 2017	88,000,000	63,679,000	151,679,000
General Obligation Bonds Series 2022	239,545,000	166,058,050	405,603,050
Total	\$ 529,795,529	\$ 316,065,005	\$ 845,860,534

**School District 27J, Colorado**  
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**Component Unit Long-Term Debt**

**Belle Creek Charter School:** Following is a summary of Belle Creek Charter School’s long-term debt transactions for the year ended June 30, 2024:

	Beginning Balance	Debt Issued and Additions	Reductions	Ending Balance	Due Witin One Year
Building Loan	\$ 6,175,000	\$ -	\$ (100,000)	\$ 6,075,000	\$ 105,000
Discount	(35,681)	-	(1,236)	(34,445)	-
Total	<u>\$ 6,139,319</u>	<u>\$ -</u>	<u>\$ (101,236)</u>	<u>\$ 6,040,555</u>	<u>\$ 105,000</u>

**2022 Building Loan** - On May 11, 2022, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$5,925,000 of Charter School Revenue Refunding Bonds, Series 2022A, and \$325,000 Taxable Charter School Revenue Bonds, Series 2022B, to current refund CECFA’s outstanding Series 2007 Bonds. Proceeds of bond issuances have been loaned to the Education Center the School’s building. The School is obligated under a lease agreement to make monthly lease payments to the Education Center for using the facilities. The Education Center is required to make equal payments to the trustee for payment of the bonds. Interest accrues at a rate of 5.00% to 5.25% and is due semi-annually. Principal payments are due annually on March 15 through 2052.

Annual debt service requirements to maturity for loan payable is as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	105,000	314,406	419,406
2026	110,000	308,894	418,894
2027	115,000	303,281	418,281
2028	120,000	297,531	417,531
2029	125,000	291,531	416,531
2030-2034	735,000	1,355,963	2,090,963
2035-2039	935,000	1,149,206	2,084,206
2040-2044	1,200,000	883,931	2,083,931
2045-2049	1,555,000	535,500	2,090,500
2050-2052	1,075,000	111,563	1,186,563
Total	<u>\$ 6,075,000</u>	<u>\$ 5,551,806</u>	<u>\$ 11,626,805</u>

**Eagle Ridge Academy:** Following is a summary of Eagle Ridge Academy’s long-term debt transactions for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due In One Year
Bonds Payable - Series 2022	\$ 10,525,000	\$ -	\$ 225,000	\$ 10,300,000	\$ 235,000
Premium - Series 2022	178,550	-	7,142	171,408	7,142
Total	<u>\$ 10,703,550</u>	<u>\$ -</u>	<u>\$ 232,142</u>	<u>\$ 10,471,408</u>	<u>\$ 242,142</u>

**School District 27J, Colorado**  
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**Charter School Revenue Bond Series 2022** –On July 20, 2022, the Colorado Educational Cultural Facilities Authority (CECFA) issued \$10,525,000 Charter School Revenue Bonds dated July 20, 2022. The Building Corporation has entered into a mortgage and lease agreement with the Eagle Ridge Academy to use the bond proceeds for: 1) current refunding of Eagle Ridge Authority’s Charter School Revenue Bonds Series 2016 originally issued in the aggregate principal amount of \$9,720,000 and outstanding in the aggregate principal amount of \$8,095,000; 2) constructing improvements to existing educational facilities; and 3) funding a bond reserve fund and paying costs associated with the issuance of the Series 2022 bonds. The bonds accrue interest at 5.0%. Interest payments are due semi-annually on May 1 and November 1. Principal payments are due annually on November 1, through 2048.

Annual debt service requirements to maturity for the long-term debt transactions are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	235,000	466,563	701,563
2026	245,000	454,563	699,563
2027	260,000	441,938	701,938
2028	275,000	428,563	703,563
2029	285,000	414,563	699,563
2030-2034	1,665,000	1,837,315	3,502,315
2035-2039	2,130,000	1,366,952	3,496,952
2040-2044	2,655,000	832,894	3,487,894
2045-2048	2,550,000	222,064	2,772,064
Total	<u>\$ 10,300,000</u>	<u>\$ 6,465,415</u>	<u>\$ 16,765,415</u>

**Bromley East Charter School:** Following is a summary of Bromley East Charter School’s long-term debt transactions for the year ended June 30, 2024:

	Balance			Balance	
	June 30, 2023	Additions	Deletions	June 30, 2024	Due In One Year
Building Loan	\$ 15,329,610	\$ -	\$ (631,420)	\$ 14,698,190	\$ 652,890

**2015 Building Loan** – In September, 2015, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$19,155,000 Charter School Refunding and Improvement Revenue Bonds, Series 2015. Proceeds of the Series 2015 Bonds were loaned to the CECFA to provide funding to construct the School’s educational facilities. The School is obligated under a lease agreement to make monthly lease payments to the CECFA for using the facilities. The Building Corporation is required to make equal payments to the trustee, for payment of the bonds. Interest accrues a rate of 3.4% and is due semi-annually. Principal payments are due annually on September 1, with a balloon payment of \$14,045,300 due on September 1, 2025.

Annual debt service requirements to maturity for the long-term debt transactions are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	652,890	483,090	1,135,980
2026	14,045,300	159,180	14,204,480
Total	<u>\$ 14,698,190</u>	<u>\$ 642,270</u>	<u>\$ 15,340,460</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

**The STEAD School:** Following is a summary of The STEAD School’s long-term debt transactions for the year ended June 30, 2024:

	Balance			Balance		Due In
	June 30, 2023	Additions	Deletions	June 30, 2024	One Year	
Loans Payable	\$ 14,795,444	\$ 22,680,000	\$ (14,795,444)	\$ 22,680,000	\$ -	

**Vectra Construction Loan** - On January 15, 2021, the Building Corp entered into a construction loan agreement with Zions Bancorporation, N.A. dba Vectra Bank Colorado in the amount of \$14,503,148. The construction loan consists collectively of the Phase 1 Loan and Phase 2 Loan. Proceeds were loaned to the Building Corp to provide funding to construct the School’s educational facilities. Principal and Interest payments are due monthly. The loan was paid in full with the CECFA Loan in December 2023.

**Clayton Loan** - On January 15, 2021 the Building Corp entered into a loan agreement with Clayton Properties Group II, Inc. in the amount of \$2,243,757. Interest accrues a rate of 3.50% and is due monthly. The loan was paid in full with the CECFA Loan in December 2023.

**CCFS Construction Loan** - On January 15, 2021, the Building Corp entered into a construction loan agreement with CCFS SPE 2, LLC in the amount of \$2,800,000. The construction loan consists collectively of the Phase 1 Loan, and Phase 2 Loan. Loans were loaned to the Building Corp to provide funding to construct the School’s educational facilities. Interest accrues at a rate of 3.50%. Principal and Interest payments are due monthly. The loan was paid in full with the CECFA Loan in December 2023.

**CECFA Loan** - On December 21, 2023, the Building Corp entered into a loan agreement with the Colorado Educational and Cultural Facilities Authority in the amount of \$22,680,000. Proceeds of the loan were used to pay off the construction loans previously acquired. The remaining proceeds were deposited into the project fund and to fund construction of the School’s educational facilities. Interest accrues at a rate of 7.00% to 8.13% and is payable January 1 and July 1. Principal is payable July 1, with final maturity in 2034.

Annual debt service requirements to maturity for the loan payable is as follows:

Fiscal Year				
Ending 30-Jun	Principal	Interest	Total	
2025	\$ -	\$ 1,637,077	\$ 1,637,077	
2026	-	1,592,831	1,592,831	
2027	180,000	1,585,519	1,765,519	
2028	190,000	1,570,487	1,760,487	
2029	210,000	1,554,884	1,764,884	
2030-2034	1,295,000	7,520,625	8,815,625	
2035	20,805,000	728,175	21,533,175	
Total	\$ 22,680,000	\$ 16,189,598	\$ 38,869,598	

**Long-term Leases**

**Equipment Leases**

**Quadient Leasing** – In December of 2020, the District entered into a 5 year agreement for the right to use a postage machine. The incremental borrowing rate at the commencement of the agreement was 0.43%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

**School District 27J, Colorado**  
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Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	4,129	17	4,146
2026	1,726	2	1,728
Total	<u>\$ 5,855</u>	<u>\$ 19</u>	<u>\$ 5,874</u>

*CBS Copier Lease 900-0355955-001*- In April of 2024, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 2.87%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Ending 30-Jun	Principal	Interest	Total
2025	\$ 3,240	\$ -	\$ 3,240
2026	3,062	178	3,240
2027	3,150	90	3,240
Total	<u>\$ 9,452</u>	<u>\$ 268</u>	<u>\$ 9,720</u>

*CBS Copier Lease 900-0358092-000* - In June of 2024, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 2.87%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 2,969	\$ -	\$ 2,969
2026	2,805	163	2,968
2027	2,886	83	2,969
Total	<u>\$ 8,660</u>	<u>\$ 246</u>	<u>\$ 8,906</u>

*CBS Copier Lease 900-0355955-000* - In March of 2024, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 2.87%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 114,060	\$ -	\$ 114,060
2026	107,783	6,278	114,061
2027	110,877	3,183	114,060
Total	<u>\$ 332,720</u>	<u>\$ 9,461</u>	<u>\$ 342,181</u>

**Subscription Based Information Technology Arrangements (SBITA)**

*GreatHorn* – In November of 2022, the District entered into a 3 year agreement for the right to use software. The incremental borrowing rate at the commencement of the agreement was 2.736%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

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Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 23,848	\$ 652	\$ 24,500
Total	\$ 23,848	\$ 652	\$ 24,500

*iboss* – In June of 2022, the District entered into a 3 year agreement for the right to use software. The incremental borrowing rate at the commencement of the agreement was 2.154%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 150,781	\$ 3,248	\$ 154,029
Total	\$ 150,781	\$ 3,248	\$ 154,029

*Imagine Learning* – In June of 2022, the District entered into a 3 year agreement for the right to use software. The incremental borrowing rate at the commencement of the agreement was 2.154%. The lease obligations were fully paid in fiscal year 2023, but the software remains in use until fiscal year 2025.

*SofTech* – In July of 2023, the District entered into a 3 year agreement for the right to use software. The incremental borrowing rate at the commencement of the agreement was 1.87%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 78,528	\$ 1,469	\$ 79,997
Total	\$ 78,528	\$ 1,469	\$ 79,997

*Class Technologies* – In October of 2023, the District entered into a 4 year agreement for the right to use software. The incremental borrowing rate at the commencement of the agreement was 3.70%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 6,987	\$ 663	\$ 7,650
2026	7,246	404	7,650
2027	3,689	136	3,825
Total	\$ 17,922	\$ 1,203	\$ 19,125

*Discovery Education* – In June of 2024, the District entered into a 3 year agreement for the right to use software. The incremental borrowing rate at the commencement of the agreement was 3.11%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

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Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 75,463	\$ 4,770	\$ 80,233
2026	77,812	2,421	80,233
Total	<u>\$ 153,275</u>	<u>\$ 7,191</u>	<u>\$ 160,466</u>

*LRP Publications* – In February of 2024, the District entered into a 4 year agreement for the right to use software. The incremental borrowing rate at the commencement of the agreement was 2.63%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 11,405	\$ 763	\$ 12,168
2026	11,705	463	12,168
2027	5,928	156	6,084
Total	<u>\$ 29,038</u>	<u>\$ 1,382</u>	<u>\$ 30,420</u>

*N2Y Publications* – In January of 2024, the District entered into a 3 year agreement for the right to use software. The incremental borrowing rate at the commencement of the agreement was 2.51%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 21,389	\$ 1,115	\$ 22,504
2026	23,050	579	23,629
Total	<u>\$ 44,439</u>	<u>\$ 1,694</u>	<u>\$ 46,133</u>

***Component Unit Long-Term Leases***

**Belle Creek Charter School:** The School, as lessee, has entered into lease agreements for equipment with lease terms of five years. The total costs of these right-to-use lease assets are recorded as \$54,995, less accumulated amortization of \$26,167. The School has determined that as of June 30, 2024, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2024 are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 10,550	\$ 2,098	\$ 12,648
2026	11,153	1,495	12,648
2027	7,249	857	8,106
2028	3,157	407	3,564
2029	1,925	154	2,079
Total	<u>\$ 34,034</u>	<u>\$ 5,011</u>	<u>\$ 39,045</u>

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**Bromley East Charter School:** The School, as a lessee, had entered into a lease agreement for equipment with a lease term of 3 years. The total costs of these right-to-use lease assets are recorded as \$74,679, less accumulated amortization of \$37,340. The School has determined that as of June 30, 2024, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2024 are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2025	\$ 26,117	\$ 1,525	\$ 27,642
2026	4,388	219	4,607
Total	<u>\$ 30,505</u>	<u>\$ 1,744</u>	<u>\$ 32,249</u>

**Changes in Long-term Liabilities** - Changes in the School District's long-term obligations consisted of the following for the year ended June 30, 2024:

Governmental Activities:	Beginning Balance	Debt Issued And Additions	Reductions	Ending Balance	Amounts Due in One Year
General Obligation Bonds	\$ 552,745,000	\$ -	\$ 26,105,000	\$ 526,640,000	\$ 13,205,000
Certificates of Participation	3,467,452	-	311,923	3,155,529	319,191
Leases Payable	22,822	350,832	16,967	356,687	124,398
SBITA Payable	467,708	516,394	362,546	621,556	368,401
Bond Premium	62,172,142	-	4,240,932	57,931,210	-
Total	<u>\$ 618,875,124</u>	<u>\$ 867,226</u>	<u>\$ 31,037,368</u>	<u>\$ 588,704,982</u>	<u>\$ 14,016,990</u>
Early Retirement Obligation	\$ 216,056	\$ -	\$ -	\$ 216,056	\$ 216,056
Compensated Absences Payable	3,699,279	2,304,079	2,105,490	3,897,868	2,338,721
Total	<u>\$ 3,915,335</u>	<u>\$ 2,304,079</u>	<u>\$ 2,105,490</u>	<u>\$ 4,113,924</u>	<u>\$ 2,554,777</u>

Changes in the Component Units' Long-Term Obligations consisted of the following for the year ended June 30, 2024:

Governmental Activities:	Beginning Balance	Debt Issued And Additions	Reductions	Ending Balance	Amounts Due in One Year
Loans Payable	\$ 31,495,444	\$ 22,680,000	\$ 15,120,444	\$ 39,055,000	\$ 340,000
Building Loan	15,329,610	-	631,420	14,698,190	652,890
Premium/Discount	142,869	-	5,906	136,963	7,142
Leases Payable	83,853	14,440	33,754	64,539	36,667
Total	<u>\$ 47,051,776</u>	<u>\$ 22,694,440</u>	<u>\$ 15,791,524</u>	<u>\$ 53,954,692</u>	<u>\$ 1,036,699</u>

**Other** – Payment of principal and interest for general obligation bonds is made from the bond redemption debt service fund. The legal limit and debt margin as of June 30, 2024 are \$1,641,379,725 and \$1,066,634,725, respectively. Compensated absences, pension and OPEB obligations are generally liquidated in the General Fund.

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**2-H. Short-Term Debt**

During the year ended June 30, 2024, the District did not borrow funds from the State Treasurer's interest-free loan program.

**2-I. Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

**Pensions** - The School 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.

**General Information about the Pension Plan**

**Plan description** - Eligible employees of the School 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](http://www.copera.org/investments/pera-financial-reports).

**Benefits provided as of December 31, 2023** - 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% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the 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% 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% or 100% 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.

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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 disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

**Contributions provisions as of June 30, 2024:** Eligible employees of the School 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 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>20.38%</b>

\*\*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 School District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School District were \$27,124,765 for the year ended June 30, 2024.

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 a \$225 million 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. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of \$14.561 million for 2023 only.

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

The total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. The School District's proportion of the net pension liability was based on the School District's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the School District reported a liability of \$322,825,876 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School District as its proportionate share for 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 School District were as follows:

The School District's proportionate share of the net pension liability	\$322,825,876
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School District	7,078,628
<b>Total</b>	<b>\$329,904,504</b>

At December 31, 2023, the School District's proportion was 1.8255886748% which was an increase of 0.4699700613% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of \$44,821,884 and revenue of \$539,322 for support from the State as a non-employer contributing entity. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$15,308,113	\$ ---
Net difference between projected and actual earnings on pension plan investments	23,141,659	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	50,208,225	14,558,331
Contributions subsequent to the measurement date	13,767,233	N/A
<b>Total</b>	<b>\$102,425,230</b>	<b>\$14,558,331</b>

The \$13,767,233 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

<b>Year ended June 30</b>	
2025	\$17,150,017
2026	34,677,213
2027	28,724,972
2028	(6,452,536)
<b>Total</b>	<b>\$74,099,666</b>

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**Actuarial assumptions** - The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%–11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

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

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

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020 for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies prepared at least every five years and asset/liability studies performed every three to 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

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rates of return by the target asset allocation percentages and then adding expected inflation.

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

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

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 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 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

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- 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.
- Beginning with the December 31, 2023 measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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 rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**Sensitivity of the School 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	\$431,672,801	\$322,825,876	\$232,061,950

**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](http://www.copera.org/investments/pera-financial-reports).

**Significant Changes in Plan Provisions Affecting Trends in Actuarial Information** – 2023 Changes in Plan Provisions Since 2022

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

**Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information** – 2023 Changes in Assumptions or Other Inputs Since 2022

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

**Component Unit Defined Benefit Pension Plan**

**Bromley East Charter School**

*Contributions:* Employer contributions recognized by the SCHDTF from the School were \$1,433,686 for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of \$17,028,505 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The School's proportion of the net pension liability was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2023. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2023, the School's proportion of the net pension liability was 0.0962964363%, which was an increase of 0.0220541655% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized pension expense of \$(20,313) and revenue of \$34,951 for support from the State as a nonemployer contributing entity. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$807,474	\$ ---
Net difference between projected and actual earnings on pension plan investments	1,220,679	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,356,728	983,956
Contributions subsequent to the measurement date	725,967	N/A
Total	\$5,110,848	\$983,956

\$725,967 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ended June 30	
2025	\$603,244
2026	1,664,157
2027	1,473,881
2028	(340,358)
Total	3,400,924

**Sensitivity of the School'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	\$22,769,944	\$17,028,505	\$12,240,840

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**Eagle Ridge Academy**

*Contributions:* Employer contributions recognized by the SCHDTF from the School were \$499,325 for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of \$5,886,852 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The School's proportion of the net pension liability was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2022. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2023, the School's proportion of the net pension liability was 0.03329%, which was an increase of 0.0081% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized pension expense of \$238,713 and revenue of \$12,083 for support from the State as a nonemployer contributing entity. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$279,148	\$ ---
Net difference between projected and actual earnings on pension plan investments	421,996	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	869,836	307,451
Contributions subsequent to the measurement date	253,076	---
Total	\$1,824,056	\$307,451

\$253,076 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

<b>Year ended June 30</b>	
2025	\$256,209
2026	607,650
2027	517,333
2028	(117,663)
Total	\$1,263,529

**Sensitivity of the School'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:

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$7,871,701	\$5,886,852	\$4,231,729

**Belle Creek Charter School**

*Contributions:* Employer contributions recognized by the SCHDTF School were \$643,020 for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of \$8,162,608 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The School's proportion of the net pension liability was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2023. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2023, the School's proportion of the net pension liability was 0.0461596603%, which was an increase of 0.0087083674% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized pension expense of \$162,628 and revenue of \$16,754 for support from the State as a nonemployer contributing entity. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$387,062	\$ ---
Net difference between projected and actual earnings on pension plan investments	585,132	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	930,636	683,719
Contributions subsequent to the measurement date	316,744	N/A
Total	\$2,219,574	\$683,719

\$316,744 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

<b>Year ended June 30</b>	
2025	\$ 51,772
2026	652,179
2027	678,310
2028	(163,150)
Total	1,219,111

**Sensitivity of the School'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:

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$10,914,764	\$8,162,608	\$5,867,642

**2-J. Defined Contribution Pension Plan**

Voluntary Investment Program (PERAPLUS 401(k) plan)

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

*Funding Policy* – The PERAPLUS 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. There is no employer match. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2024, program members contributed \$475,194.

**2-K. Other Post-Employment Benefits**

**Defined Benefit Other Post Employment Benefit (OPEB) Plan**

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

*Plan description.* Eligible employees of the School 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](http://www.copera.org/investments/pera-financial-reports).

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

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

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

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

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

*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 service-based 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 C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% 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 School District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School District were \$1,336,361 for the year ended June 30, 2024.

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

At June 30, 2024 the School District reported a liability of \$7,794,964 for its proportionate share of the net OPEB liability. The total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The School District's proportion of the net OPEB liability was based on the School District contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the School District's proportion was 1.0921507759% which was an increase of 0.0623489066% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$223,608. At June 30, 2024, the School

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District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$---	\$1,259,620
Changes of assumptions or other inputs	85,053	772,604
Net difference between projected and actual earnings on OPEB plan investments	216,347	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,217,992	---
Contributions subsequent to the measurement date	682,757	N/A
Total	\$2,202,149	\$2,032,224

\$682,757 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

<b>Year ended June 30:</b>	
2025	\$(459,887)
2026	(105,253)
2027	121,185
2028	(138,209)
2029	34,362
Thereafter	34,970
Total	(52,945)

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*Actuarial assumptions.* The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	<b>School Division</b>
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than State Officers	3.40%-11.00%
State Troopers	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans <sup>1</sup>	7.00% in 2023 gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

<sup>1</sup> UnitedHealthcare MAPD PPO plans are 0% for 2023.

Each year the per capita health care costs are developed by plan option; currently based on 2023 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.

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**Age-Related Morbidity Assumptions**

<b>Participant Age</b>	<b>Annual Increase (Male)</b>	<b>Annual Increase (Female)</b>
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

<b>Sample Age</b>	<b>MAPD PPO #1 with Medicare Part A</b>		<b>MAPD PPO #2 with Medicare Part A</b>		<b>MAPD HMO (Kaiser) with Medicare Part A</b>	
	<b>Retiree/Spouse</b>		<b>Retiree/Spouse</b>		<b>Retiree/Spouse</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

<b>Sample Age</b>	<b>MAPD PPO #1 without Medicare Part A</b>		<b>MAPD PPO #2 without Medicare Part A</b>		<b>MAPD HMO (Kaiser) without Medicare Part A</b>	
	<b>Retiree/Spouse</b>		<b>Retiree/Spouse</b>		<b>Retiree/Spouse</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

The 2023 Medicare Part A premium is \$506 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A

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premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, 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:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022 valuation for the determination of the total OPEB liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on 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 School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

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, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

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- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board’s actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board at their November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to 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.

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

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

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%.

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

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	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$7,571,237	\$7,794,964	\$8,038,328

<sup>1</sup>For the January 1, 2024, plan year.

*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, 2023, 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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.

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**For The Year Ended June 30, 2024**

*Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$9,206,831	\$7,794,964	\$6,587,129

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

**Significant Changes in Plan Provisions Affecting Trends in Actuarial Information – 2023 Changes in Plan Provisions Since 2022**

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

**Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information – 2023 Changes in Assumptions or Other Inputs Since 2022**

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

**Component Unit Post-Employment Benefits**

**Bromley East Charter School**

*Contributions:* Employer contributions recognized by the HCTF from the School were \$71,756 for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of \$411,170 for its proportionate share of the net OPEB liability. At December 31, 2023, the School's proportion was 0.0576089275%, which was a decrease of 0.0012050380% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized an OPEB expense of \$(72,535). At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$---	\$84,273
Changes of assumptions or other inputs	4,835	43,598
Net difference between projected and actual earnings on OPEB plan investments	12,717	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	33,604	6,285
Contributions subsequent to the measurement date	36,335	N/A
Total	\$87,491	\$134,156

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

\$36,335 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

<b>Year ended June 30:</b>	
2025	\$(38,297)
2026	(14,732)
2027	(8,139)
2028	(17,784)
2029	(3,741)
Thereafter	(307)
<b>Total</b>	<b>(83,000)</b>

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
<b>Net OPEB Liability</b>	<b>\$399,369</b>	<b>\$411,170</b>	<b>\$424,007</b>

*Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$485,643	\$411,170	\$47,458

**Eagle Ridge Academy**

*Contributions.* Employer contributions recognized by the HCTF from the School were \$24,991 for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of \$142,144 for its proportionate share of the net OPEB liability. At December 31, 2023, the School's proportion was 0.01992%, which was an increase of 0.0008% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized OPEB income of \$24,530. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$---	\$29,134
Changes of assumptions or other inputs	1,672	15,072
Net difference between projected and actual earnings on OPEB plan investments	4,396	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,963	793
Contributions subsequent to the measurement date	12,666	---
Total	\$27,697	\$44,999

\$12,666 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

<b>Year ended June 30:</b>	
2025	\$(15,911)
2026	(7,123)
2027	(1,732)
2028	(4,927)
2029	(495)
Thereafter	220
Total	\$(29,968)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$138,064	\$142,144	\$146,582

*Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$167,890	\$142,144	\$120,118

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

**Belle Creek Charter School**

*Contributions:* Employer contributions recognized by the HCTF from the School were \$32,183 for the year ended June 30, 2024.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*  
 At June 30, 2024, the School reported a liability of \$197,094 for its proportionate share of the net OPEB liability. At December 31, 2023, the School's proportion was 0.0276148424%, which was a decrease of 0.0008537293% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized OPEB expense of \$(40,442). At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$---	\$40,396
Changes of assumptions or other inputs	2,318	20,899
Net difference between projected and actual earnings on OPEB plan investments	6,096	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	16,956	29,590
Contributions subsequent to the measurement date	15,853	N/A
Total	\$41,223	\$90,885

\$15,853 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

<b>Year ended June 30:</b>	
2025	\$(24,018)
2026	(12,284)
2027	(8,054)
2028	(14,744)
2029	(5,119)
Thereafter	(1,296)
Total	(65,515)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$191,437	\$197,094	\$203,248

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

*Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$232,793	\$197,094	\$166,554

**2-L. Net Position**

Net investment in capital assets on the Government-wide Statement of Net Position as of June 30, 2024 is calculated as:

Net investment in capital assets:	Governmental Activities
Cost of Capital Assets	\$ 713,780,289
Less Accumulated Depreciation	(153,297,845)
Book Value	560,482,444
Less Capital Related Debt - Bonds	(526,640,000)
Less Capital Related Debt - Certificates of Participation	(3,155,529)
Less Capital Related Debt - Lease	(356,687)
Less Capital Related Debt - SBITA	(621,556)
Less Retainage Payable	(113,076)
Less Bond Premiums	(57,931,210)
Add Bond Deferred Outflows of Resources	1,482,490
Add Unspent Proceeds	121,334,584
	<u>\$ 94,481,460</u>

**Note 3 - Other Notes**

**3-A. Risk Management**

**Self-Insurance Pool** - The School District is exposed to various risks of loss related to torts, thefts or damage to, or destruction of assets; errors or omissions; workers' compensation; employee dental claims; and natural disasters. School District 27J has been a member of the Adams County BOCES Self Insurance Pool (the Pool) since its inception in 1979. The BOCES consists of 3 school districts in Adams County including Adams 1 – Mapleton, Adams 50 – Westminster and School District 27J. The Pool provides property and liability, workers' compensation, boiler and machinery, errors and omissions, and school board legal liability insurances for its member districts. Annually each district provides funding for the pool based on a pre-established amount that covers the cost of insurance, claims, operation of the Pool. Also, each district receives annual financial information on the equity interest and gains or losses. For the year ended June 30, 2024, the District recorded an investment of \$3,584,471. The District's ending surplus share of the Pool was a net gain of \$213,393.

Pool members and percentage shares are as follows:

<u>Adams County School Districts</u>	<u>% Shares in Pool</u>
No. 1	22.08
No. 27J	43.12
No. 50	34.80

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

Following is a summary of financial information for the Pool as of and for the year ended June 30, 2024:

	Total	District's Share
Assets	\$ 12,160,719	\$ 5,243,610
Liabilities	2,783,825	1,659,139
Equity	\$ 9,376,893	\$ 3,584,471
Revenues	\$ 3,780,139	\$ 1,629,967
Expenditures	3,285,249	1,416,574
Net Income	494,890	213,393
Surplus, Beginning	8,882,003	3,371,078
Surplus, Ending	\$ 9,376,893	\$ 3,584,471

Percentage shares are as of June 30, 2024. Percentages will vary slightly from year-to-year depending upon premium allocation factors. The Pool's Board of Directors consists of one member appointed by the Board of Education of each participating school district. All members of the Pool's Board of Directors have an equal vote in the administration of the Pool's activities, are responsible for selection of management and have complete responsibility for all fiscal matters in the operation of the Pool. Separate financial statements for the Pool are available from the Adams County BOCES, 1400 W. 122<sup>nd</sup> Avenue, Suite 110, Westminster, Colorado 80234.

The School District pays annual premiums for property, liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. The Pool, which is subjected to actuarial review and annual audit, has various levels of self-insured retentions and purchases excess insurance for amounts above the retentions for liability, property and workers' compensation coverage.

The following schedule shows the coverage for fiscal year 2024:

	School District Deductible	Pool's Self-Insured Retention (Per Occurrence)	Excess Insurance Per Occurrence
Liability	\$ -	\$ 150,000	\$ 4,850,000 (auto) 4,850,000 (general)
Property		250,000	750,000
Content	5,000		
Vehicles	5,000		
Workers' Compensation	-	550,000	550,000 Statutory
Errors and Omissions	-	150,000	4,850,000
Boiler and Machinery	-	N/A	100,000,000
Crime	-	N/A	1,000,000
Cyber	-	N/A	5,000,000

The School District is protected under the statutes of the Colorado Governmental Immunity Act to a maximum of \$424,000 per individual and \$1,195,000 per occurrence for liability exposure.

The School District continues to carry commercial insurance coverage for errors and omissions risks of loss and employee health. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

**Dental Self-Insurance Plan** - The School District maintains a dental self-insurance plan (the “Plan”) for employees who elect to purchase dental insurance through the plan. The Plan is entirely funded from employee contributions. Monthly premiums are \$42.90 per month for the employee. Dependent coverage is also available. The Plan is designed to minimize the risk to the School District by designing the plan to be dependent upon employee-paid premiums for all plan expenditures. The Plan limits participant claims to \$1,500 per year and a lifetime \$2,000 per person orthodontic claim. The School District consults with Lockton Companies to annually evaluate the plan. Claims are paid by the third party administrator acting on behalf of the School District. Claims due and payable within one year equal \$72,652 and are reported in the proprietary fund Statement of Net Position under current liabilities in the governmental activities internal service fund.

Date	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2023	36,432	888,451	873,639	51,244
2024	51,244	1,045,684	1,024,276	72,652

**3-B. Tax, Spending and Debt Limitations**

In November of 1992, Colorado voters approved a State Constitutional amendment, referred to as the Taxpayer’s Bill of Rights (TABOR), containing tax, spending and debt limitations on the state and local governments. TABOR limits increases in revenues and expenditures to the rate of inflation and local growth. TABOR also requires local governments to establish emergency reserves to be used only for declared emergencies. On November 3, 1998, School District 27J voters approved a ballot question “for Authorization of Collection, Retention and Expenditures of Revenue in Excess of the limitations set by Section 20 of Article X of the State Constitution”. This ballot issue authorized the School District to retain and expend all excess revenue in fiscal year 1997/98 and in each fiscal year thereafter. This ballot question was approved by a vote of 4,357 in favor of the question and 2,512 opposing the question. As required by the Amendment, the School District has established a reserve for emergencies of \$6,698,233 at June 30, 2024. This reserve is recorded as a restricted fund balance in the general fund.

Belle Creek Charter School reported an emergency reserve of \$217,000 at June 30, 2024 as a restricted fund balance in the general fund. Eagle Ridge Academy reported a reserve of \$372,000 at June 30, 2024 as a restricted fund balance in the general fund. Bromley East Charter School reported an emergency reserve of \$481,000 at June 30, 2024 as a restricted fund balance in the general fund. Landmark Academy Charter School reported an emergency reserve of \$312,392 at June 30, 2024 as a restricted fund balance in the general fund. Foundations Academy Charter School reported an emergency reserve of \$302,194 at June 30, 2024 as a restricted fund balance in the general fund. The STEAD School reported an emergency reserve of \$170,000 at June 30, 2024 as a restricted fund balance in the general fund.

**3-C. Designated for Cash-In-Lieu of Land Dedication**

Pursuant to CRS 29-1-801, the School District has received land dedications or cash-in-lieu of land dedications from residential land developers to ensure that the cost of school site acquisition is borne by new residential construction and residential development. The School District entered into agreements with various cities and developers called the “Fair Contributions for Public School Sites” that restricts the use of the funds.

The following cash-in-lieu of activities have been recognized in the School District’s general fund balance – restricted for cash-in-lieu of land in the governmental funds Balance Sheet:

Beginning balance as of July 1, 2023	\$ 1,796,900
Cash received through June 30, 2024	<u>1,210,477</u>
Ending balance as of June 30, 2024	<u>\$ 3,007,377</u>

**School District 27J, Colorado**  
**Notes to the Basic Financial Statements**  
**For The Year Ended June 30, 2024**

**3-D. Commitments and Contingent Liabilities**

**Grants** – The School 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 School District may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the funding agencies but the School District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School District.

**Short-Term Leases** – For 2024 an operating lease agreement was extended through 2025 with Williams Scotsman for the use the one modular unit. Under terms of the agreement, the School District makes monthly rental payments. Rent expense through June 30, 2024 was \$10,641.

**Litigation** – The School District is involved in significant or potential litigation for the year ended June 30, 2024. The School District believes the final resolution of these matters will not have a materially and adverse effect on the financial position of the District due to its defense to these matters, budgeted reserves and adequate insurance.

**Stewardship, Compliance and Accountability**

**Construction** – The School District had multiple construction contracts during fiscal year 2024. As of June 30, 2024 a total of \$18,727,460 was committed for construction. The breakdown is as follows:

<u>Location</u>	<u>Amount</u>
DM 2021	2,812,705
Rocky Vista High School (HS #4)	6,416,508
North Transportation	8,454,180
Safety & Security	1,044,067
	\$ 18,727,460

An investment loss of \$8,742,939 was incurred in fiscal year 2024 on unspent bond proceeds. The total amount expended in fiscal year 2024 for capital projects was \$55,864,040.

**3-E. Subsequent Events**

On September 24, 2024, the District issued \$128,500,000 of General Obligation Bonds, Series 2024A and \$24,870,000 of General Obligation Refunding Bonds, Series 2024B. Premiums of \$8,934,334 and \$983,741 were respectively recorded. These funds will be used for, but limited to, building new schools and enlarging, improving and repairing existing schools and District facilities.

## **Required Supplementary Information**

**School District 27J, Colorado**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 94,402,786	\$ 111,551,210	\$ 127,235,369	\$ 15,684,159
Intergovernmental Revenue:				
Vocational Education	475,000	475,000	884,043	409,043
Special Education	6,126,412	7,875,014	7,897,390	22,376
State On-Behalf	-	-	508,721	508,721
Equalization	149,117,230	188,278,031	148,507,058	(39,770,973)
Charges for Service	2,052,243	1,804,384	1,902,271	97,887
Investment Earnings	600,000	1,000,000	2,507,202	1,507,202
Miscellaneous	515,507	4,554,654	7,673,132	3,118,478
<b>Total Revenues</b>	<u>253,289,178</u>	<u>315,538,293</u>	<u>297,115,186</u>	<u>(18,423,107)</u>
<b>Expenditures</b>				
Instructional Services	111,810,748	115,757,211	117,327,345	(1,570,134)
Supporting Services				
Pupil Services	11,860,893	11,758,065	12,067,139	(309,074)
Instructional Staff	5,622,115	6,813,941	6,807,318	6,623
General Administration	2,793,194	2,793,194	2,486,126	307,068
School Administration	13,606,270	14,116,062	13,703,347	412,715
Operations and Maintenance	14,720,009	15,118,476	18,014,012	(2,895,536)
Pupil Transportation	10,432	5,000	41,785	(36,785)
Business Supporting Services	24,721,618	46,198,846	1,899,143	44,299,703
Central Supporting Services	25,696,175	41,941,938	16,202,909	25,739,029
Community Services	663,069	663,069	314,214	348,855
Contingency Reserves	2,901,477	3,763,872	-	3,763,872
Capital Outlay	872,127	871,627	1,102,867	(231,240)
Debt Service				
Principal Retirement	400,000	311,923	688,958	(377,035)
Interest	-	80,792	82,890	(2,098)
Fiscal Charges	2,000	2,000	2,000	-
Intergovernmental				
Charter Schools	64,132,601	65,635,634	66,437,883	(802,249)
<b>Total Expenditures</b>	<u>279,812,728</u>	<u>325,831,650</u>	<u>257,177,936</u>	<u>68,653,714</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(26,523,550)	(10,293,357)	39,937,250	50,230,607
<b>Other Financing Sources (Uses)</b>				
Leases and SBITAs	-	-	832,104	832,104
Transfers Out	(7,991,218)	(8,120,775)	(8,328,158)	(207,383)
<b>Net Change in Fund Balance</b>	<u>\$ (34,514,768)</u>	<u>\$ (18,414,132)</u>	32,441,196	<u>\$ 50,855,328</u>
<b>Fund Balance Beginning of Year</b>			<u>56,240,006</u>	
<b>Fund Balance End of Year</b>			<u>\$ 88,681,202</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Government Designated Purpose Grants Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental				
Federal Grants	\$ 11,050,168	\$ 11,019,970	\$ 10,332,068	\$ (687,902)
State Grants	5,554,820	6,865,632	4,586,113	(2,279,519)
State On Behalf	-	-	30,601	30,601
Miscellaneous	102,563	119,150	109,364	(9,786)
<b>Total Revenues</b>	<u>16,707,551</u>	<u>18,004,752</u>	<u>15,058,146</u>	<u>(2,946,606)</u>
<b>Expenditures</b>				
<b>Current</b>				
Instructional Services	7,876,939	7,936,103	8,761,722	(825,619)
Supporting Services				
Pupil Services	3,943,561	3,306,691	2,705,914	600,777
Instructional Staff	2,952,669	3,847,199	2,376,208	1,470,991
School Administration	70,639	104,782	99,193	5,589
Pupil Transportation	68,179	38,474	40,273	(1,799)
Business Supporting Services	278,227	272,103	414,824	(142,721)
Central Supporting Services	298,778	421,529	693,511	(271,982)
Community Services	48,417	42,760	25,398	17,362
Contingency Reserves	2,182,859	2,452,887	-	2,452,887
Capital Outlay	-	59,504	56,531	2,973
<b>Total Expenditures</b>	<u>17,720,268</u>	<u>18,482,032</u>	<u>15,173,574</u>	<u>3,308,458</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,012,717)	(477,280)	(115,428)	361,852
<b>Other Financing Sources (Uses)</b>				
Leases and SBITAs	-	-	35,122	35,122
Transfers In (Out)	-	21,067	21,067	-
<b>Net Change in Fund Balance</b>	<u>\$ (1,012,717)</u>	<u>\$ (456,213)</u>	(59,239)	<u>\$ 396,974</u>
<b>Fund Balance Beginning of Year</b>			<u>649,696</u>	
<b>Fund Balance End of Year</b>			<u>\$ 590,457</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Nutrition Services Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Student Lunches	\$ 853,088	\$ 647,974	\$ 574,696	\$ (73,278)
State Match	58,000	2,896,893	3,486,992	590,099
Federal Sources				
School Lunches	6,299,479	3,500,520	4,350,566	850,046
Breakfast Program	550,455	419,453	632,874	213,421
Summer Program	44,600	48,287	24,146	(24,141)
Commodity Donations	500,000	500,000	677,845	177,845
Supply Chain Assistance	-	400,000	399,204	(796)
Investment Income	55,500	207,000	246,731	39,731
<b>Total Revenues</b>	<b>8,361,122</b>	<b>8,620,127</b>	<b>10,393,054</b>	<b>1,772,927</b>
<b>Expenditures</b>				
Pupil Services:				
Salaries	3,208,744	2,910,704	3,317,255	(406,551)
Benefits	1,004,844	921,860	997,767	(75,907)
Purchased Services	132,604	187,890	130,960	56,930
Food and Milk	3,327,997	3,550,066	3,860,506	(310,440)
General and Office Supplies	945,053	986,962	1,124,853	(137,891)
Capital Outlay	28,000	603,000	30,951	572,049
Contingency	2,716,612	4,557,255	-	4,557,255
<b>Total Expenditures</b>	<b>11,363,854</b>	<b>13,717,737</b>	<b>9,462,292</b>	<b>4,255,445</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,002,732)</b>	<b>\$ (5,097,610)</b>	<b>930,762</b>	<b>\$ 6,028,372</b>
<b>Fund Balance Beginning of Year</b>			<b>5,097,611</b>	
<b>Fund Balance End of Year</b>			<b>\$ 6,028,373</b>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Schedule of the District's Proportionate Share of the**  
**Last 10 Calendar Years\***  
**(Dollar amounts in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the Net Pension Liability (Asset)	1.51%	1.52%	1.52%	1.49%	1.36%	1.42%	1.70%	1.56%	1.36%	1.83%
District's proportionate share of the Net Pension Liability (Asset)	\$ 205,030	\$ 232,267	\$ 454,010	\$ 480,489	\$ 240,860	\$ 212,554	\$ 256,724	\$ 181,482	\$ 246,851	\$ 322,826
State of Colorado's proportionate share of the Net Pension Liability (Asset) associated with the District	-	-	-	-	32,934	26,960	-	20,805	71,935	7,079
<b>Total</b>	<b>\$ 205,030</b>	<b>\$ 232,267</b>	<b>\$ 454,010</b>	<b>\$ 480,489</b>	<b>\$ 273,794</b>	<b>\$ 239,514</b>	<b>\$ 256,724</b>	<b>\$ 202,287</b>	<b>\$ 318,786</b>	<b>\$ 329,905</b>
Districts Covered Payroll	\$ 63,374	\$ 66,182	\$ 68,435	\$ 68,519	\$ 74,198	\$ 83,028	\$ 90,279	\$ 96,938	\$ 103,625	\$ 119,616
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	323.52%	350.95%	663.42%	701.25%	324.62%	256.00%	284.37%	187.21%	238.22%	269.89%
Plan fiduciary net position as a percent of the total Pension Liability	62.84%	59.20%	43.10%	43.96%	57.01%	64.50%	66.99%	74.86%	61.79%	64.74%

\* The amounts presented for each fiscal year were determined as of 12/31.

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Schedule of District Pension Contributions**  
**Last 10 Fiscal Years**  
**(Dollar amounts in thousands)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 10,889	\$ 11,804	\$ 12,402	\$ 13,451	\$ 14,891	\$ 17,137	\$ 18,576	\$ 19,827	\$ 22,492	\$ 27,125
Contributions in relation to the contractually required contribution	(10,889)	(11,804)	(12,402)	(13,451)	(14,891)	(17,137)	(18,576)	(19,827)	(22,492)	(27,125)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 64,484	\$ 65,847	\$ 67,842	\$ 71,479	\$ 77,313	\$ 87,849	\$ 93,013	\$ 99,075	\$ 109,354	\$ 131,904
Contributions as a percent of Covered Payroll	16.89%	17.93%	18.28%	18.82%	19.26%	19.51%	19.97%	20.01%	20.57%	20.56%

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Schedule of the Districts Proportionate Share of the**  
**Net OPEB Liability**  
**Last 10 Calendar Years\***  
**(Dollar amounts in thousands)**

	2017	2018	2019	2020	2021	2022	2023
District's proportion of the OPEB Liability (Asset)	0.84%	0.88%	0.93%	0.98%	1.02%	1.03%	1.09%
District's proportionate share of the OPEB Liability (Asset)	\$ 10,968	\$ 12,029	\$ 10,448	\$ 9,329	\$ 8,780	\$ 8,408	\$ 7,795
District's Covered Payroll	\$ 68,519	\$ 74,198	\$ 83,028	\$ 90,279	\$ 96,938	\$ 103,625	\$ 119,616
District's proportionate share of the OPEB Liability (Asset) as a percentage of its Covered Payroll	16.01%	16.21%	12.58%	10.33%	9.06%	8.11%	6.52%
Plan fiduciary net position as a percent of the total OPEB Liability	17.53%	17.03%	24.49%	32.78%	39.40%	38.57%	46.16%

However, until a full 10-year trend is compiled, the School District is presenting information for those years for which information is available.

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
**Schedule of District OPEB Contributions**  
**Last 10 Fiscal Years\***  
**(Dollar amounts in thousands)**

	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 721	\$ 791	\$ 902	\$ 954	\$ 1,016	\$ 1,144	\$ 1,144
Contributions in relation to the contractually required contribution	(721)	(791)	(902)	(954)	(1,016)	(1,144)	(1,144)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 71,479	\$ 77,313	\$ 87,849	\$ 93,013	\$ 99,075	\$ 109,354	\$ 131,904
Contributions as a percent of Covered Payroll	1.01%	1.02%	1.03%	1.03%	1.03%	1.05%	0.87%

\* This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years for which information is available.

See accompanying notes to the basic financial statements

**School District 27J, Colorado**  
***Notes to the Required Supplementary Information***  
***For The Year Ended June 30, 2024***

***Stewardship, Compliance and Accountability***

***Budgetary Information*** – Budgets are required by state law for all funds. By June 1, the Superintendent submits to the Board of Education a proposed budget for all funds for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Education to obtain taxpayer comments. The budget must be adopted by formal resolution prior to June 30, although it may be subsequently revised by January 31.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments, within any fund and the reallocation of budget line items within any department or within any fund rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education. Appropriations are based on total resources expected to be available in each budget year, including reserves as established by the Board of Education. Variances between budget and actual are the result from the non-expenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects and normal operating variances.

Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent of Schools and/or the Board of Education throughout the year.

In fiscal year 2024, the Transportation fund exceeded its budget.

**Supplementary Information**  
**Combining and Individual Fund**  
**Financial Statements and Schedules**

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

## **Non-Major Governmental Funds**

### **Special Revenue Funds**

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

**Pupil Activity Fund** - This fund accounts for financial transactions of all school activity funds in the District. Revenues are those raised by clubs and/or school building support groups. Expenditures are for school activity functions.

**Transportation Fund** - This fund accounts for fees collected for the payment of excess transportation costs without voter approval. Transportation categorical program revenues received from the state are also recorded in this fund.

**Child Care/Extended Day Kindergarten** – This fund is considered an “Other Special Revenue” fund. The Child Care and Extended Day Kindergarten programs are tuition based for generating revenue.

**Other Special Programs Fund** - This fund accounts for all revenues and costs of providing day care to people who live within the District. This fund also accounts for the Detention Center school. The Brighton School District provides this program for the Adams County Detention Center. All other school districts that make up the catchment area for the center are billed an amount in proportion to their number of students. Also included are the district print shop, and the summer school programs.

## **Other Major Governmental Funds**

**Capital Projects Fund** - This fund accounts for bond proceeds and other revenues used for the construction and acquisition of major capital facilities.

**Debt Service Fund** - This fund accounts for the accumulated resources (normally property taxes) used to retire principal and interest on general long-term debt.

**School District 27J, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	<b>Pupil Activity</b>	<b>Transportation</b>	<b>Child Care / Extended Day Kindergarten</b>	<b>Other Special Programs</b>	<b>Non-Major Governmental Funds</b>
<b>Assets</b>					
Cash and Investments	\$ 569,121	\$ -	\$ -	\$ -	\$ 569,121
Receivables					
Accounts	9,832	32,778	10,734	150,789	204,133
Leases	-	-	-	662,226	662,226
Interfund Receivable	3,380,633	421,622	825,098	5,549,338	10,176,691
Prepaid Items	44,500	884	792	-	46,176
<b>Total Assets</b>	<b>\$ 4,004,086</b>	<b>\$ 455,284</b>	<b>\$ 836,624</b>	<b>\$ 6,362,353</b>	<b>\$ 11,658,347</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 11,330	\$ 43,282	\$ 4,408	\$ 3,418	\$ 62,438
Accrued Salary and Benefits	955	412,002	99,465	76,570	588,992
<b>Total Liabilities</b>	<b>12,285</b>	<b>455,284</b>	<b>103,873</b>	<b>79,988</b>	<b>651,430</b>
<b>Deferred Inflows of Resources</b>					
Deferred Inflow Leases	-	-	-	631,828	631,828
	-	-	-	631,828	631,828
<b>Fund Balances</b>					
Nonspendable Prepaid Items	44,500	-	-	-	44,500
Restricted for Pupil Activity	3,947,301	-	-	-	3,947,301
Committed, Reported In					
Nonmajor Governmental Funds (See Note 1-E-10)	-	-	732,751	5,650,537	6,383,288
<b>Total Fund Balances</b>	<b>3,991,801</b>	<b>-</b>	<b>732,751</b>	<b>5,650,537</b>	<b>10,375,089</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,004,086</b>	<b>\$ 455,284</b>	<b>\$ 836,624</b>	<b>\$ 6,362,353</b>	<b>\$ 11,658,347</b>

See the independent auditors' report.

**School District 27J, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For The Year Ended June 30, 2024**

	Pupil Activity	Transportation	Child Care / Extended Day Kindergarten	Other Special Programs	Nonmajor Governmental Funds
<b>Revenues</b>					
Transportation Services	\$ -	\$ 1,931,407	\$ -	\$ -	\$ 1,931,407
Pupil Activities	3,805,247	-	-	-	3,805,247
Investment Earnings	16,839	-	-	-	16,839
Charges for Services	-	831,729	1,568,838	2,420,456	4,821,023
Leases	-	-	-	9,378	9,378
<b>Total Revenues</b>	<u>3,822,086</u>	<u>2,763,136</u>	<u>1,568,838</u>	<u>2,429,834</u>	<u>10,583,894</u>
<b>Expenditures</b>					
Instructional Services	-	-	818	754,687	755,505
Business Supporting Services	-	-	-	42,425	42,425
Transportation Services	-	9,891,881	-	-	9,891,881
Instructional Staff	-	-	-	213,672	213,672
Community Services	-	-	1,794,220	-	1,794,220
Central Supporting Services	-	-	-	138,703	138,703
Pupil Activities	4,132,702	-	-	288,559	4,421,261
Capital Outlay	-	-	-	44,000	44,000
<b>Total Expenditures</b>	<u>4,132,702</u>	<u>9,891,881</u>	<u>1,795,038</u>	<u>1,482,046</u>	<u>17,301,667</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(310,616)	(7,128,745)	(226,200)	947,788	(6,717,773)
<b>Other Financing Sources (Uses)</b>					
Transfers In (Out)	822,456	7,128,745	-	271,466	8,222,667
<b>Net Change in Fund Balances</b>	511,840	-	(226,200)	1,219,254	1,504,894
<b>Fund Balances Beginning of Year</b>	<u>3,479,961</u>	<u>-</u>	<u>958,951</u>	<u>4,431,283</u>	<u>8,870,195</u>
<b>Fund Balances End of Year</b>	<u>\$ 3,991,801</u>	<u>\$ -</u>	<u>\$ 732,751</u>	<u>\$ 5,650,537</u>	<u>\$ 10,375,089</u>

See the independent auditors' report.

**School District 27J, Colorado**  
**Pupil Activity Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Pupil Activities	\$ 4,254,631	\$ 3,179,870	\$ 3,805,247	\$ 625,377
Investment Earnings	7,500	12,000	16,839	4,839
<b>Total Revenues</b>	<u>4,262,131</u>	<u>3,191,870</u>	<u>3,822,086</u>	<u>630,216</u>
<b>Expenditures</b>				
Pupil Activities	<u>7,235,717</u>	<u>7,487,581</u>	<u>4,132,702</u>	<u>3,354,879</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,973,586)	(4,295,711)	(310,616)	3,985,095
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	<u>815,756</u>	<u>815,756</u>	<u>822,456</u>	<u>6,700</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,157,830)</u>	<u>\$ (3,479,955)</u>	511,840	<u>\$ 3,991,795</u>
<b>Fund Balance Beginning of Year</b>			<u>3,479,961</u>	
<b>Fund Balance End of Year</b>			<u>\$ 3,991,801</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Transportation Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Pupil Transportation	\$ 1,500,000	\$ 1,751,046	\$ 1,931,407	\$ 180,361
Charges for Services	425,000	485,909	831,729	345,820
<b>Total Revenues</b>	<u>1,925,000</u>	<u>2,236,955</u>	<u>2,763,136</u>	<u>526,181</u>
<b>Expenditures</b>				
Pupil Transportation	8,719,990	9,140,435	9,891,881	(751,446)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(6,794,990)	(6,903,480)	(7,128,745)	(225,265)
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	6,794,990	6,903,480	7,128,745	225,265
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance Beginning of Year</b>			<u>-</u>	
<b>Fund Balance End of Year</b>			<u>\$ -</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Child Care/Extended Day Kindergarten Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for Services	\$ 1,364,000	\$ 1,364,000	\$ 1,568,838	\$ 204,838
<b>Total Revenues</b>	<u>1,364,000</u>	<u>1,364,000</u>	<u>1,568,838</u>	<u>204,838</u>
<b>Expenditures</b>				
Instructional Services	24,570	33,570	818	32,752
Community Services	2,089,430	2,289,382	1,794,220	495,162
<b>Total Expenditures</b>	<u>2,114,000</u>	<u>2,322,952</u>	<u>1,795,038</u>	<u>527,914</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(750,000)</u>	<u>(958,952)</u>	<u>(226,200)</u>	<u>732,752</u>
<b>Net Change in Fund Balance</b>	<u>\$ (750,000)</u>	<u>\$ (958,952)</u>	<u>(226,200)</u>	<u>\$ 732,752</u>
<b>Fund Balance Beginning of Year</b>			<u>958,951</u>	
<b>Fund Balance End of Year</b>			<u>\$ 732,751</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Other Special Programs Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Charges for Services	\$ 1,449,683	\$ 943,475	\$ 2,420,456	\$ 1,476,981
Lease Revenue	-	-	9,378	9,378
<b>Total Revenues</b>	<u>1,449,683</u>	<u>943,475</u>	<u>2,429,834</u>	<u>1,486,359</u>
<b>Expenditures</b>				
Instructional Services	695,446	793,094	754,687	38,407
Supporting Services				
Pupil Services	149,835	388,647	288,559	100,088
Instructional Staff	9,169	272,431	213,672	58,759
Central Supporting Services	205,621	235,798	138,703	97,095
Contingency Reserves	4,572,226	3,907,351	-	3,907,351
<b>Total Expenditures</b>	<u>5,633,297</u>	<u>5,646,223</u>	<u>1,482,046</u>	<u>4,164,177</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(4,183,614)	(4,702,748)	947,788	5,650,536
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	<u>271,466</u>	<u>271,466</u>	<u>271,466</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,912,148)</u>	<u>\$ (4,431,282)</u>	1,219,254	<u>\$ 5,650,536</u>
<b>Fund Balance Beginning of Year</b>			<u>4,431,283</u>	
<b>Fund Balance End of Year</b>			<u>\$ 5,650,537</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Investment Earnings (loss)	\$ 1,832,000	\$ 2,509,997	\$ (2,234,645)	\$ (4,744,642)
<b>Total Revenues</b>	<u>1,832,000</u>	<u>2,509,997</u>	<u>(2,234,645)</u>	<u>(4,744,642)</u>
<b>Expenditures</b>				
Capital Outlay	-	181,943,264	55,864,040	126,079,224
<b>Total Expenditures</b>	-	181,943,264	55,864,040	126,079,224
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,832,000</u>	<u>(179,433,267)</u>	<u>(58,098,685)</u>	<u>121,334,582</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,832,000</u>	<u>\$ (179,433,267)</u>	<u>(58,098,685)</u>	<u>\$ 121,334,582</u>
<b>Fund Balance Beginning of Year</b>			<u>179,433,269</u>	
<b>Fund Balance End of Year</b>			<u>\$ 121,334,584</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Property Taxes	\$ 58,041,452	\$ 63,347,598	\$ 65,211,516	\$ 1,863,918
Investment Earnings	1,200,000	1,500,000	3,102,478	1,602,478
<b>Total Revenues</b>	<u>59,241,452</u>	<u>64,847,598</u>	<u>68,313,994</u>	<u>3,466,396</u>
<b>Expenditures</b>				
<b>Debt Service</b>				
Principal Retirement	26,105,000	26,105,000	26,105,000	-
Interest	24,591,523	24,591,523	24,591,523	-
Fiscal Charges	11,400	11,500	6,500	5,000
Contingency Reserves	94,235,129	88,427,065	-	88,427,065
<b>Total Expenditures</b>	<u>144,943,052</u>	<u>139,135,088</u>	<u>50,703,023</u>	<u>88,432,065</u>
<b>Net Change in Fund Balance</b>	<u>\$ (85,701,600)</u>	<u>\$ (74,287,490)</u>	17,610,971	<u>\$ 91,898,461</u>
<b>Fund Balance Beginning of Year</b>			<u>74,287,490</u>	
<b>Fund Balance End of Year</b>			<u>\$ 91,898,461</u>	

See the independent auditors' report.

## **Proprietary Funds**

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The School District's proprietary funds are classified as internal service funds.

**Internal Service Funds** - The internal service funds accounts for the District's self-insured dental plan and print shop.

## **Private Purpose Trust Fund**

**Private Purpose Trust Fund** - The School District's private purpose trust fund provides scholarships to students and is classified as a private purpose trust.

**School District 27J, Colorado**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2024**

	<b>Print Shop</b>	<b>Risk Management</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>			
Receivables			
Accounts	\$ -	\$ 77	\$ 77
Interfund Receivable	-	773,509	773,509
<b>Total Assets</b>	-	773,586	773,586
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	-	72,652	72,652
<b>Total Liabilities</b>	-	72,652	72,652
 <b>Net Position</b>	\$ -	\$ 700,934	\$ 700,934

See the independent auditors' report.

**School District 27J, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Net Position**  
**Internal Service Funds**  
**For The Year Ended June 30, 2024**

	<b>Print Shop</b>	<b>Risk Management</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>			
Dental Insurance Premiums	\$ -	\$ 1,017,090	\$ 1,017,090
Print Shop	46,886	-	46,886
<b>Total Operating Revenues</b>	<u>46,886</u>	<u>1,017,090</u>	<u>1,063,976</u>
<b>Operating Expenses</b>			
Salaries and Benefits	99,824	-	99,824
Purchased Services	9,374	-	9,374
Materials and Supplies	17,889	-	17,889
Indirect Costs	4,219	-	4,219
Risk Management Dental	-	1,045,684	1,045,684
<b>Total Operating Expenses</b>	<u>131,306</u>	<u>1,045,684</u>	<u>1,176,990</u>
<b>Income (Loss) from Operations</b>	(84,420)	(28,594)	(113,014)
<b>Transfers In (Out)</b>	<u>84,420</u>	<u>-</u>	<u>84,420</u>
<b>Change in Net Position</b>	-	(28,594)	(28,594)
<b>Net Position Beginning of Year</b>	<u>-</u>	<u>729,528</u>	<u>729,528</u>
<b>Net Position End of Year</b>	<u>\$ -</u>	<u>\$ 700,934</u>	<u>\$ 700,934</u>

See the independent auditors' report.

School District 27J, Colorado  
Combining Statement of Cash Flows  
Internal Service Funds  
For The Year Ended June 30, 2024

	<u>Print Shop</u>	<u>Risk Management</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>Cash Flows From (Used for) Operating Activities</b>			
Cash Received from Print Shop and Dental Insurance Premiums	\$ 46,886	\$ 1,024,276	\$ 1,071,162
Cash Payments for Goods and Services	(131,306)	-	(131,306)
Cash Payments for Insurance Premiums and Expenses	-	(1,024,276)	(1,024,276)
<b>Net Cash From (Used for) Operating Activities</b>	<b>(84,420)</b>	<b>-</b>	<b>(84,420)</b>
<b>Cash Flows From (Used for) Noncapital Financing Activities</b>			
Transfers	84,420	-	84,420
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities</b>			
<b>Operating Income (Loss)</b>	<b>\$ (84,420)</b>	<b>\$ (28,594)</b>	<b>\$ (113,014)</b>
<b>(Increase) Decrease in Assets:</b>			
Interfund Receivable	-	7,186	7,186
<b>Increase (Decrease) in Liabilities:</b>			
Accounts Payable	-	21,408	21,408
<b>Net Cash From (Used for) Operating Activities</b>	<b>\$ (84,420)</b>	<b>\$ -</b>	<b>\$ (84,420)</b>

See the independent auditors' report.

**School District 27J, Colorado**  
**Print Shop Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Charges for Services	\$ 35,000	\$ 39,100	\$ 46,886	\$ 7,786
<b>Total Revenues</b>	<u>35,000</u>	<u>39,100</u>	<u>46,886</u>	<u>7,786</u>
<b>Expenses</b>				
<b>Current:</b>				
Business Supporting Services	144,006	148,106	131,306	16,800
<b>Total Expenses</b>	<u>144,006</u>	<u>148,106</u>	<u>131,306</u>	<u>16,800</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenses</b>	(109,006)	(109,006)	(84,420)	24,586
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	<u>109,006</u>	<u>109,006</u>	<u>84,420</u>	<u>(24,586)</u>
<b>Change in Net Position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balances Beginning of Year</b>			<u>-</u>	
<b>Fund Balances End of Year</b>			<u>\$ -</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
**Risk Management Fund**  
**Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Dental Insurance Premiums	\$ 932,533	\$ 991,552	\$ 1,017,090	\$ 25,538
<b>Total Revenues</b>	<u>932,533</u>	<u>991,552</u>	<u>1,017,090</u>	<u>25,538</u>
<b>Expenses</b>				
Dental Insurance Claims	831,926	1,034,572	1,045,684	(11,112)
Contingency	1,009,124	686,508	-	686,508
<b>Total Expenses</b>	<u>1,841,050</u>	<u>1,721,080</u>	<u>1,045,684</u>	<u>675,396</u>
<b>Change in Net Position</b>	<u>\$ (908,517)</u>	<u>\$ (729,528)</u>	(28,594)	<u>\$ 700,934</u>
<b>Fund Balances Beginning of Year</b>			<u>729,528</u>	
<b>Fund Balances End of Year</b>			<u>\$ 700,934</u>	

See the independent auditors' report.

**School District 27J, Colorado**  
*Schedule of Changes in Net Position - Budget to Actual*  
*Private-Purpose Trust Fund*  
*For The Year Ended June 30, 2024*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Additions</b>				
Investment Earnings	\$ 1,162	\$ 2,487	\$ 2,523	\$ 36
<b>Total Additions</b>	<u>1,162</u>	<u>2,487</u>	<u>2,523</u>	<u>36</u>
<b>Deductions</b>				
Support Services	27,959	31,016	-	31,016
<b>Total Deductions</b>	<u>27,959</u>	<u>31,016</u>	<u>-</u>	<u>31,016</u>
<b>Change in Net Position</b>	<u>\$ (26,797)</u>	<u>\$ (28,529)</u>	2,523	<u>\$ 31,052</u>
<b>Net Position Beginning of Year</b>			<u>28,529</u>	
<b>Net Position End of Year</b>			<u>\$ 31,052</u>	

See the independent auditors' report.

## **Component Units**

The component units consist of a foundation and six charter schools: Capital Facility Fee Foundation, Bromley East Charter School, Belle Creek Charter School, Landmark Academy Charter School, Foundations Academy Charter School, The STEAD School and Eagle Ridge Charter School.

The Foundation is a 501(c)(3) organization whose purpose is to promote and assist in the development, financing and acquisition of educational facilities and capital improvements in the School District. The Foundation consists of a nine-member board of directors and includes three representatives of contributing builders or developers, three School District representatives, and one city council representative of each city. Voluntary contributions are accepted by the Foundation and kept in foundation-managed accounts. The Board of Education makes requests for the release of Foundation funds for school construction purposes as needed. The Foundation Board determines if the request meets the requirements for disbursement of the funds.

The charter schools have separate governing boards but are dependent upon the District for the majority of their funding.

**School District 27J, Colorado**  
**Nonmajor Component Units**  
**Combining Statement of Net Position**  
**June 30, 2024**

	Capital Facility Fee Foundation	Bromley East Charter School	Eagle Ridge Academy Charter School	Belle Creek Charter School	Foundation Academy Charter School	Landmark Academy Charter School	The STEAD School	Total Component Units
<b>Assets</b>								
Cash and Investments	\$ 179,935	\$ 6,001,507	\$ 4,940,873	\$ 3,670,542	\$ 712,399	\$ 702,055	\$ 1,864,345	\$ 18,071,656
Restricted Cash and Investments	6,002,373	3,041,278	1,351,379	592,821	-	-	6,754,820	17,742,671
Accounts Receivable	16,240	70,948	988,211	1,716	-	-	18,282	1,095,397
Grants Receivable	-	61,506	-	71,004	98,074	202,598	-	433,182
Intergovernmental Receivables	-	-	-	708,020	-	-	15,177	723,197
Prepaid Expenses	-	246,632	4,338	63,583	-	-	23,825	338,378
Deposits	-	1,245	-	1,000	-	-	-	2,245
Inventories	-	1,300	-	-	-	-	-	1,300
Capital Assets, Not Being Depreciated	-	144,120	6,501,670	6,319,236	-	-	27,171,604	40,136,630
Capital Assets, Net of Accumulated Depreciation/Amortization	-	17,822,095	9,024,507	3,990,330	-	-	16,348	30,853,280
<b>Total Assets</b>	<b>6,198,548</b>	<b>27,390,631</b>	<b>22,810,978</b>	<b>15,418,252</b>	<b>810,473</b>	<b>904,653</b>	<b>35,864,401</b>	<b>109,397,936</b>
<b>Deferred Outflows of Resources</b>								
Related to Pensions	-	5,110,848	1,824,056	2,219,574	-	-	-	9,154,478
Related to OPEB	-	87,491	27,697	41,223	-	-	-	156,411
Deferred Charges	-	158,644	-	-	-	-	-	158,644
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>5,356,983</b>	<b>1,851,753</b>	<b>2,260,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,469,533</b>
<b>Liabilities</b>								
Accounts Payable	-	388,845	1,168,620	994,671	285,011	367,547	1,013,218	4,217,912
Accrued Salaries and Benefits	-	470,811	141,506	209,362	-	-	329,526	1,151,205
Claims Payable	-	115,965	54,721	-	-	-	-	170,686
Unearned Revenue	-	-	-	-	174,423	136,722	58,268	369,413
Accrued Interest Payable	-	41,645	78,740	91,702	-	-	840,662	1,052,749
<b>Noncurrent Liabilities</b>								
Due within one year	-	679,007	242,142	115,550	-	-	-	1,036,699
Due in more than one year	-	14,049,688	10,229,266	5,959,039	-	-	22,680,000	52,917,993
Net Pension Liability	-	17,028,505	5,886,852	8,162,608	-	-	-	31,077,965
Net OPEB Liability	-	411,170	142,144	197,094	-	-	-	750,408
<b>Total Liabilities</b>	<b>-</b>	<b>33,185,636</b>	<b>17,943,991</b>	<b>15,730,026</b>	<b>459,434</b>	<b>504,269</b>	<b>24,921,674</b>	<b>92,745,030</b>
<b>Deferred Inflows of Resources</b>								
Related to Pensions	-	983,956	307,451	683,719	-	-	-	1,975,126
Related to OPEB	-	134,156	44,999	90,885	-	-	-	270,040
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,118,112</b>	<b>352,450</b>	<b>774,604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,245,166</b>
<b>Net Position</b>								
Net Investment in Capital Assets	-	3,396,164	5,263,666	4,234,977	-	-	6,641,976	19,536,783
<b>Restricted for</b>								
Capital Projects	6,198,548	-	349,054	-	-	-	-	6,547,602
Other Program Purposes	-	400,508	-	96,000	-	-	-	496,508
Building Maintenance	-	2,204,086	-	-	-	-	-	2,204,086
Operations and Maintenance	-	164,555	-	-	-	-	-	164,555
Emergencies	-	481,000	372,000	217,000	302,194	312,392	170,000	1,854,586
Debt Service	-	630,992	923,585	501,119	-	-	2,879,372	4,935,068
Unrestricted	-	(8,833,439)	(542,015)	(3,874,677)	48,845	87,992	1,251,379	(11,861,915)
<b>Total Net Position</b>	<b>\$ 6,198,548</b>	<b>\$ (1,556,134)</b>	<b>\$ 6,366,290</b>	<b>\$ 1,174,419</b>	<b>\$ 351,039</b>	<b>\$ 400,384</b>	<b>\$ 10,942,727</b>	<b>\$ 23,877,273</b>

See the independent auditors' report.

School District 27J, Colorado  
 Nonmajor Component Units  
 Combining Statement of Activities  
 For The Year Ended June 30, 2024

	Capital Facility Fee Foundation	Bromley East Charter School	Eagle Ridge Academy Charter School	Belle Creek Charter School	Foundation Academy Charter School	Landmark Academy Charter School	The STEAD School	Total Component Units
<b>Revenues</b>								
Intergovernmental Revenue:								
Per Pupil Operating Revenue	\$ -	\$ 12,765,057	\$ 5,999,138	\$ 5,862,471	\$ 8,387,090	\$ 8,383,464	\$ 3,924,474	\$ 45,321,694
Mill Levy Override	-	1,525,294	716,825	676,133	957,038	1,001,798	433,384	5,310,472
Investment Earnings	268,474	409,508	69,744	176,849	-	-	-	924,575
Charges for Services	1,369,340	1,393,714	243,107	439,998	-	-	668,955	4,115,114
Operating Grants and Contributions	40,457	561,393	70,918	391,235	317,230	640,998	4,181,502	6,203,733
Capital Grants and Contributions	-	488,521	5,333,167	4,799,231	-	-	101,825	10,722,744
Other	-	178,487	30,699	22,374	450,408	419,365	215,386	1,316,719
<b>Total Revenues</b>	<b>1,678,271</b>	<b>17,321,974</b>	<b>12,463,598</b>	<b>12,368,291</b>	<b>10,111,766</b>	<b>10,445,625</b>	<b>9,525,526</b>	<b>73,915,051</b>
<b>Expenditures</b>								
Current								
Instruction	-	7,758,700	4,098,501	4,629,683	3,793,385	3,838,208	2,447,922	26,566,399
School Construction	-	-	-	-	-	-	268,425	268,425
Support Services	49,851	6,463,342	2,171,300	2,302,082	6,278,541	6,574,853	2,117,508	25,957,477
Interest on Long-term Debt	-	642,081	469,046	321,940	-	-	1,806,864	3,239,931
Depreciation	-	-	-	-	-	-	-	-
Business-Type Activities	-	-	-	-	1,203	-	-	1,203
<b>Total Expenditures</b>	<b>49,851</b>	<b>14,864,123</b>	<b>6,738,847</b>	<b>7,253,705</b>	<b>10,073,129</b>	<b>10,413,061</b>	<b>6,640,719</b>	<b>56,033,435</b>
<b>Change in Net Position</b>	<b>1,628,420</b>	<b>2,457,851</b>	<b>5,724,751</b>	<b>5,114,586</b>	<b>38,637</b>	<b>32,564</b>	<b>2,884,807</b>	<b>17,881,616</b>
Fund Balances Beginning of Year	4,570,128	(4,013,985)	641,539	(3,940,167)	312,402	367,820	8,057,920	5,995,657
<b>Net Position End of Year</b>	<b>\$ 6,198,548</b>	<b>\$ (1,556,134)</b>	<b>\$ 6,366,290</b>	<b>\$ 1,174,419</b>	<b>\$ 351,039</b>	<b>\$ 400,384</b>	<b>\$ 10,942,727</b>	<b>\$ 23,877,273</b>

See the independent auditors' report.

# Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

## Statistical Section



**School District 27J, Colorado**  
**Statistical Section**

This part of the School District'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 School District's overall financial health.

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SOURCE: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**School District 27J**  
**SEC Bond Issue Requirement**  
**Undertaking to Provide Ongoing Disclosure**

Pursuant to the requirements of Section (b) (5) (i) of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, 240.15c2-12) (the “Rule”), the District has agreed to provide certain financial information and other operating data (the “Undertaking”) to nationally recognized municipal securities information repositories (“NRMSIRs”).

The following tables are the information specified in the covenants to bond holders. The information is on June 30, 2018. This information was prepared by the District and has not been subjected to the audit process.

**School District 27J, Colorado**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 58,348,901	\$ 77,351,838	\$ 159,173,513	\$ 71,833,108	\$ 73,633,965	\$ 75,869,175	\$ 78,243,721	\$ 77,703,890	\$ 99,201,987	\$ 94,481,460
Restricted	21,188,694	21,880,142	118,644,734	154,177,765	35,188,806	46,902,485	64,496,621	83,574,556	88,842,328	111,356,332
Unrestricted	(176,032,876)	(190,921,679)	(438,798,723)	(479,514,264)	(327,985,722)	(294,817,709)	(252,128,663)	(186,278,623)	(169,088,042)	(159,325,042)
<b>Total Governmental Activities Net Position</b>	<b>\$ (96,495,281)</b>	<b>\$ (91,689,699)</b>	<b>\$ (160,980,476)</b>	<b>\$ (253,503,391)</b>	<b>\$ (219,162,951)</b>	<b>\$ (172,046,049)</b>	<b>\$ (109,388,321)</b>	<b>\$ (25,000,177)</b>	<b>\$ 18,956,273</b>	<b>\$ 46,512,750</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Primary Governmental</b>										
Net Investment in Capital Assets	\$ 58,348,901	\$ 77,351,838	\$ 159,173,513	\$ 71,833,108	\$ 73,633,965	\$ 75,869,175	\$ 78,243,721	\$ 77,703,890	\$ 99,201,987	\$ 94,481,460
Restricted	21,188,694	21,880,142	118,644,734	154,177,765	35,188,806	46,902,485	64,496,621	83,574,556	88,842,328	111,356,332
Unrestricted	(176,032,876)	(190,921,679)	(438,798,723)	(479,514,264)	(327,985,722)	(294,817,709)	(252,128,663)	(186,278,623)	(169,088,042)	(159,325,042)
<b>Total Primary Governmental Net Position</b>	<b>\$ (96,495,281)</b>	<b>\$ (91,689,699)</b>	<b>\$ (160,980,476)</b>	<b>\$ (253,503,391)</b>	<b>\$ (219,162,951)</b>	<b>\$ (172,046,049)</b>	<b>\$ (109,388,321)</b>	<b>\$ (25,000,177)</b>	<b>\$ 18,956,273</b>	<b>\$ 46,512,750</b>

School District 27J

**School District 27J, Colorado**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenditures:</b>										
Instruction	\$ 69,819,034	\$ 70,958,267	\$ 110,287,101	\$ 123,402,162	\$ 70,769,819	\$ 75,509,005	\$ 69,644,215	\$ 73,518,228	\$ 121,930,926	\$ 158,574,050
Supporting Services										
Pupil Services	7,160,322	7,598,750	11,089,858	12,171,523	8,179,522	8,827,926	11,258,089	9,172,689	14,854,016	15,675,765
Instructional Staff	4,195,210	4,388,290	6,674,199	6,519,988	3,534,065	4,371,411	5,172,885	4,837,835	7,751,337	10,091,340
General Administration	1,422,035	1,253,592	2,270,773	2,865,341	1,295,331	1,397,339	1,177,267	1,436,129	2,741,128	3,866,034
School Administration	8,656,067	7,420,284	14,657,259	17,859,057	8,684,276	9,538,323	8,075,765	8,437,353	14,166,299	21,277,103
Operations and Maintenance	10,210,360	9,186,136	15,854,736	17,406,459	9,690,171	9,531,231	9,304,277	9,634,340	17,006,602	23,970,244
Pupil Transportation	5,491,876	5,907,425	8,995,023	10,366,324	5,234,782	5,994,035	5,317,371	5,671,130	9,146,464	11,150,408
Business Supporting Services	2,058,803	2,077,563	3,870,464	5,217,770	1,919,116	2,067,030	2,108,268	2,707,160	3,832,784	3,135,550
Central Supporting Services	6,538,379	7,096,785	14,171,480	12,000,638	10,069,084	8,929,785	12,362,521	12,285,378	15,016,360	19,430,269
Community Services	1,196,170	1,372,391	2,311,704	2,780,297	1,682,676	1,614,144	1,052,839	957,434	1,857,633	2,264,220
Pupil Activities	3,497,619	3,449,901	5,057,738	5,315,104	2,782,059	2,346,061	1,199,900	2,340,212	4,353,277	4,691,423
Charter Schools	23,613,579	25,076,862	26,799,848	27,942,884	29,957,524	32,137,492	30,401,586	34,760,360	57,187,048	66,437,883
Debt Service - Interest	6,085,213	11,136,192	9,628,044	13,249,944	13,610,729	13,284,630	12,990,507	14,768,577	23,197,693	20,909,071
Nutrition Services	5,367,753	5,582,380	8,140,985	8,881,578	4,735,596	4,734,079	3,776,266	5,004,776	7,946,548	10,071,635
Total Governmental Activities	155,312,420	162,504,818	239,809,212	265,979,069	172,144,750	180,282,491	173,841,756	185,531,602	300,988,115	371,544,995
Total - Primary Government	\$ 155,312,420	\$ 162,504,818	\$ 239,809,212	\$ 265,979,069	\$ 172,144,750	\$ 180,282,491	\$ 173,841,756	\$ 185,531,602	\$ 300,988,115	\$ 371,544,995
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Community Services	\$ 3,144,026	\$ 3,035,051	\$ 3,234,404	\$ 4,174,475	\$ 3,774,561	\$ 2,874,061	\$ 4,081,728	\$ 8,677,213	\$ 5,100,843	\$ 5,891,565
Pupil Transportation	378,079	439,717	355,583	379,171	456,935	403,623	124,018	317,676	772,467	3,805,247
Nutrition Service	1,831,219	1,897,852	2,040,437	2,076,630	2,211,233	2,163,985	165,026	363,415	3,107,600	574,696
Pupil Activities	2,885,360	2,628,234	2,971,610	2,362,593	2,798,243	2,696,050	1,316,050	2,990,897	3,629,502	831,729
Operating Grants and Contributions:										
Instruction	10,633,518	10,920,832	11,821,675	12,294,332	12,757,822	14,131,274	28,519,173	28,211,262	31,133,403	24,238,936
Pupil Transportation	1,353,453	1,425,769	1,462,467	1,503,981	1,542,587	1,484,551	1,561,318	1,578,356	1,510,263	1,931,407
Nutrition Service	3,334,974	3,398,582	3,499,441	3,606,054	3,183,071	3,388,171	5,239,680	7,079,160	7,173,683	9,571,627
Capital Grants and Contributions:										
Instruction	3,000	135,498	137,020	180,446	-	-	-	-	-	-
Total Governmental Activities	23,563,629	23,881,535	25,522,637	26,577,682	26,724,452	27,141,715	41,006,993	49,217,979	52,427,761	46,845,207
Total - Primary Government	\$ 23,563,629	\$ 23,881,535	\$ 25,522,637	\$ 26,577,682	\$ 26,724,452	\$ 27,141,715	\$ 41,006,993	\$ 49,217,979	\$ 52,427,761	\$ 46,845,207
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (131,748,785)	\$ (138,623,283)	\$ (214,286,575)	\$ (239,401,387)	\$ (145,420,298)	\$ (153,140,776)	\$ (132,834,763)	\$ (136,313,623)	\$ (248,560,354)	\$ (324,699,787)
Total - Primary Government	\$ (131,748,785)	\$ (138,623,283)	\$ (214,286,575)	\$ (239,401,387)	\$ (145,420,298)	\$ (153,140,776)	\$ (132,834,763)	\$ (136,313,623)	\$ (248,560,354)	\$ (324,699,787)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes:										
General Purposes	\$ 25,763,791	\$ 32,062,244	\$ 31,838,574	\$ 36,520,581	\$ 40,320,930	\$ 52,102,918	\$ 59,836,034	\$ 60,145,852	\$ 89,840,913	\$ 126,675,514
Debt Service	17,450,842	22,468,773	21,894,389	25,988,094	28,753,885	36,010,599	45,888,814	44,792,244	53,909,672	65,643,217
Equalization	87,575,528	86,853,890	89,855,162	93,128,798	104,178,937	106,808,650	90,588,760	115,982,915	138,639,823	148,507,058
Earnings on Investments	(233,272)	839,319	774,056	1,302,123	3,571,016	2,429,328	1,200,120	(532,274)	9,468,269	3,638,601
Miscellaneous	674,989	1,204,638	633,617	826,637	2,935,969	4,206,550	1,170,418	313,029	658,127	7,791,874
Total Governmental Activities	131,231,878	143,428,864	144,995,798	157,766,233	179,760,737	201,558,045	198,684,146	220,701,766	292,516,804	352,256,264
Change in Net Position										
Governmental Activities	(516,907)	4,805,581	(69,290,777)	(81,635,154)	34,340,439	48,417,269	65,849,383	84,388,144	43,956,450	27,556,477
Total - Primary Government	\$ (516,907)	\$ 4,805,581	\$ (69,290,777)	\$ (81,635,154)	\$ 34,340,439	\$ 48,417,269	\$ 65,849,383	\$ 84,388,144	\$ 43,956,450	\$ 27,556,477

**School District 27J, Colorado**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 2,967,123	\$ 2,792,537	\$ 3,960,316	\$ 4,593,650	\$ 5,413,776	\$ 6,353,954	\$ 5,267,047	\$ 6,718,211	\$ 8,220,771	\$ 10,883,455
Nondspendable Prepaid Item	19,087	58,104	427,015	497,287	436,394	414,396	124,236	574,430	1,010,127	1,236,476
Committed	3,772,824	3,787,365	3,953,555	3,943,973	4,210,070	5,300,437	6,241,226	7,578,427	9,299,324	9,306,673
Assigned	3,977,837	7,290,445	9,770,708	15,540,555	15,501,439	13,224,545	943,001	1,077,699	16,219,630	21,917,278
Unassigned	6,519,050	7,096,553	4,083,556	3,010,933	4,905,458	6,430,678	12,401,826	18,547,845	21,490,154	45,337,319
<b>Total General Fund</b>	<b>17,255,921</b>	<b>21,025,004</b>	<b>22,195,150</b>	<b>27,586,398</b>	<b>30,467,137</b>	<b>31,724,010</b>	<b>24,977,336</b>	<b>34,496,612</b>	<b>56,240,006</b>	<b>88,681,201</b>
All Other Governmental Funds										
Restricted	17,166,032	189,122,487	113,626,251	148,422,371	100,745,725	71,206,535	88,611,976	376,092,699	262,121,556	223,104,788
Nondspendable Prepaid Item	-	175	88,413	-	109,177	218,632	136,389	257,869	177,625	150,105
Y Restricted for Government Designated Purpose Grants	1,055,539	1,289,831	1,058,167	1,468,450	2,688,938	2,480,967	1,104,052	1,012,717	649,696	590,458
Committed, reported in:										
Special Revenue Funds	3,854,314	4,106,885	3,163,794	-	1,692,667	1,228,378	2,830,824	4,271,186	5,389,385	6,381,610
<b>Total All Other Governmental Funds</b>	<b>22,075,885</b>	<b>194,519,378</b>	<b>117,936,625</b>	<b>149,890,821</b>	<b>105,236,507</b>	<b>75,134,512</b>	<b>92,683,241</b>	<b>381,634,471</b>	<b>268,338,262</b>	<b>230,226,961</b>
<b>Total Fund Balances of Governmental Funds</b>	<b>\$ 39,331,806</b>	<b>\$ 215,544,382</b>	<b>\$ 140,131,775</b>	<b>\$ 177,477,219</b>	<b>\$ 135,703,644</b>	<b>\$ 106,858,522</b>	<b>\$ 117,660,577</b>	<b>\$ 416,131,083</b>	<b>\$ 324,578,268</b>	<b>\$ 318,908,162</b>

NOTE 1 - Tabor Reserve moved from General Fund Reserved to Capital Projects Fund Reserved in fiscal year 2010. Tabor Reserve moved back to General Fund Reserved in fiscal year 2011.

NOTE 2 - For fiscal year ending 2011, the District follows GASB 54, Fund Balance Reporting and Governmental Fund Type Definition.

**School District 27J, Colorado**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Taxes	\$ 43,389,958	\$ 54,164,431	\$ 53,688,850	\$ 62,481,629	\$ 68,892,560	\$ 84,441,804	\$ 105,724,848	\$ 104,938,096	\$ 142,828,513	\$ 192,446,885
Intergovernmental <sup>1</sup>	102,897,473	102,895,315	106,638,745	110,533,165	121,662,417	125,812,646	125,908,931	152,851,693	178,457,172	184,249,028
Local Grants	3,000	135,498	137,020	180,446	-	-	-	-	-	-
Pupil Activities	2,885,360	2,628,234	2,971,610	2,362,588	2,798,243	2,696,050	1,316,050	2,990,897	3,629,502	3,805,247
Charges for Services	5,353,324	5,372,621	5,630,424	6,630,276	6,442,729	5,441,669	4,370,772	9,358,304	8,980,910	7,297,990
Investment Earnings	(233,272)	839,319	774,056	1,302,123	1,307,016	2,429,328	1,200,120	(532,274)	9,468,269	3,638,601
Miscellaneous	696,571	1,204,638	633,617	826,637	2,935,969	4,206,550	1,170,418	985,944	658,127	7,791,874
<b>Total Revenues</b>	<b>154,992,414</b>	<b>167,240,056</b>	<b>170,474,322</b>	<b>184,316,864</b>	<b>206,302,934</b>	<b>225,028,047</b>	<b>239,691,139</b>	<b>270,592,660</b>	<b>344,022,493</b>	<b>399,229,625</b>
<b>Expenditures:</b>										
Instruction	60,542,859	62,319,644	62,958,047	65,894,018	72,439,013	81,780,588	85,793,811	93,689,264	106,282,783	126,844,572
Supporting services:										
Pupil Services	6,178,769	6,366,083	6,450,116	6,795,199	8,816,341	9,962,470	14,494,724	12,912,964	14,305,922	14,773,053
Instructional Staff	3,944,667	3,934,136	4,110,103	3,974,651	4,147,336	5,316,962	7,005,604	6,764,544	7,412,535	9,397,198
General Administration	1,232,049	1,241,070	1,183,243	1,349,171	1,484,702	1,619,770	1,684,357	1,934,777	2,529,514	2,486,126
School Administration	7,433,569	7,617,701	7,856,803	8,571,660	9,770,218	11,136,278	11,077,884	11,408,251	13,047,045	13,802,540
Operations and Maintenance	9,185,014	8,874,127	9,183,388	9,417,714	11,247,038	11,480,254	13,019,756	13,013,416	15,041,140	18,014,012
Pupil Transportation	5,061,879	5,272,481	5,575,251	6,188,685	6,317,769	7,002,457	6,741,819	7,239,400	8,124,976	9,973,939
Business Supporting Services	1,418,944	1,311,402	1,791,758	2,665,058	1,474,725	1,896,456	2,211,945	3,169,968	3,098,231	2,356,392
Central Supporting Services	5,938,717	6,239,025	8,802,844	7,357,378	11,689,567	10,769,422	16,757,007	16,057,024	13,189,505	17,035,123
Community Services	1,117,737	1,242,672	1,451,274	1,713,220	1,995,828	1,977,628	1,453,042	1,347,839	1,789,089	2,133,832
Pupil Activities	3,268,280	5,054,729	5,123,872	5,472,832	3,299,811	2,874,364	1,656,004	3,294,462	4,192,647	4,421,261
Nutrition Services	5,023,969	3,123,814	3,183,300	3,275,169	5,616,908	5,744,220	5,148,671	6,986,217	7,594,442	9,431,341
Capital Outlay	2,993,528	14,862,348	79,545,320	72,515,618	57,677,103	45,821,997	4,000,491	31,997,272	126,625,786	57,098,389
Charter Schools	23,613,578	25,076,862	26,799,848	27,942,884	29,957,524	32,137,492	30,401,586	34,760,360	57,187,048	66,437,883
School District 27J Debt Service <sup>2</sup>										
Principal	8,819,026	12,359,049	10,227,368	10,499,663	8,995,528	11,832,284	11,832,610	10,347,880	29,545,634	26,793,958
Interest	6,470,104	10,456,280	10,772,996	15,255,996	16,171,318	15,847,101	15,512,470	17,146,447	26,021,997	24,674,413
Administrative Fees	6,975	92,136	27,036	8,150	8,800	49,404	8,265	9,500	10,060	8,500
Bond Issuance Costs	144,500	952,239	139,504	573,212	-	-	-	1,278,818	-	-
<b>Total Expenditures</b>	<b>152,394,164</b>	<b>176,395,798</b>	<b>245,182,071</b>	<b>249,470,278</b>	<b>251,109,529</b>	<b>257,249,147</b>	<b>228,800,046</b>	<b>273,358,403</b>	<b>435,998,354</b>	<b>405,682,532</b>
Percentage of Debt Service Expenditures to Non-Capital Expenditures	11.0%	10.3%	12.4%	13.9%	13.0%	13.1%	12.2%	11.4%	18.0%	14.8%
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,598,250	(9,155,742)	(74,707,749)	(65,153,414)	(44,806,595)	(32,221,100)	10,891,093	(2,765,743)	(91,975,861)	(6,452,907)
<b>Other Financing Sources (Uses)</b>										
Other Financing Sources (Uses)										
Issuance of Bonds	49,530,000	160,000,000	36,610,000	88,000,000	-	-	-	272,915,000	-	-
Premium on Bond Issuance	8,101,220	25,353,909	3,494,045	17,658,825	-	-	-	28,368,117	-	-
Payment to COPS Escrow	-	(2,250,000)	(40,734,842)	-	-	-	-	-	-	-
Payment to Bond Escrow	(57,265,849)	2,290,000	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	38,569	-	-
Issuance of SBITAs	-	-	-	-	-	-	-	-	523,972	867,226
Capital Lease Proceeds	1,242,125	-	-	-	-	-	-	-	-	-
Refinancing COP's	-	-	-	-	-	4,768,184	-	-	-	-
Transfers In	3,562,338	3,629,212	4,374,453	4,864,120	5,096,765	5,619,394	6,015,195	6,136,337	6,702,046	8,243,738
Transfers Out	(3,569,572)	(3,654,804)	(4,448,515)	(4,911,787)	(5,176,050)	(5,711,234)	(6,104,235)	(6,221,770)	(6,802,973)	(8,328,158)
<b>Total Other Financing Sources (Uses)</b>	<b>1,600,262</b>	<b>185,368,317</b>	<b>(704,859)</b>	<b>105,611,158</b>	<b>(79,285)</b>	<b>4,676,344</b>	<b>(89,040)</b>	<b>301,236,253</b>	<b>423,045</b>	<b>782,806</b>
<b>Net Change in Fund Balances</b>	<b>\$ 4,198,512</b>	<b>\$ 176,212,576</b>	<b>\$ (75,412,608)</b>	<b>\$ 40,457,744</b>	<b>\$ (44,885,880)</b>	<b>\$ (27,544,756)</b>	<b>\$ 10,802,053</b>	<b>\$ 298,470,510</b>	<b>\$ (91,552,816)</b>	<b>\$ (5,670,101)</b>

Note 1 - Intergovernmental Revenue total includes vocational education, special education, transportation, federal and state grants and equalization revenue.

Note 2 - Debt service expenditures are recorded as principal retirement, interest and fiscal charges, advance refunding and bond issuance costs.

Note 3 - Percentage of debt service expenditures to noncapital expenditures is calculated using capital outlay amount from the Reconciliation of the Statement of Revenues, Expenditures and Changes. Principal and interest are divided by total expenditures less capital outlay plus reconciliation capital outlay less principal, interest, issue costs and fees.

**School District 27J, Colorado**  
**Governmental Funds Revenues by Source**  
**Last Ten Fiscal Years**  
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Local Sources</b>										
Taxes	\$ 43,389,958	\$ 54,164,431	\$ 53,688,850	\$ 62,481,629	\$ 68,892,560	84,441,804	105,724,848	104,938,096	142,828,513	192,446,885
Grants	3,000	135,498	137,020	180,446	-	-	-	-	-	-
Interest	(233,272)	839,319	774,056	1,302,123	3,571,016	2,429,328	1,200,120	(532,274)	9,468,269	3,638,601
Pupil Activities	2,885,360	2,628,234	2,971,610	2,362,588	2,798,243	2,696,050	1,316,050	2,990,897	3,629,502	3,805,247
Charges for Services	5,353,324	5,372,621	5,630,424	6,630,276	6,442,729	5,441,669	4,370,772	9,358,304	8,980,910	7,297,990
Miscellaneous	696,571	1,204,638	633,617	826,637	2,935,969	4,206,550	1,170,418	985,944	658,127	7,791,874
<b>Total Local Sources</b>	<b>52,094,941</b>	<b>64,344,741</b>	<b>63,835,577</b>	<b>73,783,699</b>	<b>84,640,517</b>	<b>99,215,401</b>	<b>113,782,208</b>	<b>117,740,967</b>	<b>165,565,321</b>	<b>214,980,597</b>
<b>State Sources</b>										
Equalization	87,575,528	86,853,890	89,855,162	93,128,798	104,178,937	106,808,650	90,588,760	120,444,930	144,774,007	149,046,380
Vocational Education	587,100	516,935	441,373	274,956	369,162	307,150	538,658	620,756	455,213	884,043
Transportation	1,353,453	1,425,769	1,462,467	1,503,981	1,542,587	1,484,551	1,561,318	1,578,356	1,510,263	1,931,407
Special Education	2,684,981	2,927,817	3,095,008	3,108,885	3,285,086	3,853,765	3,934,705	4,364,531	6,330,512	7,897,390
Grants	2,598,557	3,428,724	3,433,004	3,364,590	3,702,317	3,952,186	3,631,132	4,281,965	4,374,192	8,073,105
<b>Total State Sources</b>	<b>94,799,619</b>	<b>95,153,135</b>	<b>98,287,014</b>	<b>101,381,210</b>	<b>113,078,089</b>	<b>116,406,302</b>	<b>100,254,573</b>	<b>131,290,538</b>	<b>157,444,187</b>	<b>167,832,325</b>
<b>Federal Sources</b>										
Grants	8,097,854	7,742,179	8,351,731	9,151,955	8,584,328	9,406,344	25,654,358	21,561,155	21,012,985	16,416,703
<b>Total Revenues by Source</b>	<b>\$ 154,992,414</b>	<b>\$ 167,240,055</b>	<b>\$ 170,474,322</b>	<b>\$ 184,316,864</b>	<b>\$ 206,302,934</b>	<b>\$ 225,028,047</b>	<b>\$ 239,691,139</b>	<b>\$ 270,592,660</b>	<b>\$ 344,022,493</b>	<b>\$ 399,229,625</b>

**School District 27J, Colorado**  
**Governmental Funds Expenditures by Function**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction	\$ 60,542,859	\$ 62,319,644	\$ 62,958,047	\$ 65,894,018	\$ 72,439,013	\$ 81,780,588	\$ 85,793,811	\$ 93,689,264	\$ 106,282,783	126,844,572
Pupil Services	6,178,769	6,366,083	6,450,116	6,795,199	8,816,341	9,962,470	14,494,724	12,912,964	14,305,922	14,773,053
Instructional Staff	3,944,667	3,934,136	4,110,103	3,974,651	4,147,336	5,316,962	7,005,604	6,764,544	7,412,535	9,397,198
General Administration	1,232,049	1,241,070	1,183,243	1,349,171	1,484,702	1,619,770	1,684,357	1,934,777	2,529,514	2,486,126
School Administration	7,433,569	7,617,701	7,856,803	8,571,660	9,770,218	11,136,278	11,077,884	11,408,251	13,047,045	13,802,540
Operations and Maintenance	9,185,014	8,874,127	9,183,388	9,417,714	11,247,038	11,480,254	13,019,756	13,013,416	15,041,140	18,014,012
Pupil Transportation	5,061,879	5,272,481	5,575,251	6,188,685	6,317,769	7,002,457	6,741,819	7,239,400	8,124,976	9,973,939
Central Supporting Services	7,357,661	7,550,427	10,594,602	10,022,436	13,164,292	12,665,878	18,968,952	19,226,992	16,287,736	19,391,515
Community Services	1,117,737	1,242,672	1,451,274	1,713,220	1,995,828	1,977,628	1,453,042	1,347,839	1,789,089	2,133,832
Nutrition Services	5,023,969	5,054,729	5,123,872	5,472,832	5,616,908	5,744,220	5,148,671	6,986,217	7,594,442	9,431,341
Pupil Activities	3,268,280	3,123,814	3,183,300	3,275,169	3,299,811	2,874,364	1,656,004	3,294,462	4,192,647	4,421,261
Capital Outlay	2,993,528	14,862,348	79,545,320	72,515,618	57,677,103	45,821,997	4,000,491	31,997,272	126,625,786	57,098,389
Charter Schools	23,613,578	25,076,862	26,799,848	27,942,884	29,957,524	32,137,492	30,401,586	34,760,360	57,187,048	66,437,883
Debt Services:										
Principal	8,819,026	12,359,049	10,227,368	10,499,663	8,995,528	11,832,284	11,832,610	10,347,880	29,545,634	26,793,958
Interest and Fiscal Charges	6,477,079	10,456,280	10,772,996	15,255,996	16,171,318	15,896,505	15,520,735	17,155,947	26,032,057	24,674,413
Bond Issuance Costs	144,500	952,239	166,540	573,212	-	-	-	1,278,818	-	8,500
Advance Refunding	-	92,136	-	8,150	8,800	-	-	-	-	-
Total Expenditures by Function	<u>\$ 152,394,164</u>	<u>\$ 176,395,798</u>	<u>\$ 245,182,071</u>	<u>\$ 249,470,278</u>	<u>\$ 251,109,529</u>	<u>\$ 257,249,147</u>	<u>\$ 228,800,046</u>	<u>\$ 273,358,403</u>	<u>\$ 435,998,354</u>	<u>\$ 405,682,532</u>

**School District 27J, Colorado**  
*Assessed Value and Actual Value of Taxable Property in the District*  
*Last Ten Fiscal Years*  
(Unaudited)

Levy Year/ Collection Year	Residential Property	Personal Property <sup>1</sup>	Commercial Property	Oil and Gas	Agricultural Property	Vacant Land	Industrial Property	State Assessed	Natural Resources	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2014/2015	469,081,120	118,090,820	141,839,460	43,523,260	5,582,360	39,368,110	9,823,820	8,799,279	3,333,690	839,441,919	47.628	7,208,531,447	11.65%
2015/2016	568,131,769	130,837,590	159,152,477	68,175,826	7,010,889	49,539,530	21,765,492	10,225,998	2,762,646	1,017,602,217	49.359	8,677,921,133	11.73%
2016/2017	592,972,023	128,428,570	159,682,681	28,539,190	6,942,122	42,430,770	21,768,493	9,730,721	2,738,492	993,233,062	49.317	8,926,146,307	11.13%
2017/2018	730,637,774	130,169,750	176,347,191	21,246,700	6,673,557	74,928,380	23,128,521	9,578,864	2,007,490	1,174,718,227	49.164	11,829,920,949	9.93%
2018/2019	771,283,150	141,240,320	183,725,641	75,895,378	7,447,780	77,092,613	22,845,859	9,976,347	1,678,474	1,291,185,562	49.092	12,908,291,458	10.00%
2019/2020	947,231,281	144,762,330	241,423,018	199,329,625	7,991,662	114,405,465	39,426,341	10,595,760	1,988,544	1,707,154,026	48.810	15,408,874,954	11.08%
2020/2021	995,743,788	164,029,250	273,147,378	474,697,886	8,298,695	105,241,710	26,725,394	13,127,544	2,361,230	2,063,372,875	48.745	16,513,588,786	12.49%
2021/2022	1,114,778,125	170,181,380	316,865,643	233,547,140	8,574,548	124,570,687	30,915,330	13,442,059	1,442,414	2,014,317,326	49.866	18,919,929,213	10.65%
2022/2023	1,144,891,900	68,142,700	535,459,130	590,924,640	8,098,210	138,813,030	32,813,070	115,856,380	882,500	2,635,881,560	56.290	27,356,287,933	9.64%
2023/2024	1,112,861,890	63,500,200	467,263,270	227,830,850	8,051,340	127,752,850	13,834,890	97,978,780	109,980	2,119,184,050	56.290	27,356,328,753	7.75%

<sup>1</sup> Represents personal property in Adams County only. Personal property in Weld County is distributed throughout other categories.

Tax Rates by category				
Levy Year	Residential	Commercial	Oil & Gas	Collection Year
2013	7.96%	29.00%	87.50%	2014
2014	7.96%	29.00%	87.50%	2015
2015	7.96%	29.00%	87.50%	2016
2016	7.96%	29.00%	87.50%	2017
2017	7.20%	29.00%	87.50%	2018
2018	7.20%	29.00%	87.50%	2019
2019	7.15%	29.00%	87.50%	2020
2020	7.15%	29.00%	87.50%	2021
2021	7.15%	29.00%	87.50%	2022
2022	6.95%	29.00%	87.50%	2023
2023	6.70%	27.90%	87.50%	2024

SOURCE: Adams, Broomfield and Weld Counties Assessors' Offices.

**School District 27J, Colorado**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(Unaudited)

Levy/ Collection Year	Total Tax Levy	Current Tax Collection	Percentage of Levy Collection	Delinquent Tax Collection	Total Tax Collection	% of Total Tax Collection to Levy
2014/2015	39,980,940	39,073,895	97.73%	111,810	39,185,705	98.01%
2015/2016	50,227,828	48,883,815	97.32%	114,802	48,998,617	97.55%
2016/2017	48,983,275	47,777,952	97.54%	22,994	47,800,946	97.59%
2017/2018	57,753,847	57,845,688	100.16%	172,328	58,018,016	100.46%
2018/2019	63,386,880	68,762,963	108.48%	148,611	68,911,573	108.72%
2019/2020	83,326,188	81,328,553	97.60%	144,828	81,473,380	97.78%
2020/2021	100,579,111	106,648,039	106.03%	212,730	106,860,770	106.25%
2021/2022	100,445,945	120,936,222	120.40%	952,594	121,888,817	121.35%
2022/2023	148,374,238	137,106,225	92.41%	224,239	137,330,465	92.56%
2023/2024	170,279,926	109,811,444	64.49%	170,587	109,982,030	64.59%

Notes: County treasurer's fees of 0.25% have not been deducted from these amounts. Abatements made to taxpayers for overpayment of taxes have not been deducted from these amounts. The percent of total tax collections to levy includes amounts collected as delinquent taxes and therefore may result in total collections of more than 100% of taxes levied. Both levy and collection years are a calendar year beginning January 1. Information is not available from the counties as it relates to the year that delinquent taxes apply. In accordance with accrual accounting, delinquent taxes are recorded in the year collected, not the year assessed.

**School District 27J, Colorado**  
**History of District's Assessed Valuation**  
**Last Ten Fiscal Years**  
(Unaudited)

Levy/ Collection Year	Assessed Valuation				Percent Increase
	Adams County	Broomfield County	Weld County	Total	
2014/2015	795,775,740	18,369	43,647,810	839,441,919	1.5%
2015/2016	937,492,120	5,517	80,104,580	1,017,602,217	21.2%
2016/2017	942,311,960	1,877	50,919,225	993,233,062	-2.4%
2017/2018	1,130,027,810	1,072	44,689,345	1,174,718,227	18.3%
2018/2019	1,202,126,530	783	89,058,249	1,291,185,562	9.9%
2019/2020	1,604,802,380	119	102,351,527	1,707,154,026	32.2%
2020/2021	1,869,815,880	33	193,556,962	2,063,372,875	20.9%
2021/2022	1,927,985,140	7,560	86,324,626	2,014,317,326	-2.4%
2022/2023	2,285,230,950	8,260	148,385,721	2,433,624,931	20.8%
2023/2024	2,823,008,605	11,370	202,027,554	3,025,047,529	24.3%

NOTES: Estimated statutory actual valuation is not intended to represent market value. The estimate is based on the breakdown of major classification of property in the district and the percentage set by state law. The assessment rates for residential property are 7.15% for the computation of assessed value and does not include tax increment financing properties. The assessment rates for commercial property is 29% of actual valuation. Both levy and collection years are calendar year beginning January 1.

The assessment rates for residential property have been:

<u>Years</u>	<u>Percent</u>
1983-1986	21.00
1987	18.00
141	16.00
142	15.00
143	14.34
144	12.86
145	10.36
1997-2000	9.74
2001-2002	9.15
2003-2015	7.96
2016-2018	7.20
2019-2020	7.15
2021-2022	7.15
2022-2023	6.77
2023-2024	6.70

SOURCE: Adams, Broomfield and Weld Counties Assessors' Offices.

**School District 27J, Colorado**  
**Property Tax Rates**  
*(In Mills)*  
**Last Ten Fiscal Years**  
(Unaudited)

Levy/ Collection Year	General Fund				Bond Redemption Fund	Total Levy
	Finance Act	Credits and Abatements	Mill Levy Override	Total		
2014/2015	26.262	0.261	0.893	27.416	20.212	47.628
2015/2016	26.262	0.291	0.737	27.290	22.069	49.359
2016/2017	26.262	0.231	0.755	27.248	22.069	49.317
2017/2018	26.262	0.195	0.638	27.095	22.069	49.164
2018/2019	26.262	0.180	0.581	27.023	22.069	49.092
2019/2020	26.262	0.040	0.439	26.741	22.069	48.810
2020/2021	26.262	0.051	0.363	26.676	22.069	48.745
2021/2022	27.000	0.425	0.372	27.797	22.069	49.866
2022/2023	27.000	0.206	7.015	34.221	22.069	56.290
2023/2024	27.000	0.058	8.248	35.306	20.984	56.290

NOTES: Both levy and collection year are a calendar year beginning January 1.

SOURCE: Adams, Broomfield and Weld Counties Assessors' Offices.

**School District 27J, Colorado**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**  
(Unaudited)

Taxpayer	2023		2014	
	Assessed Valuation	Percent of District's Assessed Valuation	Assessed Valuation	Percent of District's Assessed Valuation
PDC Energy	\$ 561,128,260	4.27%	\$ -	0.00%
Public Service Company of CO (Xcel)	363,810,900	2.77%	130,936,430	2.80%
Aurora Convention Center Hotel LLC	212,716,550	1.62%	-	0.00%
Crestone Peak Resources LLC #10633	207,662,180	1.58%	-	0.00%
Suncor Energy USA Inc.	114,012,640	0.87%	135,434,230	2.89%
Providence Operating LLC	90,558,930	0.69%	-	0.00%
Amazon.com Services Inc	59,826,980	0.46%	-	0.00%
Petro Operating Company LLC 10583	48,713,690	0.37%	-	0.00%
Lit Gateway Portfolio LLC	45,080,550	0.34%	-	0.00%
Colorado Interstate Gas Co	42,802,600	0.33%	53,532,200	1.14%
Qwest Corporation	-	0.00%	69,979,500	1.50%
Verizon Wireless LLC	-	0.00%	24,922,200	0.53%
Kerr-McGee Gathering LLC	-	0.00%	20,987,860	0.45%
Tri-State Generation	-	0.00%	22,478,120	0.48%
Public Service CO of Colorado	-	0.00%	77,749,560	1.66%
Wal-Mart Real Estate Business Trust	-	0.00%	19,808,560	0.42%
United Power, Inc	-	0.00%	22,994,300	0.49%
Total	<u>\$ 1,746,313,280</u>	<u>13.30%</u>	<u>\$ 578,822,960</u>	<u>12.36%</u>

NOTES: The 2021 Principal taxpayers assessed valuation amounts are as of December 31, 2023, the latest date for which information is available.

SOURCE: Adams County Assessor's Office.

**School District 27J, Colorado**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Unaudited)**

School District No. 27J	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund	27.416	27.290	27.248	27.095	27.023	26.741	26.676	27.797	27.797	27.425
Bond Redemption Fund	20.212	22.069	22.069	22.069	22.069	22.069	22.069	22.069	22.069	22.441
<b>Total School District No. 27J</b>	<b>47.628</b>	<b>49.359</b>	<b>49.317</b>	<b>49.164</b>	<b>49.092</b>	<b>48.810</b>	<b>48.745</b>	<b>49.866</b>	<b>49.866</b>	<b>49.866</b>
Adams County	27.042	26.817	27.055	26.929	26.864	26.917	26.897	27.069	26.967	26.817
City of Brighton	6.650	6.650	6.650	6.650	6.650	6.650	6.650	6.650	6.650	6.650
City of Commerce City	3.280	3.280	3.128	3.160	3.280	3.104	3.200	2.920	3.110	3.280
City of Thornton	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.210
Belle Creek Metro #1	74.900	74.900	74.900	62.500	64.500	61.000	61.000	61.000	61.000	74.900
Bennett Fire Protection District No. 7	8.907	8.907	9.063	13.041	13.012	13.062	13.062	13.122	13.152	8.907
Box Elder Water and Sanitation District	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000
Brighton Area Fire Protection District No. 6	11.795	11.795	11.795	11.795	11.795	11.795	11.795	11.795	15.320	12.795
Brighton Crossing #4 FKA Bromley Park #4	52.000	52.000	52.000	62.270	62.270	66.797	66.797	66.797	62.093	52.000
Bromley Park #2	86.025	86.025	86.025	86.025	86.025	73.074	64.662	59.088	57.969	86.025
Bromley Park #3	54.932	54.932	54.932	60.622	60.622	60.622	60.622	60.858	62.339	54.932
Bromley Park #5	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.056	40.000	40.000
Bromley Park #6	18.000	26.000	35.000	35.000	35.000	35.000	35.000	36.665	35.000	26.000
Buffalo Ridge	42.827	42.827	42.827	46.860	46.860	47.083	46.973	47.085	48.394	42.827
Central Colorado Water Conservation District	1.737	1.533	2.004	1.800	1.540	1.286	1.156	1.404	1.068	1.533
Central Colorado Ground Water Management	1.309	1.272	1.580	1.583	2.739	2.279	2.151	2.189	1.582	1.272
Commerce City Commercial GID	27.000	27.000	27.000	10.000	10.000	10.000	15.000	15.000	27.000	27.000
Fronterra Village	60.750	54.000	53.000	40.000	40.000	40.000	30.177	31.591	32.225	54.000
Fronterra Village #2	59.475	59.475	58.521	13.337	63.334	46.000	38.153	37.140	38.127	59.475
Great Rock Water and Sanitation District	46.840	46.840	46.840	51.417	51.532	47.000	47.000	47.000	48.268	46.840
Hazeltine Heights Water and Sanitation District	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
Hi-Land Acres Water and Sanitation District	3.360	2.852	2.852	2.852	2.852	2.852	2.852	2.852	2.852	2.852
Lost Creek Water Management District	0.918	0.787	0.862	0.813	0.945	0.945	0.945	0.945	0.945	0.787
North Metro Fire District	14.403	14.213	14.810	14.710	14.730	14.674	14.812	14.681	14.738	14.713
North Metro Fire District Bonds	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400
North Range Metro #1	79.870	79.870	79.875	88.305	88.305	88.305	88.306	88.306	98.419	79.870
Prairie Center Metro #1	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000
Prairie Center Metro #4	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000
Prairie Center Metro #5	50.000	50.000	50.000	55.277	55.277	55.663	55.663	55.663	58.190	50.000
Rangeview Library FKA Adams County Library	3.659	3.659	3.659	3.669	3.666	3.677	3.670	3.689	3.615	3.659
Riverdale Dunes #1	79.620	64.062	64.039	56.683	57.763	41.395	41.278	42.175	42.641	64.062
Sable-Altura Fire District No. 11	21.000	17.000	17.264	17.000	17.000	16.760	16.752	14.992	12.638	17.000
South Adams Fire District No. 4	9.900	9.900	9.900	9.900	14.750	14.750	14.750	14.750	14.750	9.900
S. Adams Water and Sanitation District	3.102	3.102	3.102	2.701	2.714	2.449	2.490	2.277	2.424	3.102
Southeast Weld County Fire District No. 5	5.880	7.896	1.765	7.775	10.265	10.277	10.270	10.957	10.293	7.896
Todd Creek Farms #2	11.000	11.000	8.800	0.000	-	0.000	0.000	0.000	0.000	11.000
Todd Creek Village Parks and Rec.	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Urban Drainage and Flood Control District	0.632	0.553	0.559	0.500	0.726	0.900	0.900	0.900	0.900	0.553
Urban Drainage and Flood Control District South Platte	0.068	0.058	0.061	0.057	0.094	0.097	0.100	0.100	0.100	0.058
Wright Farms Metropolitan District	20.000	18.000	18.000	16.000	15.000	13.000	13.000	12.500	12.500	18.000

NOTES: Overlapping governments may or may not have overlapped the District for the entire ten years shown. Totals are not shown since individual properties are not subject to all levies. Overlapping governments which do not have a property tax are not shown. Numbers shown represent the mill levy, amount assessed per \$1,000. The above figures are as of December 31, 2021, the latest date for which information is available. The year is the levy year.

SOURCE: Adams County Assessor - Abstract of Assessment and Tax Levies.

**School District 27J, Colorado**  
**Ratio of Net Bonded Debt to Actual Value**  
**and Total Outstanding Debt per Capita**  
**Last Ten Fiscal Years**  
(Unaudited)

Fiscal Year	Estimated District Population	Estimated Personal Income	Assessed Value	Actual Value	Governmental Activities						Debt Service Funds Available	Net Bonded Debt	Net Bonded Debt to Actual Value	Percentage of Personal Income	Total Outstanding Debt Per Capita
					Certificates of Participation	Promissory Note	Capital Leases	SBITA	Bond Premium	Gross Bonded Debt					
2015	92,508	27,794	839,441,919	7,208,531,447	2,430,000	250,063	1,289,182	-	12,903,208	131,160,000	16,963,688	114,196,312	1.58%	5.26%	1,461
2016	96,878	29,362	1,017,602,217	8,677,921,133	2,290,000	166,709	414,014	-	36,510,671	279,945,000	17,797,774	262,147,226	3.02%	9.94%	2,919
2017	97,292	35,041	993,233,062	8,926,146,307	2,105,000	83,355	73	-	36,957,079	268,440,000	18,631,383	249,808,617	2.80%	7.94%	2,782
2018	100,890	35,291	1,174,718,227	11,829,920,949	1,915,000	-	-	-	51,627,738	346,520,000	19,614,505	326,905,495	2.76%	9.79%	3,454
2019	104,664	34,765	1,291,185,562	12,908,291,458	1,720,000	-	-	-	48,509,916	338,520,000	24,494,347	314,025,653	2.43%	9.35%	3,251
2020	107,223	37,360	1,707,154,026	15,408,874,954	4,394,603	-	-	-	45,387,908	329,450,000	35,876,609	293,573,391	1.91%	8.33%	3,114
2021	110,764	42,984	2,063,372,875	16,513,588,786	4,070,152	-	-	-	42,281,702	318,490,000	55,381,483	263,108,517	1.59%	6.77%	2,912
2022	110,227	41,539	2,014,317,326	18,919,929,213	3,772,272	-	180,708	-	66,413,074	581,355,000	73,122,783	508,232,217	2.69%	12.78%	5,310
2023	97,393	45,916	2,076,379,121	20,367,357,674	3,467,452	-	22,822	467,708	62,172,142	552,745,000	74,287,490	478,457,510	2.35%	12.44%	5,716
2024	127,054	51,424	3,025,047,529	27,356,287,933	3,155,529	-	356,687	621,556	57,931,210	526,640,000	91,898,461	434,741,539	1.59%	8.11%	4,178

SOURCE: Demographic data shown in this section was gathered from the Neaustar/Element One report and is deemed reliable but is not guaranteed. Population information for the School District is generally not available until the United States decennial census has been published.

**School District 27J, Colorado**  
***Ratio of Annual Debt Service Expenditures for General  
Obligation Bonded Debt to Total General Fund Expenditures  
Last Ten Fiscal Years***  
(Unaudited)

Fiscal Year	Principal	Interest and Other Expenditures	Total Debt Service	Total General Fund Expenditures and Transfer	Ratio of Debt Service to Total General Fund Expenditures and Transfer
2015	7,455,000	6,131,072	16,963,688	115,713,520	14.66%
2016	11,215,000	10,419,688	21,634,688	122,179,349	17.71%
2017	9,545,000	10,884,982	20,429,982	125,312,457	16.30%
2018	9,920,000	15,198,018	25,118,018	129,271,562	19.43%
2019	8,000,000	16,130,148	24,130,148	149,081,168	16.19%
2020	9,070,000	15,788,541	24,858,541	164,394,083	15.12%
2021	10,960,000	15,434,438	26,394,438	164,732,702	16.02%
2022	10,050,000	17,059,112	27,109,112	178,457,113	15.19%
2023	28,610,000	25,933,552	54,543,552	221,918,948	24.58%

**School District 27J, Colorado**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Computation of Maximum Debt Allowed:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Taxable Assessed Valuation	\$ 839,441,919	\$ 1,017,615,900	\$ 993,233,062	\$ 1,174,718,227	\$ 1,291,185,562	\$ 1,707,154,026	\$ 2,063,372,875	\$ 2,014,317,326	\$ 2,433,624,931	\$ 3,025,047,529
Plus: Tax Increment Financing Dist Property	35,105,261	34,208,083	34,440,858	48,916,453	157,720,886	252,834,167	257,115,465	203,254,884	-	-
Total Assessed Valuation	874,547,180	1,051,823,983	1,027,673,920	1,223,634,680	1,448,906,448	1,959,988,193	2,320,488,340	2,217,572,210	2,433,624,931	3,025,047,529
Legal Debt Limit Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Legal Debt Limit	\$ 218,636,795	\$ 262,955,996	\$ 256,918,480	\$ 305,908,670	\$ 362,226,612	\$ 489,997,048	\$ 580,122,085	\$ 554,393,053	\$ 608,406,233	\$ 756,261,882

Amount of Debt Outstanding

General Obligation Bonds Payable	\$ 131,160,000	\$ 279,945,000	\$ 268,440,000	\$ 346,520,000	\$ 338,520,000	\$ 329,450,000	\$ 318,490,000	\$ 581,355,000	\$ 552,745,000	\$ 74,287,490
Certificates of Participation	2,430,000	2,290,000	2,105,000	1,915,000	1,720,000	4,394,603	4,070,152	3,772,272	3,467,452	-
Promissory Note	250,063	166,709	85,438	-	-	-	-	-	-	-
Capital Leases	1,289,182	414,087	73	-	-	-	-	180,708	22,822	467,708
Subscription Based IT Arrangements	-	-	-	-	-	-	-	-	467,708	62,172,142
Bond Premium	12,903,208	36,510,671	36,957,079	51,627,738	48,509,916	45,392,094	42,281,702	66,408,888	62,172,142	552,745,000
Unused Legal Debt Margin	\$ 70,604,342	\$ (56,370,471)	\$ (50,669,110)	\$ (94,154,068)	\$ (26,523,304)	\$ 110,760,351	\$ 215,280,231	\$ (97,323,815)	\$ (10,468,891)	\$ 66,589,542

Fiscal Year 2023 Calculation

Under the Colorado Public School Finance Act of 1994, per Colorado Revised Statute 22-42-104, the limitation on bonded indebtedness is the greater of 20 percent \*\* of assessed value or 6 percent of actual value.

	Assessed Value	Actual Value
Assessed or Estimated Actual Value	\$ 3,025,047,529	\$ 27,356,328,753
Debt Limit Percentage**	25%	6%
Legal debt limit	756,261,882	1,641,379,725
Amount of debt applicable to debt limit	689,672,340	552,745,000
Total bonded debt as of June 30, 2022		
Legal debt margin	\$ 66,589,542	\$ 1,088,634,725

\*\* Per section 1.3, in years of high growth as defined in the statute, the debt limit can be raised to 25%.

SOURCE: Assessed Valuations are per certifications received from the Adams, Broomfield and Weld County Assessors' Offices. Total Bonded Debt is per the School District 27J audited financial statements.

**School District 27J, Colorado**  
**Estimated Overlapping General Obligation Debt**  
(Unaudited)

Overlapping Entity	Outstanding General Obligation Debt	Net Outstanding General Obligation Debt Chargeable to Properties within the District	
		Percent	Amount
BNC Metropolitan District #1-2	34,323,807	100.00	34,323,807
Brighton Crossing Metropolitan District #4	-	-	-
Brighton Crossing Metropolitan District #6	-	-	-
Brighton Town Of	24,520,204	100.00	24,520,204
Brighton Urban Renewal (BURA)	-	-	-
Bromley Park Metropolitan District #2	-	-	-
Buffalo Ridge Metropolitan District	34,873,000	100.00	34,873,000
Buffalo Run Mesa Metropolitan District	5,180,000	100.00	5,180,000
Central Colorado Groundwater Mgmnt	37,447,072	8.80	3,594,665
Central Colorado Water Conservation	38,562,004	17.89	6,898,841
Central Colorado Well Augmentation	18,257,533	9.27	1,691,782
Commerce City North Infrastructure GID	-	-	-
Great Rock Water and Sanitation District	-	-	-
Greater Brighton Fire	-	-	-
Hazeltine Heights Water and Sanitation	238,607	100.00	238,607
Heritage Todd Creek Metro District	-	-	-
Hi-Land Acres Water and Sanitation District	-	100.00	-
Potomac Farms Metropolitan District	6,202,000	100.00	6,202,000
Riverdale Dunes Metropolitan District	2,025,000	100.00	2,025,000
Riverdale Peaks II Metropolitan District	-	-	-
Todd Creek Farms Metropolitan District #2	-	-	-
Subtotal Overlapping Debt	277,306,641		166,613,830
Direct Debt of School District 27J	587,726,739	100.00	587,726,739
Total Direct & Overlapping Debt	<u>\$ 865,033,380</u>		<u>\$ 754,340,569</u>

SOURCE: Adams, Broomfield and Weld County Assessor's Offices.

- (1) Overlapping governments without general obligation debt are not shown.
- (2) The percentage of each entity's outstanding debt chargeable to the School District is calculated by comparing the assessed valuation of the portion overlapping the School District to the total assessed valuation of the overlapping entity. To the extent the School District's assessed valuation changes disproportionately with the assessed valuation of the overlapping entities, the percentage of debt for which property owners within the School District are responsible will also change.

**School District 27J, Colorado**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
(Unaudited)

Employer	Industry	2014		2023	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Adams County	Government	1,923	25%	2,572	33%
School District 27J	Education	1,860	24%	2,294	30%
Vestas	Manufacturing	1,300	17%	334	4%
Intermountain Health	Healthcare	626	8%	939	12%
City of Brighton	Government	502	7%	574	7%
Baker Hughes	Gas & Oil	390	5%	-	0%
Petrocco Farms	Produce	350	5%	-	0%
King Soopers	Retail	320	4%	123	2%
Walmart Supercenter	Retail	277	4%	335	4%
United Power	Utilities	165	2%	-	0%
Transwest	Semi Truck Sales	-	0%	205	3%
Wells Precast	Manufacturing	-	0%	189	2%
Target	Retail	-	0%	196	3%
Total		<u>7,713</u>	<u>100%</u>	<u>7,761</u>	<u>100%</u>

NOTES: The principal employers current data is as of December 31, 2023, the latest date for which information is available.

SOURCE: City of Brighton 2021 CAFR

**School District 27J, Colorado**  
**Percentage of Free and Reduced Meals**  
**Last Ten Fiscal Years**  
(Unaudited)

Fiscal Year	Free Meals	Reduced Meals	Total Free and Reduced	Total Meals	Percent of Free and Reduced Meals
2015	779,747	332,720	1,112,467	1,728,308	64.37%
2016	755,671	164,009	919,680	1,526,986	60.23%
2017	737,988	179,037	917,025	1,568,621	58.46%
2018	718,348	203,025	921,373	1,587,949	58.02%
2019	592,029	157,455	749,484	1,397,066	53.65%
2020	495,343	128,885	624,228	1,151,690	54.20%
2021	1,260,845	984	1,261,829	1,267,526	99.55%
2022	446,791	95,183	541,974	1,922,937	28.18% *
2023	663,465	149,096	812,561	1,541,895	52.70%
2024	971,769	132,029	1,103,798	2,097,288	52%

SOURCE: School District 27J Nutrition Services

\*Note - Meals were "free" to all students in FY22. However we did track the applications we received according to free and reduced eligibility status. Also note, because they were free, many families did not process their applications so the F/R percentages are low as compared to prior years.

**School District 27J, Colorado**  
**Full-time Equivalent School District Employees by Function**  
**Last Ten Year**  
(Unaudited)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instructional	1,007.544	1,066.441	1,130.900	1,127.226	1,003.360	1,188.306	1,080.219	1,181.620	1,208.400	1,324.840
Support Services										
Pupil Services	73.639	86.650	118.830	129.398	120.400	126.383	133.900	142.850	148.190	154.550
Instructional Staff	33.066	33.135	33.430	45.957	39.630	42.980	56.675	52.975	58.250	61.830
General Administration	7.350	7.975	8.750	7.980	7.830	6.625	7.625	7.250	9.250	10.250
School Administration	99.027	100.475	118.190	114.630	117.960	124.948	128.955	128.453	132.660	135.240
Operations and Maintenance	100.550	96.450	105.500	119.800	126.300	134.150	132.550	139.950	19.000	191.050
Pupil Transportation	96.317	99.125	122.313	118.960	120.930	122.700	126.875	121.663	153.500	129.340
Business Supporting Services	15.070	15.900	13.625	20.743	14.500	15.000	15.000	15.500	116.025	18.000
Central Supporting Services	44.845	38.300	43.738	46.610	46.610	50.881	49.056	51.056	55.056	59.400
Nutrition Services	77.487	71.175	77.570	76.405	83.390	79.975	81.025	88.475	1.075	89.110
Enterprise Operations	48.250	18.838	28.031	38.600	41.270	31.750	29.300	31.319	84.663	36.810
Community Services	8.800	9.000	1.000	1.800	1.800	0.800	1.075	1.075	32.100	2.030
Facilities Acquisition/Construction	1.000	6.075	11.040	13.768	12.680	11.675	11.325	15.150	14.250	13.250
Pupil Activities	-	-	-	-	-	-	-	-	-	-
Total	1,612.945	1,649.539	1,812.916	1,861.877	1,736.660	1,936.172	1,853.580	1,977.336	2,032.419	2,225.700

NOTES: FTE's include all employees paid from all funds.

SOURCE: School District records

**School District 27J, Colorado**  
***Teacher/Student Ratio***  
***Last Ten Fiscal Years***  
(Unaudited)

<u>Fiscal Year</u>	<u>Pupil Membership</u>	<u>Teacher FTE</u>	<u>Pupil/Teacher Ratio</u>
2014/2015	17,103	827.35	20.67
2015/2016	17,042	815.39	20.90
2016/2017	17,116	817.62	20.93
2017/2018	17,883	785.78	22.76
2018/2019	18,712	828.93	22.57
2019/2020	19,248	895.10	21.50
2020/2021	19,188	970.00	19.78
2021/2022	20,338	1,027.00	19.80
2021/2022	22,687	1,149.20	19.74
2023/2024	23,108	1,208.10	19.10

SOURCE: Colorado Department of Education Statistical Reports (includes Charter Schools)

**School District 27J, Colorado**  
**Teacher Salaries and Education**  
**Last Ten Fiscal Years**  
(Unaudited)

Fiscal Year	Salary Ranges			# of Teachers in Each Range		
	Bachelor's Degree	Master's Degree	PHD	Bachelor's Degree	Master's Degree	PHD
2014/2015	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	238	468	37
2015/2016	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	238	468	37
2016/2017	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	242	475	43
2017/2018	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	241	511	43
2018/2019	\$37,500-\$70,142	\$40,767-\$83,762	\$49,278-\$86,026	244	499	46
2019/2020	\$40,400-\$73,383	\$43,700-\$87,275	\$52,294-\$89,584	306	504	20
2020/2021	\$40,525-\$73,610	\$43,835-\$87,544	\$52,456-\$89,861	308	613	49
2021/2022	\$40,525-\$74,285	\$43,835-\$88,220	\$52,456-\$90,537	298	676	53
2022/2023	\$43,078-\$78,966	\$46,597-\$93,788	\$55,760-\$96,241	279	641	48
2023/2024	\$52,003-\$54,982	\$55,521-\$63,012	\$64,685-\$106,641	225	350	56

Avg. Salary SD27J

2014/2015	\$53,338
2015/2016	\$53,601
2016/2017	\$53,173
2017/2018	\$54,319
2018/2019	\$56,785
2019/2020	\$53,063
2020/2021	\$57,443
2021/2022	\$57,443
2022/2023	\$57,500
2023/2024	\$74,033

SOURCE: School District Records

**School District 27J, Colorado**  
**School Building Information**  
**June 30, 2024**  
(Unaudited)

	Enrollment for the 2023/24 School Year	Recommended Capacity <sup>1</sup>	Capacity Used in 2023/24	Years Constructed/ Renovated <sup>2</sup>
<b>ELEMENTARY SCHOOLS (PK-5)</b>				
Brantner (PK-5)	551	748	73.66%	2012/2019
Henderson (PK-5)	351	644	54.50%	1969/2016/2018
North (PK-5)		0	0.00%	1998
Northeast (PK-5)	469	789	59.44%	1973/1999/2018
Padilla (PK-5)	592	684	86.55%	2021
Pennock (K-5)	619	853	72.57%	2003
Reunion (PK-5)	736	784	93.88%	2017
Second Creek (PK-5)	643	839	76.64%	2003
South (PK-5)	344	563	61.10%	1969/2000
Southeast (PK-5)	512	708	72.32%	1963/1995/2018
Southlawn (PK-5)	547	709	77.15%	2023
Thimmig (PK-5)	495	869	56.96%	2002
Turnberry (PK-5)	766	874	87.64%	2008
West Ridge (PK-5)	715	878	81.44%	2007
Total Elementary Schools	<u>7,340</u>	<u>9,942</u>	<u>73.83%</u>	
<b>MIDDLE SCHOOLS (6-8)</b>				
Overland Trail	559	718	77.86%	1984/2000/2005/2018
Prairie View Middle School	682	825	82.67%	2008
Quist Middle School	844	1,025	82.34%	2018
Stuart Middle School	741	825	89.82%	2009
Vikan	565	731	77.29%	1961/2002/2018
Total Middle Schools	<u>3,391</u>	<u>4,124</u>	<u>82.23%</u>	
<b>HIGH SCHOOL (9-12)</b>				
Brighton High School	1,773	2,075	85.45%	1982/2005/2017/2023
Prairie View High School	1,805	2,151	83.91%	2006/2021/2023
Riverdale Ridge High School	1,636	1,962	83.38%	2018/2023
Innovations & Options	200	357	56.02%	1926/1955/1970/2002/2017
Total for High School	<u>5,414</u>	<u>6,545</u>	<u>82.72%</u>	
<b>OTHER*</b>				
27J Preschool at Sakata Educational Campus	103	110	93.64%	2019
Discovery Magnet School (K-8)	623	709	87.90%	2024
Total for Other	<u>726</u>	<u>819</u>	<u>88.64%</u>	
<b>Total in District Buildings (PK-12)</b>	<u><u>16,871</u></u>	<u><u>21,430</u></u>	<u><u>78.73%</u></u>	
Charters (Not In District Buildings)	4,279	4,625	92.52%	
Total not in District Buildings (PK-12)	<u>4,279</u>	<u>4,625</u>	<u>92.52%</u>	

1 Recommended capacity equals the maximum class size and includes modular classroom space and preschool classes.

2 Includes initial year of construction and years of major additions and renovations

\*NOTES: The above figures do not take into consideration half-time students and various methods of utilizing classrooms at the secondary level. This table also does not report 27J Online. Students who attend this program aren't required to attend in person in a district building, unless they are testing or are receiving tutoring. In that situation, they would attend the Sakata Education Campus

The School District obtains land for schools via land dedications and by land purchases.

The School District has obtained land by dedication from developers for purchase for 11 elementary school sites, 2 middle school site and 2 high school sites totaling over 454 acres. We have obtained land via purchase for PVHS, PVMS, SMS and QMS.

In addition to the school buildings and their contents, the School District owns or leases the following facilities and properties: th District Training Center, the District Educational Services Center, a technology building & annex, a facilities building utility/storage buildings, an indoor swimming pool.

SOURCE: School District Records

**School District 27J, Colorado**  
**Enrollment and Funded Pupil Count by Grade**  
**Last Ten Fiscal Years**  
(Unaudited)

Grade	Oct 1 2014	Oct 1 2015	Oct 1 2016	Oct 1 2017	Oct 1 2018	Oct 1 2019	Oct 1 2020	Oct 1 2021	Oct 1 2022	Oct 1 2023	Ten Year Average Class Size
Colo. Preschool Proj.	353.0	297.0	280.5	401.0	454.0	482.5	297.5	507.0	520.0	498.0	398.6
Special Ed. Preschool	175.0	185.0	199.0	211.0	232.0	233.5	233.5	219.0	301.0	302.0	215.1
K	1,328.0	1,308.0	1,235.0	1,369.0	1,386.0	1,409.0	1,372.0	1,399.0	1,543.0	1,572.0	1,367.2
1	1,408.0	1,329.0	1,355.0	1,302.0	1,406.0	1,429.0	1,406.0	1,513.0	1,574.0	1,603.0	1,413.6
2	1,448.0	1,412.0	1,338.0	1,395.0	1,346.0	1,429.0	1,426.0	1,464.0	1,623.0	1,617.0	1,427.9
3	1,425.0	1,434.0	1,420.0	1,406.0	1,428.0	1,390.0	1,423.0	1,516.0	1,591.0	1,658.0	1,448.2
4	1,422.0	1,396.0	1,450.0	1,469.0	1,478.0	1,471.0	1,419.0	1,545.0	1,653.0	1,641.0	1,464.0
5	1,331.0	1,431.0	1,405.0	1,474.0	1,486.0	1,530.0	1,475.0	1,456.0	1,662.0	1,685.0	1,456.8
6	1,318.0	1,262.0	1,355.0	1,408.0	1,534.0	1,561.0	1,523.0	1,551.0	1,604.0	1,714.0	1,441.7
7	1,296.0	1,261.0	1,260.0	1,395.0	1,462.0	1,570.0	1,571.0	1,583.0	1,782.0	1,693.0	1,437.6
8	1,178.0	1,253.0	1,272.0	1,282.0	1,439.0	1,456.0	1,570.0	1,614.0	1,765.0	1,825.0	1,405.4
9	1,220.0	1,149.0	1,226.0	1,299.0	1,363.0	1,475.0	1,477.0	1,674.0	1,950.0	1,890.0	1,401.6
10	1,162.0	1,155.0	1,136.0	1,239.0	1,313.0	1,363.0	1,428.0	1,490.0	1,894.0	1,935.0	1,329.4
11	1,071.0	1,095.0	1,098.0	1,106.0	1,212.0	1,260.0	1,311.0	1,434.0	1,619.0	1,842.0	1,212.8
12	968.0	1,075.0	1,086.0	1,127.0	1,173.0	1,189.0	1,256.0	1,373.0	1,606.0	1,669.0	1,181.6
Ungraded	-	-	-	-	-	-	-	-	-	-	-
<b>Total Enrollment (Pupil Membership)</b>	<b>17,103.0</b>	<b>17,042.0</b>	<b>17,115.5</b>	<b>17,883.0</b>	<b>18,712.0</b>	<b>19,248.0</b>	<b>19,188.0</b>	<b>20,338.0</b>	<b>22,687.0</b>	<b>23,144.0</b>	<b>18,601.5</b>
<b>Adjustments to calculate Funded Pupil Count</b>											
CPP (.5 FTE)	(176.5)	(161.0)	(167.0)	(167.0)	(200.5)	(233.0)	(148.8)	(231.5)	(241.0)	(249.0)	(192.0)
Spec Ed Preschool (.5 FTE)	(87.5)	(92.5)	(99.5)	(99.5)	(189.0)	(111.5)	(116.8)	(120.0)	(150.5)	(151.0)	(114.8)
Kindergarten (.5 FTE)	(664.0)	(652.5)	(617.5)	(617.5)	(558.5)	-	-	-	-	-	(377.1)
Full Day Kinder Factor .08	106.1	104.6	98.8	98.8	89.4	-	-	-	-	-	60.8
Part-Time Students (.5 FTE)	(23.0)	(25.0)	(10.0)	(10.0)	(8.5)	(6.0)	(6.0)	-	-	-	(10.4)
Out-of-District Students	-	-	-	-	3.0	4.0	4.0	-	-	4.0	1.1
Non-Eligible Students	(57.0)	(131.0)	(128.0)	(128.0)	(171.0)	(185.0)	(185.0)	(177.0)	(161.0)	-	(138.0)
Other Students	78.5	218.5	280.4	280.4	158.1	114.0	114.0	35.0	47.5	31.0	140.5
<b>Total Funded Pupil Count</b>	<b>16,279.6</b>	<b>16,303.1</b>	<b>16,472.7</b>	<b>17,240.2</b>	<b>17,835.0</b>	<b>18,830.5</b>	<b>18,849.5</b>	<b>19,844.5</b>	<b>22,182.0</b>	<b>22,779.0</b>	<b>17,971.5</b>

NOTES: FPC is the District's funded pupil count as defined by the Colorado School Finance Act. Full day Kinder Factor additional funding began in 2008. Beginning in FY19-20, Kindergarten was funded at a 1.0 FTE.

SOURCE: Colorado Department of Education pupil membership by county, district and grade report.

# **Annual Comprehensive Financial Report**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

## **Compliance Section**



**Independent Auditors' Report On Internal  
Control Over Financial Reporting And On  
Compliance And Other Matters Based On An  
Audit Of Financial Statements Performed In  
Accordance With *Government Auditing Standards***

Board of Education  
School District 27J  
Brighton, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of School District 27J (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2024. Our report includes a reference to other auditors who audited the financial statements of the Capital Facility Fee Foundation, Bromley East Charter School, Eagle Ridge Academy Charter School, Belle Creek Charter School, Foundation Academy Charter School, Landmark Academy Charter School and STEAD Charter School, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Capital Facility Fee Foundation, Bromley East Charter School, Belle Creek Charter School and STEAD Charter School were not audited in accordance with *Government Auditing Standards*.

**Report On Internal Control Over Financial Reporting**

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

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

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

### **Report On Compliance And Other Matters**

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

### **Purpose Of This Report**

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

*RubinBrown LLP*

December 5, 2024

**Independent Auditors' Report On Compliance  
For Each Major Federal Program, Report  
On Internal Control Over Compliance And  
Report On The Schedule Of Expenditures  
Of Federal Awards Required By The Uniform Guidance**

Board of Education  
School District 27J  
Brighton, Colorado

**Report On Compliance For Each Major Federal Program**

***Opinion On Each Major Federal Program***

We have audited School District 27J (the District) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's *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, 2024. The District's major federal programs are identified in the summary of auditors' 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, 2024.

***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; 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* (the Uniform Guidance). Our responsibility under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities For The Audit Of Compliance section of our report.

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

### ***Responsibilities Of Management For Compliance***

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

### ***Auditors' 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 Auditors' 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.

*RubinBrown LLP*

December 5, 2024

SCHOOL DISTRICT 27J, COLORADO  
FINAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)  
AS OF JUNE 30, 2024

	Pass Through Grant Number	Federal ALN	Federal Expenditures	Expenditures to Subrecipients
<i>US Department of Agriculture:</i>				
Child Nutrition Cluster				
Passed through State Department of Education:				
National School Lunch Program (4555)	4555	10.555	\$ 4,337,568	\$ -
Supply Chain Assistance (6555)	6555	10.555	399,204	-
Passed through Colorado Department of Human Services:				
Food Donation (4555)	4550	10.555	677,845	-
Subtotal National School Lunch ALN 10.555:			<u>5,414,617</u>	<u>-</u>
Passed through State Department of Education:				
Summer Food Service Program for Children (4559)	4559	10.559	24,146	-
Seamless Summer Option Breakfast (4553)	4553	10.553	632,874	-
Total Child Nutrition Cluster			<u>6,071,637</u>	<u>-</u>
Passed through the State Department of Education:				
Pandemic Electronic Benefits Transfer (4649)	4649	10.649	6,180	-
<b>Total US Department of Agriculture</b>			<u><b>6,077,817</b></u>	<u><b>-</b></u>
<i>US Department of Education:</i>				
Passed through State Department of Education:				
Special Education Cluster				
Title VIB - Handicapped / IDEA - Part B (4027)	4027	84.027	3,655,306	-
Title VIB - Handicapped / IDEA - Preschool (4173)	4173	84.173	86,398	-
Total Special Education Cluster			<u>3,741,704</u>	<u>-</u>
Title I, Part A (ESSA) (5010)	5010	84.010	89,460	-
Title I, Part A (4010)	4010	84.010	2,077,946	-
Subtotal ALN 84.010:			<u>2,167,407</u>	<u>-</u>
Title IIA - Teacher Quality (4367)	4367	84.367	365,345	-
Title III - English Language (4365)	4365	84.365	291,815	-
Title IV Part A- Student Support (4424)	4424	84.424	126,309	-
Stronger Connections Grant Program (SCG) 4451	4451	84.424F	96,806	-
Subtotal ALN 84.424:			<u>223,115</u>	<u>-</u>
Covid-19 - Elementary and Secondary School Emergency Relief (4420)	4420	84.425D	73,218	-
Covid-19 - Elementary and Secondary School Emergency Relief (4414)	4414	84.425U	547,721	-
Covid-19 - Supplemental ARP ESSER III (4418)	4418	84.425U	41,671	-
Covid-19 - ESSER III ARPA - State Set-Aside EASI (4434)	4434	84.425U	158,602	-
Covid-19 - ARP ESSER Mentor Program (4436)	4436	84.425U	189,171	-
Covid-19 - American Rescue Plan - Homeless Children and Youth (8425)	8425	84.425W	39,342	-
Covid-19 - American Rescue Plan - Homeless Children and Youth II (8426)	8426	84.425W	9,449	-
Subtotal Emergency Relief Funds ALN 84.425:			<u>1,059,173</u>	<u>-</u>
Passed through Colorado Community College System/MEP Youth Advocate Aurora				
Carl Perkins (4048)	4048	84.048	109,364	-
<b>Total US Department of Education</b>			<u><b>7,957,924</b></u>	<u><b>-</b></u>
<i>US Department of Health and Human Services:</i>				
Passed through State Department of Education:				
Child Care Development Fund Cluster				
Covid-19 - Child Care Stabilization (7575)	7575	93.575	558,562	-
Capacity Building Grant - Preschool	8575	93.575	37,014	-
<b>Total US Department of Health and Human Services</b>			<u><b>595,576</b></u>	<u><b>-</b></u>
<b>Total Federal Assistance</b>			<u><b>\$ 14,631,317</b></u>	<u><b>\$ -</b></u>

## SCHOOL DISTRICT 27J, COLORADO

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2024

**NOTE 1: Basis of Presentation and Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the School District 27J, Colorado and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts reported in, or used in the preparation of, the basic financial statements.

**NOTE 2: Indirect Costs**

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

**SCHOOL DISTRICT 27J**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2024**

**Section I - Summary Of Auditors' 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:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ yes	✓ no
Significant deficiency(ies) identified?	___ yes	✓ none reported
Noncompliance material to financial statements noted?	___ yes	✓ no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?	___ yes	✓ no
Significant deficiency(ies) identified?	___ yes	✓ none reported

Type of auditors' 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 programs:

<b>Assistance Listing No.</b>	<b>Name Of Federal Program Or Cluster</b>
84.027 & 84.173	IDEA Cluster
84.010	Title I - Grants to Local Educational Agencies
84.367	Title II - Supporting Effective Instruction State Grants

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_ yes      ✓ no

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## SCHOOL DISTRICT 27J

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended December 31, 2024

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#### Section II - Financial Statement Findings

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There were no findings relating to the District's financial statements for the year ended June 30, 2024.

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#### Section III – Federal Award Findings And Questioned Costs

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There were no federal award findings or questioned costs for the year ended June 30, 2024.



**27J Schools**  
Superintendent  
Will Pierce  
18551 E. 160th Avenue,  
Brighton, CO 80601

**27J Schools Board of Education**  
Tom Green, President  
Mandy Thomas, Vice President  
Melinda Carbajal, Director  
Ashley Conn, Director  
Starr Trujillo, Director  
Rachel Wilhelm, Director

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Year Ended June 30, 2024**

**Finding 2023-001 – Construction Retainage Payable Review and Reconciliation**

**Summary of Prior Audit Finding:** The District did not have a system of internal accounting controls that would prevent, detect and correct errors in a timely manner related to financial reporting, specifically those around the retainage payable process and construction invoices.

**Initial Finding Reporting Year:** 2023

**Status:** Corrective Action Plan Taken



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0040 - School District 27J  
 Fiscal Year 2023-24  
 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	53,792,916	214,395,024	182,090,922	86,097,018
18 Risk Mgmt Sub-Fund of General Fund	1,619,636	3,070,656	3,283,954	1,406,338
19 Colorado Preschool Program Fund	827,453	5,715,570	5,365,179	1,177,844
<b>Sub- Total</b>	<b>56,240,005</b>	<b>223,181,250</b>	<b>190,740,055</b>	<b>88,681,201</b>
11 Charter School Fund	17,008,203	72,929,846	63,637,787	26,300,261
20,26-29 Special Revenue Fund	5,390,235	4,270,135	3,277,083	6,383,287
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	5,097,610	10,393,052	9,462,290	6,028,372
22 Govt Designated-Purpose Grants Fund	649,696	15,079,213	15,138,452	590,456
23 Pupil Activity Special Revenue Fund	3,479,961	4,644,534	4,132,696	3,991,800
25 Transportation Fund	0	9,891,882	9,891,882	0
31 Bond Redemption Fund	74,287,490	68,313,991	50,703,022	91,898,458
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	179,433,268	-2,234,644	55,864,040	121,334,584
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>341,586,469</b>	<b>406,469,258</b>	<b>402,847,307</b>	<b>345,208,420</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	729,528	0	28,594	700,934
60,65-69 Other Internal Service Funds	0	131,309	131,309	0
<b>Totals</b>	<b>729,528</b>	<b>131,309</b>	<b>159,903</b>	<b>700,934</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	28,530	2,523	0	31,053
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	4,570,128	1,678,272	49,851	6,198,548
<b>Totals</b>	<b>4,598,657</b>	<b>1,680,795</b>	<b>49,851</b>	<b>6,229,601</b>

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**Department of Finance**  
**School District 27J**

18551 E. 160th Avenue | Brighton, CO 80601