



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

Adams 12 Five Star Schools
1500 E. 128th Avenue
Thornton, Colorado 80241
www.adams12.org

Cover Design

For Fiscal Year 2024-25, students from the graphic Design program at FutureForward at Bollman were invited to design the cover. The students provided many great cover ideas and had the opportunity to build their portfolio and improve their design skills. The Financial Services department would like to thank the students for their collaboration and the design for this year's cover.



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

Additional information is available on the district's financial transparency website,
<https://www.adams12.org/our-district/financials/financial-transparency>

The district's Adopted Budget and its Annual Comprehensive Financial Report for the prior year, including the Independent Auditor's Report, may be useful when evaluating the information contained in this report.

Prepared by:

Financial Services

Chief Financial Officer or Director of Finance
Department of Financial Services
Adams 12 Five Star Schools
1500 E. 128th Avenue
Thornton, CO 80241
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Introductory Section





1500 E. 128th Ave.
Thornton, CO 80241

LETTER OF TRANSMITTAL

November 5, 2025

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

It is our pleasure to present the Annual Comprehensive Financial Report of Adams 12 Five Star Schools (the district) for the fiscal year ended June 30, 2025.

State law requires each local government to publish, within six months of the close of each fiscal year, a complete set of audited financial statements in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This Annual Comprehensive Financial Report (ACFR) is being formally submitted to the Board of Education in fulfillment of those requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the district’s financial statements for the year ended June 30, 2025. The independent auditor’s report is located at the front of the financial section of this report. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

Adams 12 Five Star Schools was formed in 1950 when parts of six other districts were consolidated into one district encompassing 47.5 square miles of Adams County and 14.5 square miles of the City and County of Broomfield, Colorado. The district is a legally separate, primary government entity that operates under a publicly elected Board of Education. The Board is the policy-making body of the district.

The Board is comprised of five members that are elected to four-year, staggered terms. Board members may serve two consecutive terms. The district has a director district plan of representation requiring school board members to reside in a specific geographic area (director districts) within the district boundary. Board members are elected by a vote of the electors of the entire school district. The Board adopts the budget, employs all personnel, monitors the performance of educational programs provided by the district, and is primarily accountable for fiscal matters. Additional powers and duties of the Board are set forth in state statute.

The district provides a full range of educational programs and services authorized by Colorado state statutes to approximately 34,746 enrolled students in 29 elementary schools, one P-8 school, seven middle schools, five high schools, two technical education schools, three alternative programs, four magnet schools, one online school, and four charter schools. Educational programs and services include kindergarten through twelfth grade (K-12) education, as well as special education for students with disabilities, career/technical education, English-as-a-second-language education, preschool, and numerous other programs. Funding for charter schools is based on charter enrollment and contract agreements between the individual charter school and the district. While charter schools are funded under the School Finance Act and are under the general supervision of the Board of Education, the charter schools meet the requirements to be presented separately as discrete component units.

The Board is required to adopt a budget for the fiscal year no later than June 30 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the district's financial planning and control. The budget is prepared by fund and function. State law allows the board of education to amend the adopted budget based on updated revenues and expenditures through January 31 of the current fiscal year.

Economic conditions and outlook

The district serves residents in the five communities of Broomfield, Federal Heights, Northglenn, Thornton, and Westminster along with residents in unincorporated Adams County. Adams County ranks among the state's top five most populated counties. Adams and Broomfield counties enjoy access to superior ground and air transportation networks as well as to a skilled workforce, comprehensive educational resources, and many established business parks.

The Colorado Legislative Council Staff and the Colorado Office of State Planning and Budgeting issue quarterly Economic and Revenue forecasts. In addition, in December the Business Research of the Colorado Leeds School of Business presents the annual Colorado Business Economic Outlook. The most recent economic studies and reports are provided by [Legislative Council Staff](#), [Office of State Planning and Budgeting](#), and [Business Research Division of the Leeds School of Business](#). Finally, the Governor issued the fiscal year 2025-26 Budget Request on November 1, 2024. This budget request was updated January 31, 2025. The Governor issued [Executive Order D 2025 009](#) calling for the First Extraordinary Session of the General Assembly and directing a statewide hiring freeze. to suspend, in whole or in part, specified state expenditures in order to meet a revenue shortfall for fiscal year 2025-26 and balance the state budget. The Governor's budget documents are published by the [Office of State Planning and Budgeting](#).

The following excerpts provide an overview of the economic information relevant to the district.

Economic Outlook. The U.S. and Colorado economies continued to expand in 2024 at a moderate-to-strong pace, supported by low unemployment, job growth, and rising incomes, but signs of slowing have emerged. The June 2025 forecast anticipates slower GDP growth, softer labor market conditions, and more cautious business and consumer spending from 2025 through 2027. Tariff-related trade disruptions and uncertainty in federal fiscal and regulatory policy have caused firms to delay investment, particularly in capital-intensive sectors. Colorado's unemployment rate, which rose steadily over the past year, is projected to remain at least two percentage points above post-pandemic lows. Inflation has moderated from its 2022 peak but remains above the Federal Reserve's 2 percent target, with price growth easing at a slower pace than in 2023. Interest rates are now expected to remain higher for a longer period, restraining housing activity, business borrowing, and consumer credit growth.

The state's fiscal position has narrowed considerably. The General Fund is projected to end FY 2024-25 with a 15.0 percent reserve, or \$8.6 million below the statutory target. For FY 2025-26, the reserve is

expected to decline to 14.2 percent, or \$83.6 million below requirement, leaving the state with only a \$83.3 million buffer above the TABOR cap—just 0.4 percent of the cap and within the range of normal forecast error. Revenue growth is concentrated in sales tax and tobacco tax receipts, while corporate income tax collections are forecast to fall sharply by 18.4 percent in FY 2025-26, following a 6.9 percent decline in FY 2024-25. This weakness in corporate tax receipts, combined with high volatility in income tax streams and the potential for further federal policy shifts, represents a significant downside risk to the economic outlook.

Metro Region. The Metro Denver Region, which encompasses Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties, remains the state’s primary economic engine, contributing more than half of Colorado’s GDP. The region’s economic structure is diverse, anchored by aerospace, healthcare, professional and business services, and financial services. In 2023, its population reached nearly 3.3 million—up 453,000 since 2010—though the pace of growth has slowed due to reduced net migration and affordability challenges.

Economic performance in 2024 was uneven. Industrial and warehouse construction, particularly around Denver International Airport, remained robust, reflecting strong demand for e-commerce fulfillment and logistics capacity. In contrast, new office development stalled amid downtown Denver vacancy rates exceeding pre-pandemic highs, pressuring rents and curbing speculative building. Rising housing costs have continued to shift residential demand toward more affordable suburban and exurban areas in Adams, Douglas, and Arapahoe counties, changing the region’s development patterns. Local consumer spending growth has softened, but remains positive, supported by ongoing wage gains in healthcare, transportation, and technology sectors.

Employment. The metro Denver labor market slowed considerably from the rapid post-pandemic rebound. Following 5.5 percent job growth in 2022, employment growth decelerated to 2.2 percent in 2023 and remained flat through the first months of 2025. The slowdown reflects both cyclical economic pressures and structural labor shortages, with employers in construction, healthcare, and advanced manufacturing still struggling to fill skilled positions.

The region’s unemployment rate averaged 3.7 percent through early 2025—up from 3.1 percent in 2023 but in line with the state average. Average weekly wages have continued to climb, supported by tight labor conditions in certain industries, but inflation-adjusted wages remain stagnant. Job growth has been concentrated in health services, transportation, and professional services, while interest rate-sensitive sectors such as real estate, retail trade, and construction have shed jobs or posted minimal gains.

Housing. The metro Denver housing market has shifted into a slower growth phase following the sharp price gains of 2021 and 2022. By the end of 2024, home prices in the Denver-Aurora-Lakewood metro area were 2.4 percent higher than a year earlier, while Boulder saw only a 0.7 percent gain—both well below the double-digit growth rates of the prior two years. Home sales fell by double digits, reflecting the combined effects of 6–7 percent mortgage rates, high prices, and tighter lending standards.

Housing inventory has risen compared to 2023, but affordability remains a significant barrier. Many prospective buyers have shifted their searches to suburban and exurban counties where lower prices and larger lots are more attainable. This migration is reinforced by remote work options, which have reduced the need to live in proximity to urban job centers. Residential construction activity, especially single-family homebuilding, has slowed sharply. Builders have focused on smaller, more affordable projects, though high materials costs and labor shortages continue to limit the pace of new housing development.

Nonresidential Construction. Nonresidential construction activity in Colorado and across the U.S. slowed in 2024 after a robust 2023 rebound. In the metro Denver region, the total value of nonresidential starts in 2024 was down from the previous year, driven by weakness in new office and retail projects. Office vacancy

rates in downtown Denver remain high, reflecting structural shifts in work patterns and corporate space needs.

Nevertheless, select segments are expanding. Warehousing and distribution facilities remain in strong demand, supported by e-commerce growth and Denver International Airport's role as a logistics hub. Public-sector infrastructure projects funded through the Infrastructure Investment and Jobs Act and Inflation Reduction Act are providing steady activity in manufacturing, utilities, and transportation construction. However, high financing costs and tight credit conditions are expected to constrain private-sector project pipelines, and the statewide forecast anticipates sluggish to no growth in nonresidential construction in both 2025 and 2026.

Population. Colorado's population grew by approximately 36,500 in 2023, an increase supported by 62,400 births, 45,000 deaths, and 19,000 net migrants. Migration is now split evenly between domestic and international inflows, with the latter including students, workers on temporary visas, and refugees. Adams County ranked third in the state for population growth, adding about 5,856 residents, a 1.1 percent increase. Suburban and exurban counties such as Weld, Douglas, Adams, Larimer, and Mesa are attracting most of the state's net migration, while some urban counties—including Denver and Arapahoe—are experiencing net out-migration. Factors driving these shifts include housing affordability, lifestyle preferences, and the continued prevalence of hybrid and remote work arrangements. While more U.S. counties experienced population gains in 2023 than losses, western states, including Colorado, are seeing a slowdown in the overall pace of growth compared to the previous decade.

Inflation. Inflationary pressures have eased but remain elevated relative to long-term norms. Nationally, the Consumer Price Index rose 3.3 percent in May 2025, while core inflation, excluding food and energy, was 3.4 percent. In the Denver-Aurora-Lakewood metro area, headline CPI inflation fell to 2.6 percent in May, its lowest level in three years.

Falling gasoline and used vehicle prices have been the largest contributors to the recent slowdown in price growth, though housing inflation remains high due to tight supply and strong demand in certain submarkets. Transportation inflation is expected to rise later in 2025 as fuel prices climb from early-year lows. While moderating inflation has provided some relief to households, real purchasing power gains are limited, and price stability remains a central policy concern for both state and federal economic planners.

Long-term financial planning and major initiatives

Each year, the state budget is crafted by the governor and legislature to determine how much of the total state's budget will be allocated to K-12 education. The state economic picture is important to the district because a major source of district funding is received through the state's School Finance Act established by the state legislature. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and allocate resources to every school within its district.

For the 2024-25 fiscal year, as required by the state's constitution, the legislature increased base per pupil funding by 5.2% for PK-12 public education as well as provided additional dollars for statewide student growth. Base per pupil funding will increase 2.3% for the 2025-26 fiscal year and is forecast to be 2.8%, 3.4%, and 2.7% for fiscal years ending 2027, 2028, and 2029, respectively.

Relevant board policies

The Superintendent is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Superintendent.

All board policies which instruct the Superintendent are monitored by the Board throughout the year.

Board Policy 2.3, Financial Planning and Budgeting, provides limits related to budgeting for any fiscal year.

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. Fail to include credible projections of revenues, carryover funds and expenses, separation of capital and operational items, and disclosure of planning assumptions for the organization as a whole, for each school and operating unit, and for each fund.
2. Provide less for Board prerogatives during the year than is set forth in the Cost of Governance policy.
3. Budget in a manner that risks incurring those conditions prohibited in our policy on Financial Condition and Activities Policy.

Board Policy 2.4, Financial Condition and Activities, aims to monitor the actual, ongoing financial condition and activities of the district.

With respect to the actual, ongoing financial condition and activities, the Superintendent shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. At any time: (a) Use any reserves other than as intended and permitted by law; or (b) allow the unassigned fund balance at the conclusion of a fiscal year to be no less than 4% and no more than 8% of general fund revenues except that the unassigned fund balance may be utilized for achievement of board ends and compliance with operating limitations policies with prior board approval and a specific plan for replenishing the reserve.
2. At any time, allow unrestricted cash and equivalents to drop below an amount necessary to meet operating expenditures over a 30-day period, except that during normal seasonal fluctuations in property tax receipts cash balances may drop below the 30-day threshold but shall not be less than restricted cash.
3. Expend more operating funds than have been received in the fiscal year to date unless both the liquidity requirement and reserve requirement above are met.
4. Allow the organization to incur penalties in material amounts for tax payments, other government ordered payments, or other payments, or allow any filings that are overdue or inaccurately filed.
5. Fail to aggressively pursue receivables after a reasonable grace period.
6. Allow (a) bond funds and funding from certificates of participation to be spent inefficiently or in any way other than intended, or (b) override funds to be commingled with other funds or spent other than to directly achieve Ends.
7. Achieve compliance with these provisions by endangering future capacity to accomplish ends.
8. Commit revenues due to student enrollment growth to continuing line item or program expenditures without considering needs associated with the opening of new schools.
9. Determine borrowing levels.
10. Fail to provide for an annual audit of the financial statements of the district each fiscal year by a qualified third party and make provision for payment of the expenses of conducting the audit.
11. Commit District support to, or commit District resources, monetary or in kind, to join or support litigation initiated between third parties.

12. Fail to undertake a full-scale competitive process for the selection of independent auditors pursuant to the most current Government Finance Officers Association recommendations regarding the selection of auditing services.
13. Receive, process or disburse funds under controls which are insufficient to meet the Board-appointed auditor's standards.
14. Invest or hold operating, capital, bond and reserve funds without following the "prudent investor" standard and complying with the legal investment of public funds requirements under C.R.S. 24-75-601.1 and other applicable law.
15. Endanger the district's public image or credibility, particularly in ways that would hinder the accomplishment of its ends.
16. Fail to ensure that mill levy override revenues are used and distributed according to the plan established by the Board.

At June 30, 2025, the district is in compliance with this policy. Unassigned fund balance in the general fund at year end was 4.9% of general fund revenues net of charter funding.

Major initiatives

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

Mission and Vision. Adams 12 Five Star Schools is a caring, inclusive, and engaging district which exists so the students it serves can attain the knowledge and skills necessary to pursue the future of their choosing and are equipped to navigate and thrive in our rapidly changing world. The district's mission is to engage and inspire all students to innovate, achieve, and succeed in a safe environment by ensuring high-quality instruction in every classroom, every day.

District Focus Areas

- **21st Century Learners.** Students collaborate, think critically, problem solve and are digitally literate to thrive in today's ever-changing world.
- **Diverse Learning.** Students receive engaging learning experiences and the focused attention they need through appropriate student-to-staff ratios and varied programming.
- **Outside-the-classroom Learning.** Students have multiple learning opportunities outside the traditional classroom providing various pathways to success.
- **Safe Schools.** Student learning is supported by providing a safe and secure environment.
- **Social-emotional Learning.** Students are provided innovative social-emotional programming and practices across all schools.
- **World-class Staff.** Staff is compensated, supported and trained to foster student success and family partnerships.

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

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

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

The Board of Education formally approved the plan in August 2018. The district budget is designed so that the district achieves, or makes substantial progress toward the achievement of, the strategic plan as approved by the Board of Education. The annual budget plans support our educational commitments of student learning, professional practice, and collective responsibility.

Awards and acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the district for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement and Certificate of Excellence, the district had to publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

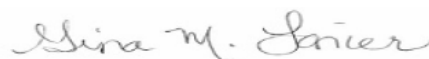
A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Financial Services Department. We wish to thank all district departments for their assistance in providing the data necessary to prepare this report. We also thank the district's independent auditors, CliftonLarsonAllen LLP, for the professional manner in which they accomplished the audit and for their work to review the Annual Comprehensive Financial Report. Finally, we would also like to thank the members of the Adams 12 Five Star School District Board of Education for their support and investment in planning and conducting the financial operations of the district in a responsible and progressive manner.

Respectfully submitted,



Christopher E. Gdowski
Superintendent of Schools



Gina Lanier
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Adams 12 Five Star Schools

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Adams 12 Five Star Schools
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

BOARD OF EDUCATION

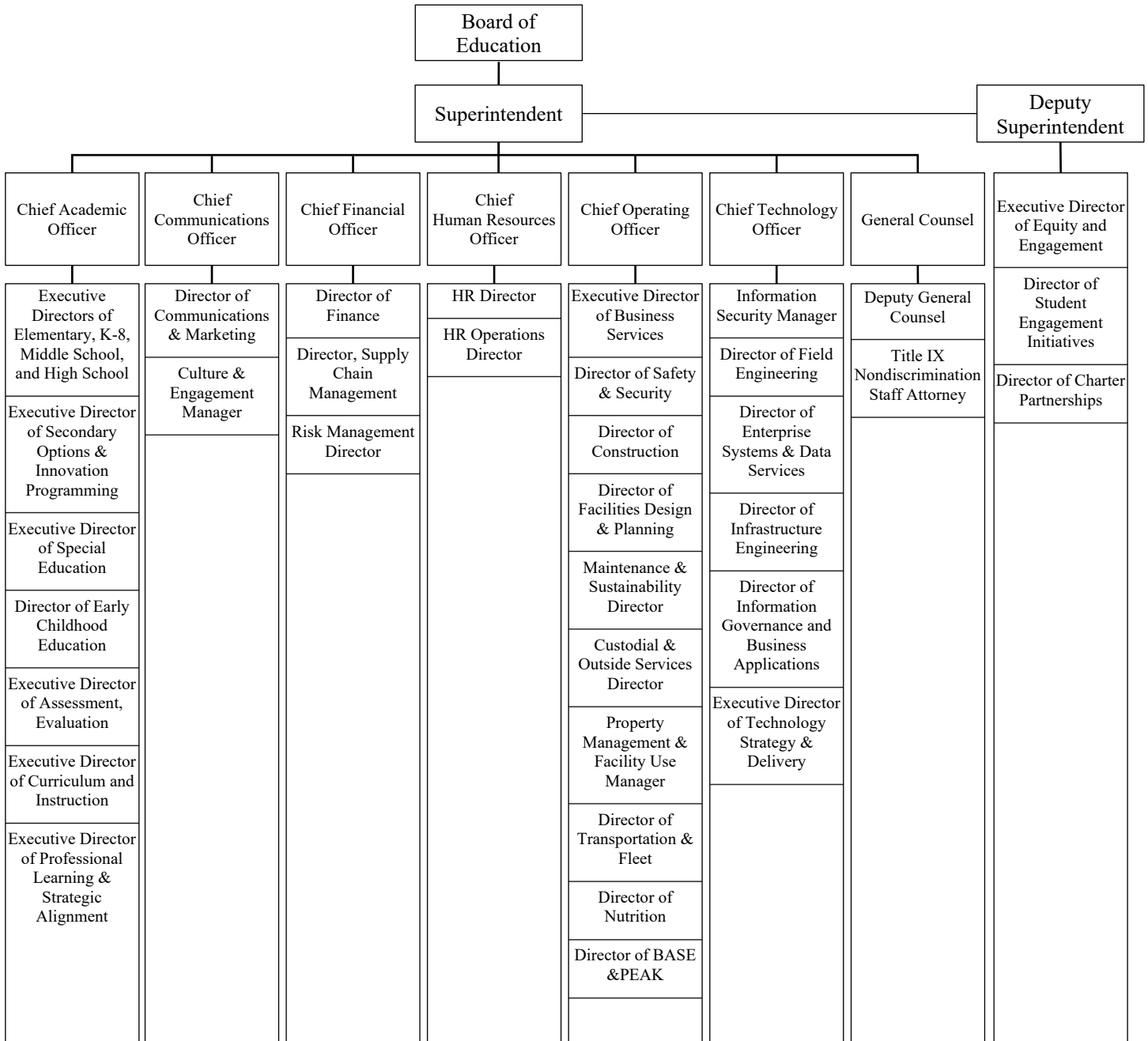


From Left to Right: Paula Battistelli, Secretary, Director District 2; Amira Assad-Lucas, Vice President, Director District 4; Courtney Potter, Director District 3; Lori Goldstein, President, Director District 1; Alexis Marsh-Holschen, Director District 5

CABINET – SUPERINTENDENT’S TEAM

Christopher Gdowski	Superintendent of Schools
Beau Foubert	Deputy Superintendent
Megan Cain	Chief Academic Officer
Joe Ferdani	Chief Communications Officer
Gina Lanier	Chief Financial Officer
Tim Griffin	Chief Human Resource Officer
Molly Brandt	Chief Operating Officer
Greg Mortimer	Chief Information Technology Officer
Philip Spare	General Counsel
Marie McKenzie	Executive Director of Equity and Engagement

DISTRICT ORGANIZATIONAL CHART



Financial Section





INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2025, 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 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, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School - Thornton Charter School which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School - Thornton Charter 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. The financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School - Thornton Charter School were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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, schedule of revenues, expenditures, and changes in fund balances – budget and actual – general fund, schedule of revenues, expenditures, and changes in fund balances – budget and actual – government designated-purpose grants fund, schedule of the District's proportionate share of the net pension liability, schedule of employer pension contributions, schedule of the District's proportionate share of the net OPEB liability, and schedule of employer OPEB contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 combining and individual nonmajor fund financial statements and budgetary schedules, the combining component unit statements, and the Auditors Integrity Check, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Denver, Colorado
November 5, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) serves as a guide for residents of the district and other readers to grasp the message conveyed by the financial statements and notes in this report regarding the district's financial well-being for the fiscal year ended June 30, 2025, and the reasons behind changes since last year. It presents information gathered from various sections of the report, supplemented with insights provided by the district's finance staff. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 2-9.

Overview of the Financial Statements

The district's financial report contains basic financial statements presenting the district's finances at both an overall and a detailed level. The two government-wide financial statements cover the district's governmental activities (*i.e.*, the primary government) and discretely presented component units (*i.e.*, the district's charter schools). (See the diagram on the next page).

Governmental activities comprise the district's core functions, such as instructing our students, providing supports for our staff and students, operating food service, and supporting our charter schools. Governmental activities primarily are financed by property taxes paid by district residents and businesses, per pupil funding as calculated by the state, charges for food service and other services, and local, state, and federal grants.

Discretely presented component units are legally separate entities for which the district is financially accountable, namely the district's four charter schools. Complete financial statements for each of the individual component units may be obtained at the charter schools' administrative offices.

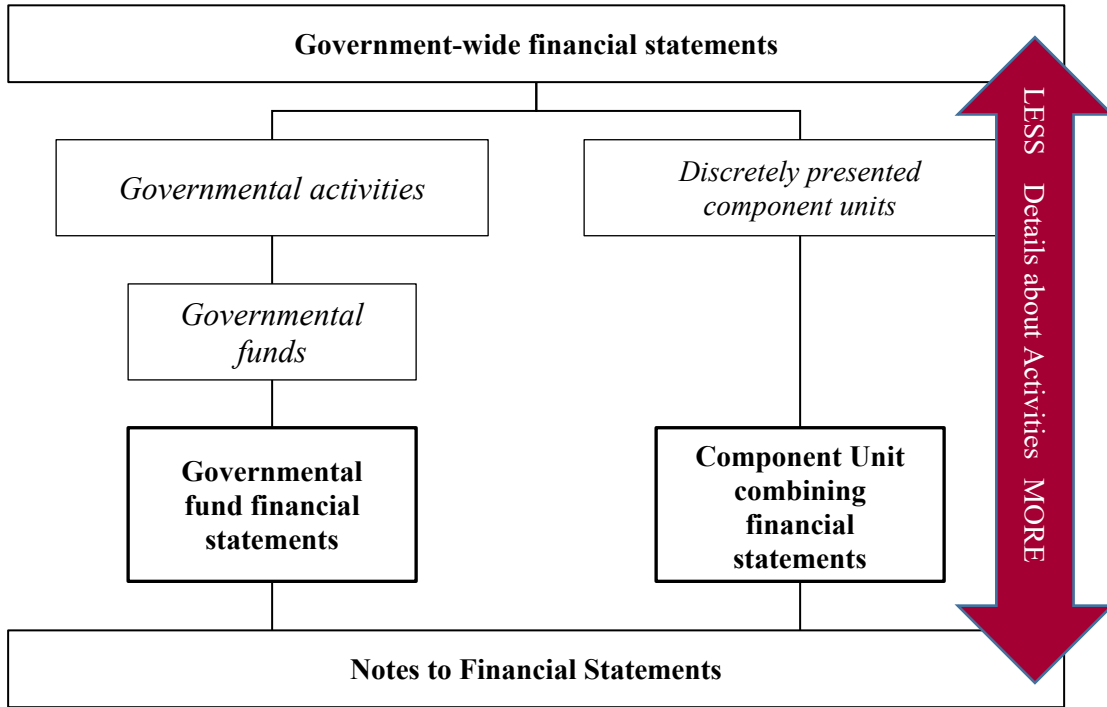
The remaining basic financial statements present the district's finances in greater detail. As their name implies, the *fund financial statements* disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted.

Governmental fund financial statements report all of the governmental activities. In addition to the district's main operating fund (*i.e.*, the general fund) those financial statements report special revenue funds, a debt service fund, and the capital projects funds.

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, including governmental grants, food service, BASE, and pupil and athletic activities. The debt service fund records the repayment of the district's voter approved bonds. The capital projects funds account for the major capital outlays for facilities and improvements funded by the proceeds of the general obligation bonds. In additional capital projects funds are used, as limited by statute, to purchase equipment, maintain and renovate buildings, and for debt service payments on certificates of participation funded by the general fund and other sources.

Lastly, the district charter schools (which are combined in a single column in the government-wide financial statements) are disaggregated in *combining financial statements* for discretely presented components units following the fund financial statements.

Contents of the District’s Basic Financial Statements



The next section of this financial report contains notes to financial statements, which delve deeper into the district’s finances as reported in the financial statements. The information in the notes is as important to understanding the district’s finances as the information in the financial statements. The district uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of information in the financial statements

The district’s financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements:

- *Assets.* Resources the district controls, from short-term assets like cash to long-term assets like land, school buildings, equipment, and vehicles
- *Liabilities.* Amounts the district owes, from short-term liabilities such as accounts payable and salaries payable to long-term liabilities such as outstanding debt and net amounts for pensions
- *Deferred outflows of resources and deferred inflows of resources.* Flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related
- *Revenues and expenses.* Inflows and outflows of economic resources, respectively, related to the current year

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources

related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending capital expenditures.

	Financial Statements	
	Government-wide and component units	Governmental fund
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short-term and long-term	Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received	Only revenues that are measurable and available to finance expenditures of that year
Types of expenses / deductions / expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid	Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year	Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More detail about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies.

Analysis of the District’s Finances

Governmental activities

	Governmental Activities		Percentage	
	FY 2025	FY 2024	Change	Change
Current and other assets	\$ 514,738,948	\$ 357,366,950	\$ 157,371,998	44.0%
Capital assets, net	629,840,162	656,574,912	(26,734,750)	-4.1%
Total assets	1,144,579,110	1,013,941,862	130,637,248	12.9%
Deferred outflows of resources	151,009,606	229,275,531	(78,265,925)	-34.1%
Current and other liabilities	53,020,781	55,794,481	(2,773,700)	-5.0%
Long-term liabilities	1,250,711,175	1,220,761,198	29,949,977	2.5%
Total liabilities	1,303,731,956	1,276,555,679	27,176,277	2.1%
Deferred inflows of resources	61,476,530	62,293,278	(816,748)	-1.3%
Net position				
Net investment in capital assets	319,004,276	305,889,622	13,114,654	4.3%
Restricted	136,364,228	138,488,010	(2,123,782)	-1.5%
Unrestricted	(524,988,274)	(540,009,196)	15,020,922	2.8%
Total net position	\$ (69,619,770)	\$ (95,631,564)	\$ 26,011,794	27.2%

The district's total net position – assets and deferred outflows minus liabilities and deferred inflows – stood at approximately \$(69.6) million, an increase of \$26.0 million, or 27.2 percent, compared to FY 2024. The current assets, net of change in current liabilities, decreased net position by \$14.3 million while the change in noncurrent liabilities, net of restricted cash, increased net position by \$29.0 million due primarily due to the January 2025 bond issuance and the early repayment of the 2014B general obligation refunding bonds. The district's net impact of pension and OPEB entries increased net position by \$11.3 million. The overall increase reflects the strong financial performance of governmental activities, particularly in relation to capital project capacity.

The district's available resources allowed for a spenddown in net position, specifically related to bond issue expenses, including the bond proceed distribution to charter schools, and the early redemption of debt. The district's general revenues continue to show strong growth, increasing by \$14.9 million from the prior year. This positive trend is driven by increases in total program per pupil funding (funded by property taxes and state equalization), strong specific ownership taxes collections (*i.e.*, vehicle registration taxes), and a continued strong interest rate environment on significantly larger cash positions.

One-time revenues. As interest rates remained high throughout the fiscal year on substantially higher cash balances, the district realized an increase of \$5.9 million in investment earnings.

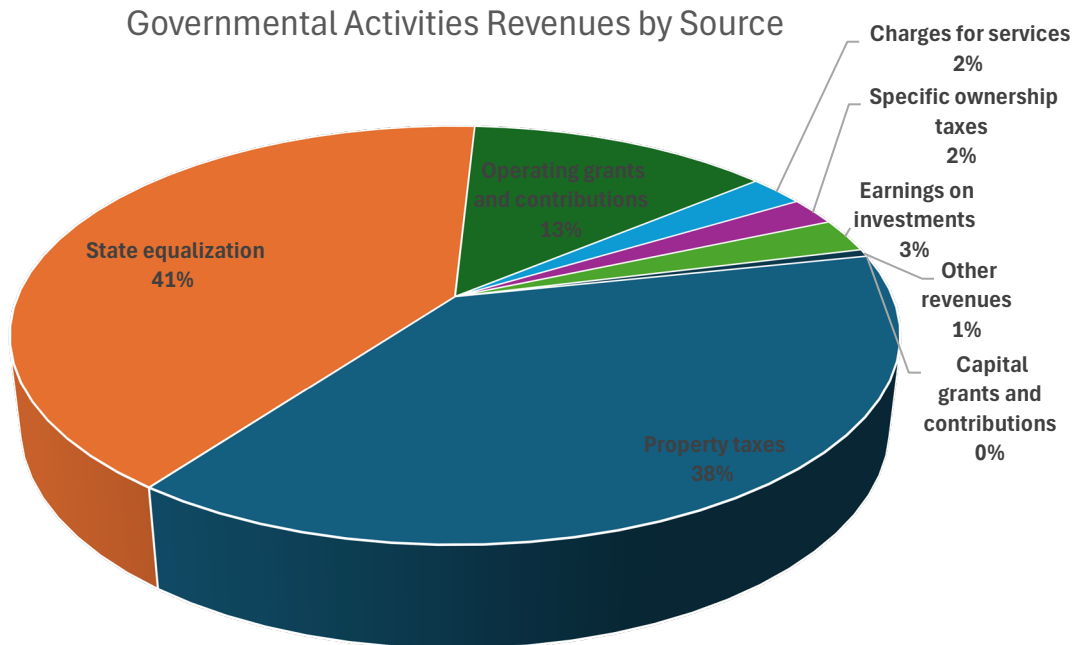
Impact of lower net assessed valuations. The net assessed valuation (NAV) of property located within the district decreased by 3.4 percent. The NAV decrease does not negatively impact the general operations of the district. The district's mill levies for overrides, totaling 16.826 mills, are set to generate a fixed dollar amount (\$69.3 million). In other words, regardless of changes in NAV, the floating mill levy is set to collect the same amount of funds. Additionally, any decrease in collections on the total program mill, which is fixed by state statute at 27.000 mills, is backfilled by the state through state equalization. As the table below shows, the decrease in property tax revenue from the total program mill is more than offset by the increase in state equalization. The district's strong restricted net position relates to the property tax collections for the principal and interest payments on the district's general obligation and general obligation refunding bonds. Because collections exceed the required annual debt service, the district maintained the bond redemption mill at 18.665 mills even in the face of lower NAV and was also able to retire portions of the district's debt early.

Growth in total per-pupil funding. While the district's funded pupil count declined from 35,527 in FY 2024 to 34,669 in FY 2025, School Finance Act funding increased by approximately \$16.4 million, or 4.4 percent, because the base per pupil amount increased by inflation, 5.2 percent. The increase related to charter schools is included in revenue and then passed through to the charter schools as an expense.

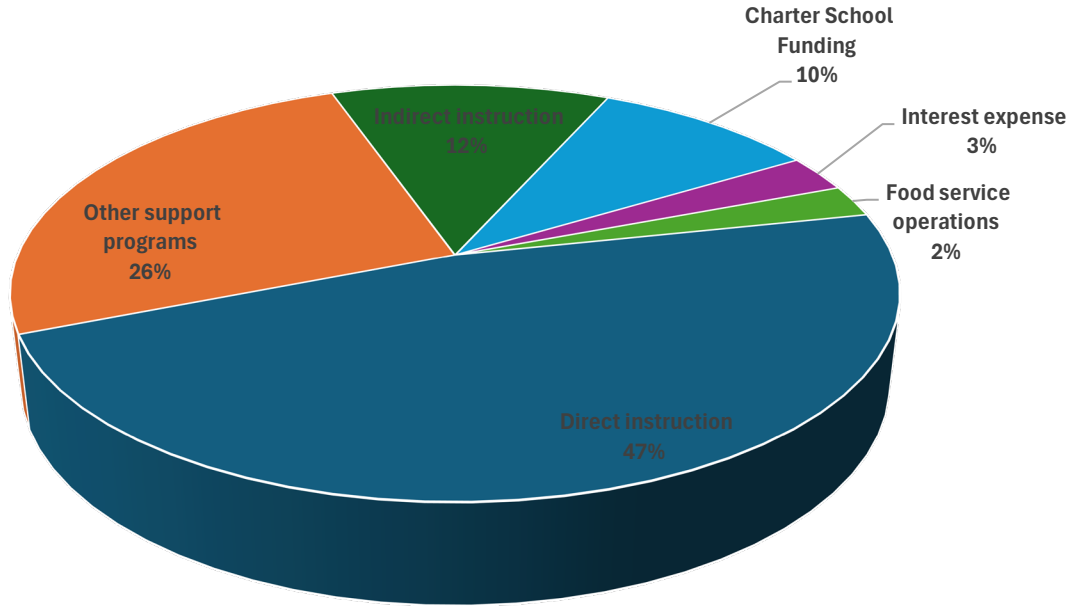
Operating grants and contributions. As expected, the district's federal grants decreased by 25.4 percent, due to the sunset of federal funds related to the COVID-19 pandemic. The federal grant decrease was substantially offset by the increase in pension revenue of \$9.9 million and increases in special education and nutrition grant funds. The pension adjustment, required by GASB 68, does not affect the district's operations.

Year over year expenses. The district's total expenses increased by \$11.4 million, or 1.8 percent. This increase is driven by the increased distribution to charter schools of \$23.5 million, including the per pupil share of the 2025 debt issue. Instructional expenses decreased \$3.6 million and support services decreased \$10.2 million. Interest expense increased \$1.7 million because of the new debt. Adjustment entries related to depreciation, unavailable revenues, bond amortization, deferred gains, and the change in compensated absences and longevity termination benefits accounted for a net increase of only \$0.4 million. Entries required by GASB 68 and 75, net pension and OPEB expenses, declined by \$27.6 million. Pension, OPEB, and depreciation entries impact each of the major expense functions.

	Governmental Activities		Change	Percentage Change
	FY 2025	FY 2024		
Revenues				
Program revenues:				
Charges for services	\$ 16,123,018	\$ 16,434,316	\$ (311,298)	-1.9%
Operating grants and contributions	87,975,821	103,581,586	(15,605,765)	-15.1%
Capital grants and contributions	-	901,893	(901,893)	NM
General revenues:				
Property taxes	258,077,400	271,649,821	(13,572,421)	-5.0%
Specific ownership taxes	14,314,002	13,009,968	1,304,034	10.0%
State equalization	273,205,330	254,111,356	19,093,974	7.5%
Earnings on investments	17,425,450	11,506,779	5,918,671	51.4%
Other revenues	3,807,332	1,680,811	2,126,521	126.5%
Total revenues	670,928,353	672,876,530	(1,948,177)	-0.3%
Expenses				
Direct instruction	\$ 304,328,485	\$ 310,801,013	\$ (6,472,528)	-2.1%
Indirect instruction	77,299,590	74,409,829	2,889,761	3.9%
Other support programs	164,563,849	174,008,810	(9,444,961)	-5.4%
Food service operations	16,496,662	17,260,431	(763,769)	-4.4%
Charter School Funding	63,547,685	40,078,587	23,469,098	58.6%
Interest expense	18,680,288	16,948,377	1,731,911	10.2%
Total expenses	644,916,559	633,507,047	11,409,512	1.8%
Change in net position	26,011,794	39,369,483	(13,357,689)	-33.9%
Net position, beginning of year	(95,631,564)	(135,001,047)	39,369,483	29.2%
Net position, end of year	\$ (69,619,770)	\$ (95,631,564)	\$ 26,011,794	27.2%



Governmental Activities Expenses by Function



Governmental funds

The district reports five major funds individually in the governmental fund financial statements. Those funds are the general fund, the bond redemption, building, capital reserve, and government designated-purpose grants funds. The discussion regarding governmental activities is equally applicable to the finances of the governmental funds. Additionally, certain factors that are relevant to the district’s current financial health are more apparent in the fund financial statements than in the government-wide financial statements. There were significant changes to four of the five major funds.

General Fund. Recurring general fund revenues include the district’s total per-pupil funding, mill levy override and specific ownership taxes, state categorical and grant funding, investment earnings, and other revenue. The district’s total per pupil funding (total program) is funded by a combination of local and state taxes.

Expenditures grew by \$30.2 million, or 6.3 percent, including an increase in salaries and benefits costs of \$26.9 million, or 7.0 percent. The largest programmatic expenditure increases occurred in instruction, special education, pupil and instructional staff support, and school administration. There was no year-over-year increase in expenditures for general and business administration. In fact, general and business admin expenditures decreased slightly by almost \$62,000. Operations, maintenance, and transportation services increased by \$2.7 million, or 13.3%, as property related services and utilities increased. The district continues to invest in information technology as expenditures increased \$2.7 million driven by equipment and software purchases while increases in salaries and benefits were substantially offset by reductions in purchased services and supplies.

The district receives most funds due to charter schools and passes the revenue to each individual charter, generally on a per-pupil basis. As per-pupil funding, mill levy override, and categorical funding increase for the district, the requisite proportional share is passed to the charters. This activity increased by \$2.2 million, or 4.5 percent.

	General fund			
	FY 2025	FY 2024	Change	% Change
REVENUES				
Property and other taxes	\$ 193,550,392	\$ 204,937,817	\$ (11,387,425)	-5.6%
State equalization	273,205,330	254,111,356	19,093,974	7.5%
State and federal grants	30,595,447	33,513,161	(2,917,714)	-8.7%
Net earnings on investments	8,636,422	6,637,239	1,999,183	30.1%
Other revenues	4,904,953	3,171,465	1,733,488	54.7%
Total revenues	510,892,544	502,371,038	8,521,506	1.7%
EXPENDITURES				
Salaries and benefits	412,685,503	385,829,322	26,856,181	7.0%
Purchased services	28,234,741	26,655,172	1,579,569	5.9%
Property	4,854,002	3,300,965	1,553,037	47.0%
Other expenditures	11,435,281	13,425,794	(1,990,513)	-14.8%
Payments to Charter Schools	50,761,604	48,566,033	2,195,571	4.5%
Total expenditures	507,971,131	477,777,286	30,193,845	6.3%
Other financing sources (uses)	(6,179,876)	(5,563,773)	(616,103)	11.1%
Net change in fund balances	(3,258,463)	19,029,979	(22,288,442)	NM
Fund balances, beginning of year	119,723,623	100,693,644	19,029,979	18.9%
Fund balances, end of year	\$ 116,465,160	\$ 119,723,623	\$ (3,258,463)	-2.7%

Revenue	Revenue Drivers	FY 2025	FY 2024
Per-pupil funding	The School Finance Act of 1994 Inflation increases base funding Funded pupil count At-risk percentage ELL count Budget stabilization factor Per-pupil funding	5.2% to \$9,738 34,669 51.69% 4,465 pupils none \$11,266	8.0% to \$8,076 35,527 52.23% 3,941 pupils 1.54% \$10,533
		Increased \$16.4 million 4.4%	
Mill levy override	Inflation increases 2018 mill by 5.2%	Increased \$1.7 million 2.5%	
Categorical funding	Inflation, expenses, pupil counts and other factors	Increased \$1.1 million 5.1%	
Earnings on investments	Rate of return and liquidity	Increased \$2.0 million 30.1%	
One-time revenue	Adams County taxes and at-risk supplemental aid received in FY 2024 as one-time	Decrease of \$10.2 million	
Property tax collections	Overall property tax collections were lower than expected	Decrease of \$3.0 million	
Other	Other state grants decline were offset by other local revenues and specific ownership taxes	State grant decrease of \$2.5 million SOT increase of \$1.3 million Other local increase of \$1.7 million	

Building Fund. The proceeds from the Series 2025 general obligation bond issuance are accounted for in this fund. The 2024 Bond Program expenditures represent start-up expenditures and the charter school per-pupil allocation.

	Building fund			
	FY 2025	FY 2024	Change	% Change
REVENUES				
State and federal grants	\$ -	\$ 200,000	\$ (200,000)	-100.0%
Net earnings on investments	3,307,242	699,342	2,607,900	372.9%
Other revenues	-	656,440	(656,440)	-100.0%
Total revenues	3,307,242	1,555,782	1,751,460	112.6%
EXPENDITURES				
Total expenditures	32,161,838	14,974,767	17,187,071	114.8%
Other financing sources (uses)	185,975,255	-	185,975,255	0.0%
Net change in fund balances	157,120,659	(13,418,985)	170,539,644	NM
Fund balances, beginning of year	9,794,419	23,213,404	(13,418,985)	-57.8%
Fund balances, end of year	\$ 166,915,078	\$ 9,794,419	\$ 157,120,659	1604.2%

Bond redemption. The district’s debt service is funded by a tax levy on the taxable property located within its boundaries. The tax rate for FY 2025 remained constant at 18.665 mills. Property taxes decreased with the decrease in net assessed valuations and earnings on investments decreased commensurate with the decrease in average daily cash balances. The district took strategic advantage of its cash position by prepaying the Series 2014B general obligation bonds totaling \$34.1 million in principal and accrued interest. The prepayment netted savings to the district’s taxpayers in the amount of \$3.0 million representing an 8.8 percent savings on the refunded bonds. With these changes, the debt service fund balance decreased by \$0.9 million, or 0.8 percent. Debt service fund balances are used to pay future principal and interest payments on the bond and to take advantage of strategic opportunities to continue to defease or otherwise adjust the district’s debt payment structure.

For additional information, see note 7 in the notes to the financial statements.

	Bond redemption			
	FY 2025	FY 2024	Change	% Change
REVENUES				
Property and other taxes	\$ 75,844,000	\$ 79,313,253	\$ (3,469,253)	-4.4%
Net earnings on investments	568,934	729,344	(160,410)	-22.0%
Total revenues	76,412,934	80,042,597	(3,629,663)	-4.5%
EXPENDITURES				
Debt service				
Principal	59,295,000	24,375,000	34,920,000	143.3%
Interest	17,979,063	16,436,925	1,542,138	9.4%
Bond issuance and other costs	42,630	28,662	13,968	48.7%
Total expenditures	77,316,693	40,840,587	36,476,106	89.3%
Net change in fund balances	(903,759)	39,202,010	(40,105,769)	NM
Fund balances, beginning of year	110,880,343	71,678,333	39,202,010	54.7%
Fund balances, end of year	\$ 109,976,584	\$ 110,880,343	\$ (903,759)	-0.8%

Grants fund. The district’s federal grants declined by over \$17.0 million caused significantly by the loss of COVID related stimulus funds of almost \$18.2 million. While the district did receive additional federal funds related to refugees and special education of \$2.3 million, various other federal grants declined by \$1.2 million. Other state and local grants increased by \$2.7 million, including \$1.8 million of Medicaid reimbursement funds. Grants fund expenditures declined including decreases in salaries and benefits and FCC-funded device purchases.

	Government designated purpose grants fund			
	FY 2025	FY 2024	Change	% Change
REVENUES				
State and federal grants	\$ 31,666,003	\$ 45,953,109	\$ (14,287,106)	-31.1%
Other revenues	173,001	195,814	(22,813)	-11.7%
Total revenues	31,839,004	46,148,923	(14,309,919)	-31.0%
EXPENDITURES				
Salaries and benefits	20,642,455	27,326,490	(6,684,035)	-24.5%
Purchased services	2,457,686	1,784,218	673,468	37.7%
Property	645,162	8,606,852	(7,961,690)	-92.5%
Other expenditures	7,746,065	8,209,079	(463,014)	-5.6%
Payments to Charter Schools	347,636	483,347	(135,711)	-28.1%
Total expenditures	31,839,004	46,409,986	(14,570,982)	-31.4%
Other financing sources (uses)	-	261,063	(261,063)	-100.0%
Net change in fund balances	\$ -	\$ -	\$ -	0.0%

Significant Capital Asset and Long-Term Financing Activity

The district’s net investment in capital assets increased by 4.1 percent from FY 2024. The increase is due to the issuance of new debt, including premium, that exceeds the face value of the issuance. For additional information on the issuance, see note 7 in the notes to the financial statements. The district kicked off its 2024 Bond Program, *Investing in Student Success*, in January 2025 with the first issuance of debt. These bond proceeds will be used over the next three years on scheduled capital projects as approved by the district voters. Owing to the timing of capital projects (i.e., most spending occurs during the summer months), a small amount of the proceeds \$32.2 million was expenditures in the first half of calendar 2025. This amount includes the distribution of the charter schools’ per-pupil share of bond proceeds totaling \$12.4 million. The remaining fund balance in the building fund was \$166.9 million as of June 30, 2025. Additional capital activity included investments in kitchen equipment other equipment totaling \$0.8 million. The district purchased seven vehicles, including a Type A bus and three vans, for \$0.3 million. The district completed \$19.7 million in capital projects including a new campus building, updates to stadium fields, track, and bleachers, and completion of a high school roof project.

Amendments to the FY 2026 Adopted Budget

The Board of Education may review and change the budget, with respect to both revenues and expenditures, at any time prior to January 31 of the fiscal year. The amended budget is not expected to provide additional expenditure budget in the general fund except for carryovers and previous encumbrances. The amended budget proposal will include adjustments to the beginning fund balances available based on the final audited numbers. The adopted budget estimated that the beginning fund balance as \$441.3 million, which will increase to \$454.0 million. The increase is set aside in the FY 2025 audit as restricted, assigned, or unassigned fund balance. Based on preliminary numbers the allocations of the assigned fund balance were determined as set forth in note 8. The adopted budget anticipated \$18.4 million in available resources in the general fund to be allocated. The leadership team will begin determining resource allocations for fiscal year 2027 partially based upon new forecasts of available fund balance.

On November 5, 2024, the district’s voters approved an \$830 million bond issue with no expected increase in tax rates. The district issued the first tranche of bonds in January 2025 with net proceeds of \$186.0 million. The district does not expect to issue further debt during FY 2026.

Recent economic and budget reports

The Governor submitted the [FY 2025-26 budget request](#) on November 1, 2024. The Joint Budget Committee of the Colorado General Assembly began considering the budget request in mid-November. Joint Budget Committee staff prepared a [staff budget briefing](#) on November 12, 2024. Portions of the briefing are reproduced in short:

The General Assembly faces a more constrained budget for FY 2025-26 than has been the case in recent years. Staff offers three major causes for the tightening budget: (1) the depletion of one-time funding available since FY 2020-21; (2) constitutional requirements that will reduce the amount of annual growth in General Fund available relative to recent years; and (3) continued upward pressure on the budget due to caseload (particularly Medicaid but also school finance, Corrections, and Human Services Programs.”

In FY 2024-25, Medicaid costs eclipsed school finance as the largest use of General Fund, and the Governor’s FY 2025-26 request expects that trend to continue.

Three items – increased Medicaid caseload, school finance, and Department of Corrections – account for an increase of \$590.1 million General Fund for FY 2025-26. Based on the OSPB forecast, these increases would exceed the annual increase in General Fund available in FY 2025-26.

The September 2024 revenue forecasts project that the ending balance will fall more than \$300 million short of the reserve requirement this year. That means that maintaining the 15.0 percent reserve at the end of FY 2025-26 will require the General Assembly to backfill a shortfall of more than \$300 million over the two years in addition to aligning FY 2025-26 obligations with the available revenues.

The largest change since the 2024 Session is an increase in Medicaid costs in the Department of Health Care Policy and Financing. The Department overspent its FY 2023-24 General Fund appropriation by about \$150 million, and the Executive Branch expects those additional costs (above the forecast assumed in the current FY 2024-25 appropriation) to be ongoing.

The Governor’s budget proposal requested specific changes to the School Finance Act formula that may negatively impact the district. The district leadership continues to monitor the proceedings.

Requests for information

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

Chief Financial Officer or Director of Finance
Department of Financial Services
Adams 12 Five Star Schools
1500 E. 128th Avenue
Thornton, CO 80241
720-972-4000

BASIC FINANCIAL STATEMENTS



ADAMS 12 FIVE STAR SCHOOLS
Statement of Net Position
June 30, 2025

	Primary Government	Component Units
	Governmental Activities	Charter Schools
ASSETS		
Cash and investments - unrestricted	\$ 216,079,942	\$ 25,548,315
Cash and investments - restricted	274,436,057	14,432,270
Taxes receivables	7,243,825	-
Intergovernmental receivables	6,949,817	145,086
Other receivables	6,747,978	183,205
Inventories	1,764,006	-
Prepaid items	1,493,129	521,787
Other current assets	24,194	-
Capital assets not being depreciated	43,458,631	13,626,094
Capital assets, net of accumulated depreciation/amortization	<u>586,381,531</u>	<u>81,644,783</u>
Total assets	<u>1,144,579,110</u>	<u>136,101,540</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	147,993,352	12,736,921
OPEB related	2,438,289	665,247
Deferred charges on refunding	<u>577,965</u>	<u>-</u>
Total deferred outflows of resources	<u>151,009,606</u>	<u>13,402,168</u>
LIABILITIES		
Accounts payable	12,500,701	1,180,055
Retainage payable	290,602	-
Accrued salaries and benefits	33,940,332	1,927,686
Intergovernmental payable	70,103	-
Other current liabilities	513,946	-
Accrued interest payable	913,901	743,541
Unearned revenues	4,791,196	212,134
Noncurrent liabilities:		
Due within one year	46,702,533	1,990,190
Due in more than one year:		
Net pension liability	460,750,166	87,265,419
Net OPEB liability	730,300,877	58,911,419
Net OPEB liability	<u>12,957,599</u>	<u>1,045,249</u>
Total liabilities	<u>1,303,731,956</u>	<u>153,275,693</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	47,551,290	2,505,251
OPEB related	8,285,346	828,078
Lease related	<u>5,639,894</u>	<u>-</u>
Total deferred inflows of resources	<u>61,476,530</u>	<u>3,333,329</u>
NET POSITION		
Net investment in capital assets	319,004,276	5,805,984
Restricted for:		
TABOR emergency reserve	14,804,389	1,580,654
Debt service	109,062,683	7,818,509
Food service	12,497,156	6,419,114
Special education	-	600,000
Unrestricted	<u>(524,988,274)</u>	<u>(29,329,575)</u>
Total net position	<u>\$ (69,619,770)</u>	<u>\$ (7,105,314)</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Statement of Activities
For the Year Ended June 30, 2025

	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs:					
Primary government:					
Governmental activities:					
Direct instruction	\$ 304,328,485	\$ 4,769,505	\$ 57,057,172	\$ -	\$ (242,501,808)
Indirect instruction	77,299,590	-	10,949,892	-	(66,349,698)
Other support programs	164,563,849	9,278,127	2,582,948	-	(152,702,774)
Food service operations	16,496,662	617,925	17,385,809	-	1,507,072
Charter School Funding	63,547,685	1,457,461	-	-	(62,090,224)
Interest expense	18,680,288	-	-	-	(18,680,288)
Total governmental activities	<u>644,916,559</u>	<u>16,123,018</u>	<u>87,975,821</u>	<u>-</u>	<u>(540,817,720)</u>
Component units:					
Charter schools	<u>\$ 55,290,401</u>	<u>\$ 2,338,646</u>	<u>\$ 4,475,292</u>	<u>\$ 870,435</u>	<u>\$ (47,606,028)</u>
	Net (Expense) Revenue	Charter Schools			
Net (expense) revenue	(540,817,720)	(47,606,028)			
General revenues:					
Property taxes	258,077,400	-			
Specific ownership taxes	14,314,002	-			
State equalization	273,205,330	41,739,975			
Other revenues	3,807,332	20,646,662			
Earnings on investments	17,425,450	-			
Total general revenues	<u>566,829,514</u>	<u>62,386,637</u>			
Change in net position	26,011,794	14,780,609			
Net position, beginning of year	<u>(95,631,564)</u>	<u>(21,885,923)</u>			
Net position, end of year	<u>\$ (69,619,770)</u>	<u>\$ (7,105,314)</u>			

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

ADAMS 12 FIVE STAR SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2025

	General	Debt Service	Capital Projects	
		Bond Redemption	Building	Capital Reserve
ASSETS				
Cash and investments	\$ 203,553,382	\$ 11,504,298	\$ -	\$ 1,001,388
Receivables (net of allowance for uncollectibles):				
Taxes	5,409,761	1,834,064	-	-
Intergovernmental	169,036	-	-	-
Other	2,237,494	-	-	4,510,484
Due from other funds	3,325,093	-	-	32,892,793
Inventories	1,525,023	-	-	-
Prepaid items	1,493,129	-	-	-
Other current assets	24,194	-	-	-
Restricted cash and investments	-	97,885,109	176,550,948	-
Total assets	<u>\$ 217,737,112</u>	<u>\$ 111,223,471</u>	<u>\$ 176,550,948</u>	<u>\$ 38,404,665</u>
LIABILITIES				
Accounts payable	\$ 5,254,049	\$ -	\$ 6,322,830	\$ 637,674
Retainage payable	-	-	265,232	25,370
Accrued salaries and benefits	32,233,313	-	4,560	6,906
Due to other governments	70,103	-	-	-
Due to other funds	59,251,516	281,845	3,043,248	-
Other current liabilities	482,830	-	-	31,116
Unearned revenue-grants	-	-	-	-
Unearned revenue-other	-	-	-	-
Total liabilities	<u>97,291,811</u>	<u>281,845</u>	<u>9,635,870</u>	<u>701,066</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	1,995,522	965,042	-	-
Lease related	1,984,619	-	-	3,655,275
Total deferred inflows of resources	<u>3,980,141</u>	<u>965,042</u>	<u>-</u>	<u>3,655,275</u>
FUND BALANCES				
Non-Spendable Fund Balance	3,018,152	-	-	-
Restricted for:				
Tabor 3% Emergency Reserve	14,804,389	-	-	-
TABOR Multi Year Obligations	16,388,129	-	-	-
Restricted Fund Balance	-	109,976,584	166,915,078	-
Assigned	59,805,815	-	-	34,048,324
Unassigned Fund Balance	22,448,675	-	-	-
Total fund balances	<u>116,465,160</u>	<u>109,976,584</u>	<u>166,915,078</u>	<u>34,048,324</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 217,737,112</u>	<u>\$ 111,223,471</u>	<u>\$ 176,550,948</u>	<u>\$ 38,404,665</u>

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

Special Revenue

<u>Grants</u>	<u>Other Governmental</u>	<u>Total</u>
\$ -	\$ 20,874	\$ 216,079,942
-	-	7,243,825
5,021,949	1,758,832	6,949,817
-	-	6,747,978
1,064,756	25,293,967	62,576,609
-	238,983	1,764,006
-	-	1,493,129
-	-	24,194
-	-	274,436,057
<u>\$ 6,086,705</u>	<u>\$ 27,312,656</u>	<u>\$ 577,315,557</u>
\$ 186,482	\$ 99,666	\$ 12,500,701
-	-	290,602
1,248,732	446,821	33,940,332
-	-	70,103
-	-	62,576,609
-	-	513,946
4,651,491	-	4,651,491
-	139,705	139,705
<u>6,086,705</u>	<u>686,192</u>	<u>114,683,489</u>
-	-	2,960,564
<u>-</u>	<u>-</u>	<u>5,639,894</u>
<u>-</u>	<u>-</u>	<u>8,600,458</u>
-	238,983	3,257,135
-	-	14,804,389
-	-	16,388,129
-	12,497,156	289,388,818
-	13,890,325	107,744,464
-	-	22,448,675
<u>-</u>	<u>26,626,464</u>	<u>454,031,610</u>
<u>\$ 6,086,705</u>	<u>\$ 27,312,656</u>	<u>\$ 577,315,557</u>

ADAMS 12 FIVE STAR SCHOOLS
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Governmental Fund Balances	\$ 454,031,610
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.	1,177,207,157
Accumulated depreciation/amortization is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(547,366,995)
Deferred property taxes will be collected this year but are not available soon enough to pay for the current period's expenditures and, therefore, revenue is not recognized in the funds.	2,960,564
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year end consist of:	
General Obligation Bonds payable	(467,281,187)
Certificates of Participation	(7,526,326)
Financed purchases	(1,914,984)
Leases	(1,606,432)
Deferred loss on refunding	577,965
Compensated absences payable	(14,261,963)
Longevity termination benefits payable	(14,861,807)
	<u>(506,874,734)</u>
Accrued interest payable is recognized in the statement of net position but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(913,901)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the funds.	
Net pension liability	(730,300,877)
Net OPEB liability	(12,957,599)
	<u>(743,258,476)</u>
Deferred outflows and inflows of resources related to pensions are applicable in future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources	147,993,352
Deferred inflows of resources	(47,551,290)
	<u>100,442,062</u>
Deferred outflows and inflows of resources related to OPEB are applicable in future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources	2,438,289
Deferred inflows of resources	(8,285,346)
	<u>(5,847,057)</u>
Net Position of Governmental Activities	<u>\$ (69,619,770)</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2025

	Debt Service		Capital Projects	
	General	Bond Redemption	Building	Capital Reserve
REVENUES				
Local:				
Property taxes	\$ 179,236,390	\$ 75,844,000	\$ -	\$ 1,182,541
Specific ownership taxes	14,314,002	-	-	-
Pupil activities	993	-	-	-
Tuition	816,533	-	-	-
Gifts and grants	33,385	-	-	-
Charges for services	1,457,461	-	-	-
Rental of buildings	259,479	-	-	1,106,576
Other	2,337,102	-	-	1,892,401
Net earnings on investments	8,636,422	568,934	3,307,242	4,912,852
State:				
State equalization	273,205,330	-	-	-
Special education	15,481,220	-	-	-
Vocational education	2,169,607	-	-	-
Transportation	2,313,537	-	-	-
English Language Proficiency Act	1,823,555	-	-	-
Gifted and talented	363,896	-	-	-
READ Act	-	-	-	-
Grants	8,443,632	-	-	-
Federal				
Total revenues	510,892,544	76,412,934	3,307,242	9,094,370
EXPENDITURES				
Current:				
Instruction	206,808,488	-	-	-
Special education	51,425,654	-	-	-
Pupil support	26,725,331	-	-	-
Instructional staff support	39,503,769	-	-	-
School administration	36,077,678	-	-	-
General administration	3,502,652	-	-	-
Business administration	4,085,520	-	190,382	248,524
Operations and maintenance	40,388,745	-	654,934	1,073,965
Transportation services	12,926,128	-	-	883,863
Personnel/data/risk management	32,255,719	-	1,587,221	-
Other support services	2,959,186	-	-	-
Food service operations	(1,075,200)	-	-	-
Funding to Charter Schools	50,761,604	-	12,438,445	-
Facilities acquisition and improvements	1,625,857	-	16,312,960	1,888,219
Debt service:				
Principal	-	59,295,000	-	2,934,418
Interest	-	17,979,063	-	464,631
Bond issuance and other costs	-	42,630	977,896	-
Total expenditures	507,971,131	77,316,693	32,161,838	7,493,620
Excess (deficiency) of revenues over (under) expenditures	2,921,413	(903,759)	(28,854,596)	1,600,750
OTHER FINANCING SOURCES (USES)				
Transfers in	491,149	-	-	3,902,004
Transfers out	(6,671,025)	-	-	-
Bonds issued	-	-	171,575,000	-
Premium on bonds issued	-	-	14,400,255	-
Total other financing sources (uses) change in fund balances	(6,179,876)	-	185,975,255	3,902,004
	(3,258,463)	(903,759)	157,120,659	5,502,754
Fund balances, beginning of year	119,723,623	110,880,343	9,794,419	28,545,570
Fund balances, end of year	\$ 116,465,160	\$ 109,976,584	\$ 166,915,078	\$ 34,048,324

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

	Other	
	Governmental	Total
\$	-	\$ 256,262,931
	-	14,314,002
	5,221,442	5,222,435
	705,433	1,521,966
	798,875	975,813
	617,925	2,075,386
	1,082,372	2,448,427
	6,699,905	10,958,856
	-	17,425,450
	-	273,205,330
	-	15,481,220
	-	2,169,607
	-	2,313,537
	-	1,823,555
	-	363,896
	-	1,485,902
	4,210,316	22,160,859
	13,175,493	39,835,330
	<u>32,511,761</u>	<u>670,044,502</u>
	8,773,826	227,065,141
	5,254	60,388,318
	80,410	35,921,055
	455,086	43,143,880
	240,277	36,818,750
	-	3,536,545
	345,408	6,447,207
	777,551	43,428,993
	17,785	14,239,354
	5,497	34,072,365
	7,439,493	11,728,963
	17,851,585	16,876,056
	-	63,547,685
	1,780	19,854,935
	-	62,229,418
	-	18,443,694
	-	1,020,526
	<u>35,993,952</u>	<u>698,762,885</u>
	<u>(3,482,191)</u>	<u>(28,718,383)</u>
	2,769,021	7,162,174
	(491,149)	(7,162,174)
	-	171,575,000
	-	14,400,255
	<u>2,277,872</u>	<u>185,975,255</u>
	<u>(1,204,319)</u>	<u>157,256,872</u>
	<u>27,830,783</u>	<u>296,774,738</u>
\$	<u>26,626,464</u>	<u>\$ 454,031,610</u>

ADAMS 12 FIVE STAR SCHOOLS
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, 2025

Net change in fund balances, governmental funds \$ 157,256,872

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

Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation/amortization expenses in the statement of activities. This is the amount by which depreciation/amortization exceeds capital outlay in the period.

Capital outlay	12,582,226
Depreciation/amortization expense, net	(39,307,786)
	(26,725,560)

Disposals of capital assets results in a gain or loss that is reported in the statement of activities. The governmental funds only report the proceeds from the sale. The difference between the gain or loss and the proceeds is the net book value of the assets disposed.

(9,190)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. This amount represents the change in unavailable property tax revenue.

1,814,469

Repayment of long term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

(123,745,837)

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.

Amortization of bond premiums and discounts	6,188,062
Deferred gains (losses) on refunding	(2,114,278)
	4,073,784

Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds. The change in the liability is recognized.

(236,594)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds - changes in long-term compensated absences and longevity termination benefits.

2,330,575

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

Net pension expense	6,665,973
Net OPEB expense	4,587,302
	11,253,275

Change in net position of governmental activities	\$ 26,011,794
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The notes to the basic financial statements are an integral part of this statement.

Notes to the Financial Statements

NOTE 1 Summary of significant accounting policies

The accompanying financial statements have been prepared in accordance with principles generally accepted in the United States of America, as applied to governmental units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Adams 12 Five Star Schools' (the district) significant accounting policies are described below.

A. Description of government-wide financial statements

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

B. Reporting entity

The district (government) is a political subdivision of the State of Colorado (the "State") and a body corporate governed by a five-director board of education. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units are aggregated in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Discretely Presented Component Units – Charter Schools. The Charter School Act, § 22-30.5-101, et seq., C.R.S., permits the district to contract with individuals and organizations for the operation of schools within the district. The statute defines these contracted schools as "charter schools." The primary revenue source for charter schools is per pupil funding based on the Public School Finance Act formula and a per pupil allocation of the district's mill levy overrides. Charter schools have separate governing boards; however, the district's Board of Education must approve all charter school applications. During fiscal year 2024-25, the district had four charter schools in operation.

Each charter school issued separate financial statements for the fiscal year ended June 30, 2025. Complete financial statements for an individual component unit may be obtained at the charter school's administrative offices.

- The New America School. 1564 Elmira St., Aurora, CO 80010.
<https://newamericaschool.org/>
- Prospect Ridge Academy. 2555 Preble Creek Pkwy, Broomfield, CO 80023.
<https://www.prospectridgeacademy.org/>
- Stargate School. 14530 Washington St., Thornton, CO 80023.
<https://www.stargateschool.org/>
- Westgate Community School. 12500 Washington Street, Thornton, CO 80241
<https://www.westgateschool.org/>

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial

statements are provided for governmental funds. The component units are combined into a separate column.

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

D. Basis of presentation – fund financial statements

The accounts of the district are organized on the basis of funds, each of which is considered an independent fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of resources, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The district reports the following major governmental funds:

The *general fund* is the general operating fund of the district. It is used to account for all financial resources, except those required to be accounted for in another fund. Any lawful expenditure of the district may be made from the general fund.

The *bond redemption-debt service fund* is used to account for the accumulation of resources that are restricted for the payment of principal, interest, and related expenses on the district's long-term general obligation debt.

The *building-capital projects fund* is used to account for the major capital outlays for facilities funded by the proceeds from general obligation bonds.

The *capital reserve-capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by trust funds).

The *governmental designated-purpose grants special revenue fund* is used to account for the proceeds of state and federal fiscal grant revenue that are legally restricted to expenditures for specified purposes.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they

have been earned and they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 180 days after year-end if attributable to state and federal reimbursements and 60 days after year-end if attributable to property tax collections.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences and longevity termination benefits, and claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the district the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes associated with the current fiscal period are susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are reported as receivables and deferred inflows of resources when levied and recognized as revenue when determined to be available (*i.e.*, received within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (*i.e.*, within 180 days of year-end). All other revenue is considered to be measurable and available only when cash is received by the district.

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

F. Use of estimates in preparing financial statements

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

G. Investments

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

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

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

Investments are considered to be short-term if they are held less than one year. (See Note 2.)

H. Inventories

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

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

I. Prepaid items

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

J. Capital assets

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

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

The monetary threshold for capitalization of assets in governmental funds is \$5,000 through September 30, 2024, and \$10,000 as of October 1, 2024. The district's capital assets are depreciated/amortized using the straight-line method over the estimated useful lives of the capital assets.

Estimated useful lives are:

Equipment, Vehicles, and Technology	5 to 20 years
Buildings and Site Improvements	25 to 50 years

Subscription-based information technology arrangement (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

K. Leases

The district determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position.

Lease assets represent the district's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the district's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonable certain that the district will exercise that option.

Lease receivables represent the present value of future lease payments where the district is the lessor. Interest income is recognized by the district as revenue ratably over the contract term. Lease revenue is recognized by the district through amortization of a deferred inflow of resources in a systematic and rational manner over the lease term.

The district recognizes payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the district has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

L. Deferred outflows and inflows of resources

In addition to assets, the statement of net position and fund level balance sheet will sometimes report a separate section for deferred outflows of resources. This section represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. Deferred charge on refunding and deferred outflows of resources related to pensions and Other Postemployment Benefits (OPEB) are reported in the government-wide statement of net position as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows related to pension and OPEB are discussed in Note 11 and Note 12.

In addition to liabilities, the statement of net position and fund level balance sheet reports a separate section for deferred inflows of resources which represents acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Deferred

inflows related to pensions and OPEB are reported in the government-wide statement of net position as a deferred inflow of resources. The deferred inflows related to pensions and OPEB are discussed in Note 11 and Note 12 in the notes to basic financial statements. Deferred inflows of resources related to leases are reported on both government-wide and governmental funds. In addition to government-wide inflows, the district has one additional item that qualifies for reporting in this category at the fund level. On the fund level balance sheet, the General Fund and Bond Redemption-Debt Service Fund report unavailable revenues from property taxes that are expected to be collected, but not soon enough to pay for current period expenditures.

M. Liabilities

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

N. Compensated absences

District policy allows employees to accumulate unused vacation to the extent of one year's leave beyond the current year. District policy allows administrative employees to accumulate unused temp (sick) leave at a rate of one day per month; classified hourly employees to a maximum of 150 days or 1,200 hours. Certified employees may accumulate up to 180 days.

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

O. Longevity termination benefits

District master agreements with the Classified School Employees' Association (CSEA) and the District Twelve Educators' Association (DTEA) offer stipends for employees resigning from the district with the requisite years of continuous service.

Classified employees hired prior to January 1, 2011, who resign with at least 13 years of service may be eligible for the CSEA career service credit stipend. The amount of the stipend, payable in five equal annual installments, is determined based on the CSEA agreement. The employee stipend is 133% or 66.5% of the average of the highest three years of annual salary. The maximum stipend is \$72,500 for employees with at least 20 years of service or \$36,250 for employees with at least 13 but less than 20 years of service. The exception to the maximum stipend are eligible employees with a calculated stipend

exceeding \$72,500 as of December 31, 2010. Employees hired January 1, 2011, or later are not eligible for the career service credit stipend.

Educators hired prior to January 1, 2007, who resign with at least 13 years of continuous service may be eligible for the DTEA certified compensation stipend. The amount of the stipend, payable in five equal installments, is determined based on the DTEA agreement. The stipend is \$86,242.50 for educators with at least 20 years of continuous service or one-half the amount for educators who have at least 13 years but less than 20 years of continuous service.

Longevity termination benefits are payable annually and are not liquidated with expendable available financial resources at June 30. The district budgets the subsequent year's available financial resources for each year's anticipated longevity termination benefit payments.

P. Net pension liability

The district's governmental activities report a net pension liability as of June 30, 2025. The district is required to report its proportionate share of PERA's unfunded pension liability. Refer to Note 11 for additional information.

Q. On-behalf payment

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state of Colorado makes direct on-behalf payments for retirement benefits to the Public Employees' Retirement Association of Colorado (PERA). Beginning on July 1, 2018, the state of Colorado is required to make a payment to PERA each year. PERA allocates the contribution to the trust funds of the state, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1 of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. Refer to Note 11 for additional information.

R. Postemployment benefits other than pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by PERA and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. Refer to Note 12 for additional information.

S. Fund balance

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

Nonspendable. Includes amounts that cannot be spent because they are 1) not spendable in form, or 2) legally or contractually required to be maintained intact. All amounts reported as nonspendable by the district are nonspendable in form.

Restricted. Includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed. Includes amounts that can only be used for the specific purposes determined by a formal action by the Board of Education. Committed fund balance is reported pursuant to constraints imposed

by the district's Board of Education, the highest level of decision-making authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education.

Assigned. Includes amounts that can be used for specific purposes, but do not meet the criteria for being restricted or committed. Under Board Policy Operating Limitations, amounts may be assigned by the district's Superintendent.

Unassigned. Represents the residual classification for the General Fund. This classification includes amounts that have not been assigned to other funds or restricted, committed, or assigned to specific purposes within the General Fund. In other funds, if a deficit balance is reported this is a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

T. Adoption of New Accounting Standards

GASB Statement No. 101, Compensated Absences

In June 2022, the GASB issued GASB Statement No. 101, Compensated Absences. This statement updates the methods to account for and report on compensated absences. Compensated absences include vacation and temporary leave. The liability is recorded for leave that hasn't been used and is more likely than not to be used or settled through cash and/or non-cash means. The district adopted the requirements of the guidance effective July 1, 2024.

GASB Statement No. 102, Certain Risk Disclosures

In December 2023, the GASB issued GASB Statement No. 102, Certain Risk Disclosures. This statement requires the disclosure of risk arising due to a known concentration or constraint making the district vulnerable to risk of substantial impact that has occurred or more likely than not to occur within 12 months of the date of the financial statements. The district adopted the requirements of the guidance effective July 1, 2024.

The following standards will be implemented in future years. GASB Statement No. 103, Financial Reporting Model Improvements is effective fiscal year 2025-26; and GASB Statement No. 104, Disclosure of Certain Capital Assets is effective fiscal year 2025-26.

NOTE 2 Cash deposits and investments

A. Deposits

The district's investment policy is approved by the Board of Education and aligns with Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. § 11-10.5-101, et seq., C.R.S. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all uninsured public deposits as a group. The fair value of the collateral must be at least equal to the aggregate uninsured deposits.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. The district does not have a deposit policy for custodial credit risk. At June 30, 2025, the district's carrying amount of the deposits is \$16,774,927. The district's bank deposits are collateralized with securities held by the financial institution's agent through PDPA.

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

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

Cash, deposits, and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Governmental activities:

Cash and investments – unrestricted	\$ 216,079,942
Cash and investments – restricted	<u>274,436,057</u>
Total governmental activities	<u><u>\$ 490,515,999</u></u>

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

As of June 30, 2025, cash and investment balances in the financial statements consisted of the following:

Cash and investments:

Cash and deposit balance ¹	\$ 16,796,001
Investments	<u>473,719,998</u>
Total cash and investments	<u><u>\$ 490,515,999</u></u>

¹ Includes \$21,074 cash on hand

B. Investments

As of June 30, 2025, the district had the following investments. Investments held in repurchase agreements are not a part of pooled – a cash until drawn. All other deposits and investments are internally pooled to maximize investment safety, liquidity, and interest yield.

Notes to the Financial Statements

Type of Security	Fair Value	Concentration	Rating	Maturity in months		
				12 or less	13-24	25-60
Primary Government:						
Investment pool	\$ 415,547,892	87.72%	AAAm ³	\$ 415,547,892	\$ -	\$ -
Investment pool	11,504,298	2.43%	AAAf2	11,504,298	-	-
Money market fund						
U.S. Bank	132,283	0.03%	NR	132,283	-	-
United States Treasury bonds	32,987,608	6.96%	AA1	5,961,816	5,768,511	21,257,281
United States Treasury bonds	2,005,390	0.42%	N/A	-	-	2,005,390
Federal agency bonds and notes	3,215,237	0.68%	AA1	2,206,507	1,008,730	-
Municipal bonds and notes	3,437,912	0.73%	AA1	1,972,912	1,465,000	-
Municipal bonds and notes	816,537	0.17%	AA2	75,083	566,511	174,943
Municipal bonds and notes	913,266	0.19%	AAA	-	913,266	-
Municipal bonds and notes	596,568	0.13%	N/A	596,568	-	-
Corporate Notes	1,024,078	0.22%	AA2	1,024,078	-	-
Corporate Notes	509,403	0.11%	AA3	509,403	-	-
Corporate Notes	1,029,526	0.22%	AAA	1,029,526	-	-
Total	\$ 473,719,998	100.00%		\$ 440,560,366	\$ 9,722,018	\$ 23,437,614

¹ Ratings are Moody's

² Ratings are Fitch

³ Ratings S&P

Interest Rate Risk. The district investment policy limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. Colorado statute limits investment maturities to five years or less depending on the specific investment held unless formally approved by the governing board. § 24-75-601.1, C.R.S.

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

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

The district has the following recurring fair value measurements as of June 30, 2025:

	Total	Level 1	Fair value measurements using	
			Level 2	Level 3
<u>Investments by fair value level:</u>				
United States Treasury bonds	\$ 34,992,998	\$ 34,992,998	\$ -	\$ -
Municipal bonds and notes	5,764,283	-	5,764,283	-
Federal agency bonds and notes	3,215,237	-	3,215,237	-
Corporate notes	2,563,007	-	2,563,007	-
Total Investments by Fair Value Level	46,535,525	\$ 34,992,998	\$ 11,542,527	\$ -
<u>Measured at net asset value</u>				
COLOTRUST				
(external investment pool)	427,052,190			
Money market fund	132,283			
Total investments	\$ 473,719,998			

As of June 30, 2025, the district had invested \$427,052,190 in the Colorado Liquid Asset Trust (ColoTrust), with \$415,547,892 invested in ColoTrust Plus and \$11,504,298 invested in ColoTrust Edge, which are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00 for ColoTrust Plus and \$10.00 for ColoTrust Edge. Investments in ColoTrust are valued at net asset value (NAV). ColoTrust Plus is rated AAAM by Standard and Poor’s and ColoTrust Edge is rated AAAF by Fitch Ratings. For ColoTrust Plus, there are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. For ColoTrust Edge, there are no unfunded commitments, the redemption frequency is weekly, and there is a five business day redemption notice period.

In accordance with Section 22-45-103, C.R.S., the district’s bond redemption fund custodian for fiscal year 2024-25 is UMB Corporate Trust Services, a third party. The amounts held by the custodian were \$97,885,109 at June 30, 2025.

NOTE 3 Receivables

A. Property taxes receivables and intergovernmental receivables

Property taxes levied in 2024 but not yet collected in 2025 are identified as Property Taxes Receivable, net of allowance for uncollectible, and Deferred Inflows of Resources in the governmental funds balance sheet at June 30, 2025, and are presented in the amount of \$7,243,825 and \$2,960,564 respectively. Intergovernmental receivables of \$169,036 in the General Fund, \$5,021,949 in the Governmental Designated-Purpose Grants Special Revenue Fund, and \$1,758,832 in the Food Service Fund includes amounts due from grantors for specific program grants. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred. The largest components of intergovernmental receivables are generally due from the State of Colorado.

B. Leases receivable

Lease receivables are included within accounts receivable for financial reporting. The district leases building space to multiple third parties under the terms of long-term noncancellable lease agreements which are reported within the Capital Reserve Fund. The leases expire by April 30, 2030.

Total future lease payments under the lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,240,539	\$ 285,637	\$ 1,526,176
2027	1,357,883	195,190	1,553,073
2028	959,237	102,952	1,062,189
2029	496,763	56,353	553,116.00
2030	456,062	16,335	472,397
Total	<u>\$ 4,510,484</u>	<u>\$ 656,467</u>	<u>\$ 5,166,951</u>

The district leases various property sites to multiple third parties for the placement of antenna facilities under the terms of long-term noncancellable lease agreements which are reported within the General Fund. The leases expire by December 31, 2039.

Total future lease payments under the agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 170,279	\$ 133,012	\$ 303,291
2027	127,730	81,686	209,416
2028	140,818	75,670	216,488
2029	153,710	68,635	222,345
2030	82,173	31,484	113,657
2031-2035	650,728	183,191	833,919
2036-2040	659,181	69,357	728,538
Total	<u>\$ 1,984,619</u>	<u>\$ 643,035</u>	<u>\$ 2,627,654</u>

NOTE 4 Property taxes

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes attach an enforceable lien on property as of January 1 of the year following the levy. Property taxes are recognized as revenue when available and measurable. "Available" is the amount collected at the end of the period and the amount expected to be collected within 60 days, whether or not budgeted.

NOTE 5 Changes in capital assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions / Transfers	Deletions / Transfers	Ending Balance
Governmental activities				
Nondepreciable assets:				
Land	\$ 36,004,172	\$ -	\$ -	\$ 36,004,172
Construction in progress	15,735,782	11,405,938	(19,687,261)	7,454,459
Total nondepreciable assets	51,739,954	11,405,938	(19,687,261)	43,458,631
Depreciable/amortizable assets:				
Buildings	993,057,096	19,743,078	-	1,012,800,174
Equipment and vehicles	116,069,347	1,120,471	(85,075)	117,104,743
Subscription Based Information Technology Arrangement Assets	1,790,400	-	-	1,790,400
Lease asset – building	2,053,209	-	-	2,053,209
Total depreciable/amortizable assets	1,112,970,052	20,863,549	(85,075)	1,133,748,526
Less: Accumulated depreciation/amortization for:				
Buildings	(437,561,509)	(26,861,629)	-	(464,423,138)
Equipment and vehicles	(69,297,177)	(11,609,881)	75,885	(80,831,173)
Subscription Based Information Technology Arrangement Assets	(1,031,660)	(568,466)	-	(1,600,126)
Lease asset – building	(244,748)	(267,810)	-	(512,558)
Total accumulated depreciation/amortization	(508,135,094)	(39,307,786)	75,885	(547,366,995)
Total Capital assets, net	\$ 656,574,912	\$ (7,038,299)	\$ (19,696,451)	\$ 629,840,162

Depreciation/amortization expense was charged to functions/programs of the district as follows:

Functions/Programs	Depreciation/ Amortization
Governmental activities	
Instruction	\$ 25,667,892
School administration	12,127
General administration	285,738
Business services	305,071
Transportation and operations	1,698,653
District-wide	11,338,305
Total depreciation/amortization expense	\$ 39,307,786

NOTE 6 Accrued salaries and benefits

Salaries and longevity benefits of certain contractually employed personnel are paid over a 12-month period from August to July but are earned during a school year of approximately 9 to 10 months. The salaries and benefits earned, but unpaid, at June 30, 2025, are estimated to be \$33,940,332. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund, Governmental Designated-Purpose Grants Special Revenue Fund, Food Service Special Revenue Fund, Before, After, and Summer Enrichment Special Revenue Fund, Pupil Activity Special Revenue Fund, Interscholastic Athletic Special Revenue Fund, and Other Special Revenue Fund.

NOTE 7 Long-term liabilities**A. Changes in long-term liabilities**

Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
Series 2012 GORB	\$ 22,970,000	\$ -	\$ 22,970,000	\$ -	\$ -
Series 2014 GORB	20,090,000	-	-	20,090,000	20,090,000
Series 2014B GORB	36,325,000	-	36,325,000	-	-
Series 2016B GO bonds	204,775,000	-	-	204,775,000	-
Series 2018 GO bonds	34,500,000	-	-	34,500,000	-
Series 2025 GO bonds	-	171,575,000	-	171,575,000	6,135,000
Unamortized bond premiums	<u>27,843,257</u>	<u>14,400,255</u>	<u>5,902,325</u>	<u>36,341,187</u>	<u>3,097,562</u>
Total general obligation bonds	346,503,257	185,975,255	65,197,325	467,281,187	29,322,562
Refunding COPs, Series 2016	8,930,000	-	2,095,000	6,835,000	2,185,000
Unamortized COP premiums	<u>977,064</u>	<u>-</u>	<u>285,738</u>	<u>691,326</u>	<u>285,738</u>
Total certificates of participation	9,907,064	-	2,380,738	7,526,326	2,470,738
Financed purchases	2,517,233	-	602,249	1,914,984	366,769
Leases	1,843,601	-	237,169	1,606,432	252,840
Compensated absences ^{1,2}	15,797,065	-	1,535,102	14,261,963	8,516,399
Longevity termination benefit ²	<u>15,657,280</u>	<u>4,580,782</u>	<u>5,376,255</u>	<u>14,861,807</u>	<u>5,773,225</u>
Total	<u>\$ 392,225,500</u>	<u>\$ 190,556,037</u>	<u>\$ 75,328,838</u>	<u>\$ 507,452,699</u>	<u>\$ 46,702,533</u>

¹ Presented as a net decrease.

² In FY 2024, compensated absences and longevity benefits were shown combined.

B. General obligation and capital appreciation serial bonds

The district issues general obligation bonds to provide funds for developing, renovating, acquiring, and constructing major capital assets. The bonds are secured by the district's full faith and credit and are general obligations of the district payable from ad valorem taxes to be levied, without limitation of rate and in an amount sufficient to pay the bonds when due, against all taxable property within the district

The district's bonds generally are issued as serial bonds with maturities that range from 12 years to 20 years. Interest, at rates from 2.00% to 5.50%, is payable semi-annually on June 15 and December 15. The bonds mature annually on December 15 with remaining principal amounts varying from \$2,680,000 to \$60,575,000. Bonds outstanding at June 30, 2025, are as follows:

Issue	Original borrowing	Interest rates	Final maturity	Outstanding at year-end
Governmental activities				
General obligation bonds				
Series 2014 GORB	\$ 20,215,000	2.00% to 5.00%	2025	\$ 20,090,000
Series 2016B GO bonds	285,000,000	2.00% to 5.00%	2034	204,775,000
Series 2018 GO bonds	65,000,000	5.50%	2036	34,500,000
Series 2025 GO bonds	171,575,000	5.00% to 5.25%	2044	<u>171,575,000</u>
Total general obligation bonds				<u>\$ 430,940,000</u>

On June 15, 2023, the district executed a partial defeasance of General Obligation Bonds, Series 2016B. The district defeased the principal maturing on December 15, 2035, and December 15, 2036, in the combined amount of \$64,745,000. The district used existing bond redemption funds as the source to defease the debt. The defeasance will save the district approximately \$38.6 million over the remaining term of those two maturities. \$68.2 million of existing bond redemption funds were placed in an escrow account representing the funds sufficient to pay principal and interest on the defeased bonds. The

escrow investments are essentially risk-free and the defeased bonds are no longer an obligation of the district.

On January 15, 2025, the district prepaid the remaining principal on the General Obligation Refunding Bonds, Series 2014B. The prepayment accelerated the final two maturities (i.e., December 15, 2025, and 2026. The prepayment saved the district approximately \$3.0 million over the remaining two maturities.

C. Summary of debt service requirements to maturity

The following schedule reflects the debt service requirements to maturity of the district's general obligation bonded debt as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 26,225,000	\$ 21,176,038	\$ 47,401,038
2027	60,575,000	19,006,038	79,581,038
2028	24,175,000	16,880,588	41,055,588
2029	25,395,000	15,627,575	41,022,575
2030	26,680,000	14,311,175	40,991,175
2031-2035	154,575,000	49,915,763	204,490,763
2036-2040	49,430,000	23,547,188	72,977,188
2041-2045	63,885,000	8,727,204	72,612,204
Total	<u>\$ 430,940,000</u>	<u>\$ 169,191,569</u>	<u>\$ 600,131,569</u>

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

D. Certificates of participation

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

The Certificates of Participation provide for the following payments:

Year Ending June 30,	Principal	Interest	Total
2026	2,185,000	276,200	2,461,200
2027	2,270,000	175,750	2,445,750
2028	2,380,000	59,500	2,439,500
Total	<u>\$ 6,835,000</u>	<u>\$ 511,450</u>	<u>\$ 7,346,450</u>

E. Financed purchases

On May 6, 2021, the district entered into an energy equipment financed purchase agreement to acquire certain energy equipment and other capital upgrades for school purposes. The term is for 15 years with an annual percentage rate of 2.216%. Annual payments began May 6, 2022, and end May 6, 2036.

On October 8, 2021, the district entered into a financed purchase agreement to acquire vehicle fleet equipment. The term is for 4 years with an annual percentage rate of 0.845%. Quarterly payments began January 8, 2022, ending October 8, 2025.

The district's obligation to make annual payments under these agreements is subject to annual appropriation authority as made by the Board of Education.

The following schedule represents the principal and interest under these agreements:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 366,769	\$ 37,802	\$ 404,571
2027	128,407	34,308	162,715
2028	134,291	31,463	165,754
2029	140,384	28,487	168,871
2030	146,692	25,376	172,068
2031-2035	809,574	75,724	885,298
2036	188,867	4,185	193,052
Total	\$ 1,914,984	\$ 237,345	\$ 2,152,329

F. Leases

Before the 2023-24 school year, the district leased a building used for the Five Star Online Academy. The term is for over 7 years with an annual percentage rate of 3.37%. Monthly lease payments continue through January 2031.

The district's obligation to make annual payments under the lease is subject to annual appropriation authority as made by the Board of Education.

The following schedule represents the principal and interest under the lease:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 252,840	\$ 50,335	\$ 303,175
2027	269,048	41,533	310,581
2028	285,812	32,216	318,028
2029	302,531	22,304	324,835
2030	314,138	11,935	326,073
2031	182,063	1,935	183,998
Total	\$ 1,606,432	\$ 160,258	\$ 1,766,690

G. Longevity termination benefits

At June 30, 2025, 298 educators are eligible for the certified compensation stipend with a district liability of \$10,006,413. The career service credit stipend liability due to 269 classified employees equaled \$4,855,394. The payments are due to eligible employees over a five-year period beginning after employee resignation.

H. Computation of legal debt margin

The computation for the district's legal debt margin as of June 30, 2025, is as follows:

Actual value of taxable property in the district	\$ 47,366,559,375
Debt limitation – 6% of actual value of taxable property	2,841,993,563
Total bonded debt	430,940,000
Less: amount set aside to repay general debt	<u>(109,976,584)</u>
Total net debt applicable to debt limit	320,963,416
Legal debt margin	<u>\$ 2,521,030,147</u>

The debt limitation for all school districts in Colorado is calculated per state statute. § 22-42-104, C.R.S. The limit on bonded indebtedness of a school district is the greater of the following: (a) 20% of the latest valuation for assessment of the taxable property in such district, as certified by the county assessor to the board of county commissioners; or (b) 6% of the most recent determination of the actual value of the taxable property in the district, as certified by the county assessor to the board of county commissioners. After successful passage of the November 2016 ballot issue, the district is authorized to increase its debt limit to an amount equal to 6% of the district's actual value.

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

NOTE 8 Fund balance

The Board of Education adopted Board Policy 2.4, Operating Limitations – Financial Condition and Activities. The district must maintain an unassigned fund balance at the conclusion of a fiscal year to be no less than 4% and no more than 8% of general fund revenues except that the unassigned fund balance may be utilized for achievement of board ends and compliance with operating limitations policies with prior board approval and a specific plan for replenishing the reserve.

Nonspendable items in fund balance equal inventories and prepaid items. The restricted fund balances include the TABOR emergency reserve, multi-year obligations, debt service fund balance, building fund balance, and the food service fund balance.

The assignments of fund balance are listed below:

<u>General Fund Assignments</u>	<u>Balance</u>
Budgeted one-time expenditures	\$ 5,021,712
Instructional resources	11,921,946
Information technology	16,902,475
Encumbrances and carryover	20,959,682
Insurance reserve fund	5,000,000
General fund subtotal	<u>59,805,815</u>
<u>Other Fund Assignments</u>	
Capital reserve – capital projects	34,048,324
Before, After, and Summer Enrichment	4,472,680
Pupil activity	4,685,970
Athletics	1,914,832
Other special revenue	2,816,843
Total assigned governmental funds	<u>\$ 107,744,464</u>

The remaining funds are unassigned and are limited to the general fund. In compliance with board of education policy, the unassigned fund balance is 4.9% of general fund revenues, less charter pass through.

NOTE 9 Governmental interfund receivables, payables, and transfers

The amounts due from the General Fund represent a negative balance in the General Fund and positive balances in the other funds. The General Fund receives cash and makes disbursements for these funds. The overall bank balance remains unchanged.

These amounts will be satisfied from operations in the subsequent year (*e.g.*, when grant funds due the district are received from the grantor).

The following table shows the amounts due from or due to the general fund.

<u>Due from the General Fund</u>	<u>Balance</u>
Capital Reserve	\$ 32,892,793
Government Designated-Purpose Grants	1,064,756
Food Service	10,917,294
Before, After, and Summer Enrichment	4,722,314
Pupil Activity	4,705,565
Athletic	2,034,432
Other Special Revenue	2,914,362
Total	<u>\$ 59,251,516</u>

<u>Due to the General Fund</u>	<u>Balance</u>
Bond Redemption	\$ 281,845
Building	3,043,248
Total	<u>\$ 3,325,093</u>

The district transfers money to various funds to meet operational needs. Occasionally, other funds will transfer back to the General Fund as allowed by state statute and authorized by the board of education. Money was transferred from Pupil Activity to the General Fund to support device refresh.

<u>Transfers from the General Fund</u>	<u>Balance</u>
Capital Reserve	\$ 3,902,004
Food Service	35,276
Interscholastic Athletic	2,733,745
Total	<u>\$ 6,671,025</u>

<u>Transfers to the General Fund</u>	<u>Balance</u>
Pupil Activity, net	\$ 491,149

NOTE 10 Encumbrances

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

<u>Funds</u>	<u>Amount</u>
General fund	\$ 16,731,710
Capital projects funds	46,686,529
Special revenue funds	298,159
Total	<u>\$ 63,716,398</u>

NOTE 11 Defined benefit pension plan

A. Summary of Significant Accounting Policies

The district participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic

resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

B. General Information about the Pension Plan

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

Benefits provided as of December 31, 2024. 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 the 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.

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, 2025. Eligible employees of the district and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024, through June 30, 2025. Employer contribution requirements are summarized in the table below:

	July 1, 2024 through June 30, 2025
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%
Total employer contribution rate to the SCHDTF	<u>20.38%</u>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district were \$67,623,837 for the year ended June 30, 2025.

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. For 2024, 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.

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

The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The district proportion of the net pension liability was based on the district contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, the district reported a liability of \$730,300,877 for its proportionate share of the net pension liability that reflected a decrease for support from the State as a nonemployer contributing entity. The amount recognized by the district as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the district were as follows:

The district's proportionate share of the net pension liability	\$ 730,300,877
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the district	<u>65,592,612</u>
Total	<u>\$ 795,893,489</u>

At December 31, 2024, the district's proportion was 4.23%, which was a decrease of 0.34 percentage points from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the district recognized pension expense of \$27,299,195 and revenue of \$6,917,265 for support from the State as a nonemployer contributing entity. At June 30, 2025, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 41,355,841	\$ -
Changes of assumptions or other inputs	5,475,151	-
Net difference between projected and actual earnings on pension plan investments	13,778,748	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	53,418,445	47,551,290
Contributions subsequent to the measurement date	<u>33,965,167</u>	<u>-</u>
Total	<u>\$ 147,993,352</u>	<u>\$ 47,551,290</u>

\$33,965,167 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, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2026	\$ 53,947,845
2027	49,126,805
2028	(26,770,781)
2029	(9,826,974)

Actuarial assumptions. The December 31, 2023, actuarial valuation using the following actuarial cost method and key 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 ¹	Financed by the AIR

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

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80 / 94% of the rates age 80 and older Females: 83% of the rates prior to age 80 / 106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation 4.00% - 13.40%

Salary scale assumptions were altered to better reflect actual experience.

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

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85 / 115% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected 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 commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor

benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

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

Based on the above assumptions and methods, the SCHDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% 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 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 1-percentage point lower (6.25%) or 1-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	\$ 990,118,733	\$ 730,300,877	\$ 512,667,106

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/forms-resources/financial-reports-and-studies.

NOTE 12 Defined benefit Other Postemployment Benefit (OPEB) plan

A. Summary of Significant Accounting Policies

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

B. General Information about the OPEB Plan

Plan description. Eligible employees of the district are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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/forms-resources/financial-reports-and-studies.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member’s years of service credit. For members who retire having service credit with employers in the Denver Public

Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure. The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 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 district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the district were \$3,384,510 for the year ended June 30, 2025.

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

At June 30, 2025, the district reported a liability of \$12,957,599 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The district proportion of the net OPEB liability was based on district contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the district's proportion was 2.71%, which was a decrease of 0.03 percentage points from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the district recognized OPEB expense of \$2,887,377. At June 30, 2025, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 2,858,185
Changes of assumptions or other inputs	148,581	4,141,894
Net difference between projected and actual earnings on OPEB plan investments	43,927	—
Changes in proportion and differences between contributions recognized and proportionate share of contributions	545,856	1,285,267
Contributions subsequent to the measurement date	1,699,925	—
Total	\$ 2,438,289	\$ 8,285,346

\$1,699,925 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, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2026	\$ (1,870,854)
2027	(1,529,096)
2028	(1,823,947)
2029	(1,152,607)
2030	(779,564)
Thereafter	(390,914)

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
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 Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	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			16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2			105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums			3.5% in 2024, gradually increasing to 4.5% in 2033	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare Plans			N/A	
Medicare Part A premiums			N/A	

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 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 were 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.

Age-Related Morbidity Assumptions

Participant	Annual Increase	
	(Male)	(Female)
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%

Sample	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$1,420	\$585	\$486	\$1,897	\$1,575
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853

Sample	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

The 2024 Medicare Part A premium is \$505 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

Year	PERACare Medicare Plans ¹	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

¹ Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80 / 90% of the rates age 80 and older Females: 87% of the rates prior to age 80 / 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80 / 94% of the rates age 80 and older Females: 83% of the rates prior to age 80 / 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates of all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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, 2023, 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 were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on 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 PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

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

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	\$1,824	\$6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85 / 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85 / 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates of all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 November 15,

2019, meeting, and again at the Board's September 20, 2024, meeting. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the district’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following table 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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% increase in Trend Rates</u>
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 12,608,490</u>	<u>\$ 12,957,599</u>	<u>\$ 13,352,695</u>

¹For the January 1, 2025, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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, 2024, 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.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF 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 did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the district’s proportionate share of the net OPEB liability to changes in the discount rate. The following table 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 1-percentage-point lower (6.25%) or 1-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	\$ 15,879,737	\$ 12,957,599	\$ 10,438,362

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/forms-resources/financial-reports-and-studies.

NOTE 13 Risk management

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

A. Colorado School District Self-Insurance Pool

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

The district currently has a \$100,000 deductible for property insurances and a \$25,000 deductible for school entity liability insurance. We also purchase insurance for auto liability with deductibles of \$50,000 for bodily injury and property damage and \$2,500 for auto physical damage. The coverage through CSDSIP also includes limited insurance coverage for cyber, crime and pollution liability. We did not experience significant reductions in insurance coverage in the prior year and had no settlements that exceeded insurance coverage for each of the past three fiscal years.

B. Workers' compensation

The district's deductible for losses is \$500,000 per claim with a maximum aggregate of \$1.5 million per year. There is also a 6% claim handling fee that is applied to each claim up to the deductible. This program structure reflects a significant reduction in premium costs and reduces the district's overall expense exposure from prior years.

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

NOTE 14 Related party transactions

The district provides administrative and other services to its charter schools, shown in this report as component units. The amount charged for services, in accordance with governing state statutes, range from 1% to 5% of per pupil funding under the Colorado Public School Finance Act. Amounts charged to all charter schools for the fiscal year ended June 30, 2025, were \$1,457,461.

NOTE 15 Commitments and contingencies

A. Litigation

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

B. Grants

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

C. Construction contract commitments

Commitments for construction and improvement contracts in the Building-Capital Projects Fund for the 2024 Bond Program totals \$32,020,075 as of June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION



ADAMS 12 FIVE STAR SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Funds
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative) to Actuals
	Original	Final		
REVENUES				
Local:				
Property taxes	\$ 198,019,837	\$ 181,368,143	\$ 179,236,390	\$ (2,131,753)
Specific ownership taxes	13,000,000	14,400,000	14,314,002	(85,998)
Pupil activities	-	296	993	697
Tuition	700,000	801,881	816,533	14,652
Gifts and grants	-	-	33,385	33,385
Charges for services	1,341,432	1,362,419	1,457,461	95,042
Rental of buildings	260,000	260,000	259,479	(521)
Other	500,000	1,454,604	2,337,102	882,498
Net earnings on investments	4,778,393	5,861,478	8,636,422	2,774,944
State:				
State equalization	255,049,164	272,000,000	273,205,330	1,205,330
Special education	15,363,408	15,293,033	15,481,220	188,187
Vocational education	1,973,506	1,973,506	2,169,607	196,101
Transportation	2,264,143	2,264,143	2,313,537	49,394
English Language Proficiency Act	1,822,666	1,821,777	1,823,555	1,778
Gifted and talented	383,775	403,654	363,896	(39,758)
Grants	6,157,480	5,166,296	8,443,632	3,277,336
Total revenues	<u>501,613,804</u>	<u>504,431,230</u>	<u>510,892,544</u>	<u>6,461,314</u>
EXPENDITURES				
Current:				
Instruction	194,204,764	200,270,089	206,808,488	(6,538,399)
Special education	52,059,484	51,997,229	51,425,654	571,575
Pupil support	28,152,869	25,499,004	26,725,331	(1,226,327)
Instructional staff support	34,134,965	37,854,827	39,503,769	(1,648,942)
School administration	35,920,216	39,210,650	36,077,678	3,132,972
General administration	4,080,022	3,744,548	3,502,652	241,896
Business administration	6,348,718	6,527,263	4,085,520	2,441,743
Operations and maintenance	40,219,582	40,993,862	40,388,745	605,117
Transportation services	12,965,227	13,500,037	12,926,128	573,909
Personnel/data/risk management	33,937,738	36,258,141	32,255,719	4,002,422
Other support services	485,705	802,700	2,959,186	(2,156,486)
Food service operations	-	-	(1,075,200)	1,075,200
Funding to Charter Schools	50,345,154	50,345,154	50,761,604	(416,450)
Facilities acquisition and improvements	1,527,814	1,839,593	1,625,857	213,736
Contingency and appropriated reserves	108,736,896	109,167,156	-	109,167,156
Total expenditures	<u>603,119,154</u>	<u>618,010,253</u>	<u>507,971,131</u>	<u>110,039,122</u>
Excess (deficiency) of revenues over (under) expenditures	(101,505,350)	(113,579,023)	2,921,413	116,500,436
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	491,149	491,149
Transfers out	(5,755,772)	(6,144,600)	(6,671,025)	(526,425)
Total other financing sources (uses)	<u>(5,755,772)</u>	<u>(6,144,600)</u>	<u>(6,179,876)</u>	<u>(35,276)</u>
Net change in fund balances*	<u>(107,261,122)</u>	<u>(119,723,623)</u>	<u>(3,258,463)</u>	<u>116,465,160</u>
Fund balances, beginning of year	107,261,122	119,723,623	119,723,623	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,465,160</u>	<u>\$ 116,465,160</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

See accompanying Notes to Required Supplementary Information

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Governmental Designated Purpose Grants Special Revenue
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Gifts and grants	\$ -	\$ 184,000	\$ 143,553	\$ (40,447)
Charges for services	483,016	483,016	-	(483,016)
Other	-	-	29,448	29,448
State:				
READ Act	1,451,367	1,314,339	1,485,902	171,563
Grants	27,814,966	26,616,027	9,506,911	(17,109,116)
Federal	34,729,710	29,570,054	26,659,837	(2,910,217)
Total revenues	<u>64,479,059</u>	<u>58,167,436</u>	<u>37,825,651</u>	<u>(20,341,785)</u>
EXPENDITURES				
Current:				
Instruction	29,820,220	31,702,532	11,482,827	20,219,705
Special education	8,088,700	8,086,322	8,957,410	(871,088)
Pupil support	10,782,708	10,796,785	9,115,314	1,681,471
Instructional staff support	5,535,643	4,224,059	3,185,025	1,039,034
School administration	178,615	11,808	500,795	(488,987)
General administration	-	-	33,893	(33,893)
Business administration	656,756	892,589	1,577,373	(684,784)
Operations and maintenance	389,051	504,113	533,798	(29,685)
Transportation services	187,438	309,126	411,578	(102,452)
Personnel/data/risk management	3,090	3,928	223,928	(220,000)
Other support services	3,095,877	2,533,238	1,330,284	1,202,954
Food service operations	3,090	3,090	99,671	(96,581)
Funding to Charter Schools	737,868	411,469	347,636	63,833
Facilities acquisition and improvements	-	-	26,119	(26,119)
Contingency and appropriated reserves	3	-	-	-
Total expenditures	<u>59,479,059</u>	<u>59,479,059</u>	<u>37,825,651</u>	<u>21,653,408</u>
Net change in fund balances*	5,000,000	(1,311,623)	-	1,311,623
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ 5,000,000</u>	<u>\$ (1,311,623)</u>	<u>\$ -</u>	<u>\$ 1,311,623</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

See accompanying Notes to Required Supplementary Information

ADAMS 12 FIVE STAR SCHOOLS
Schedule of the District's Proportionate Share of the Net Pension Liability
PERA Pension Plan - School Division Trust Fund
For the Year Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability	4.23%	4.57%	3.70%	4.33%
District's proportionate share of the net pension liability	\$ 730,300,877	\$ 809,001,568	\$ 673,557,547	\$ 503,798,315
State's proportionate share of the net pension liability	<u>65,592,612</u>	<u>17,739,004</u>	<u>196,281,438</u>	<u>57,754,042</u>
Total	<u>\$ 795,893,489</u>	<u>\$ 826,740,572</u>	<u>\$ 869,838,985</u>	<u>\$ 561,552,357</u>
District's covered payroll	327,057,018	302,452,026	285,293,287	270,560,898
District's proportionate share of the net pension liability as a percentage of its covered payroll	223.29%	267.48%	236.09%	186.21%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%

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

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
5.06%	4.13%	4.07%	4.70%	4.88%	4.83%
\$ 764,998,892	\$ 616,603,671	\$ 720,506,652	\$1,518,471,530	\$1,452,291,268	\$ 738,938,497
-	78,208,332	98,519,279	-	-	-
<u>\$ 764,998,892</u>	<u>\$ 694,812,003</u>	<u>\$ 819,025,931</u>	<u>\$1,518,471,530</u>	<u>\$1,452,291,268</u>	<u>\$ 738,938,497</u>
270,853,534	242,510,888	223,695,798	216,614,182	218,921,565	210,551,876
282.44%	254.26%	322.09%	701.00%	663.38%	350.95%
66.99%	64.52%	57.01%	43.96%	43.13%	59.20%

ADAMS 12 FIVE STAR SCHOOLS
Schedule of the District's Pension Contributions
PERA Pension Plan - School Division Trust Fund
For the Fiscal Year Ended June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Statutorily required contribution	\$ 67,623,837	\$ 64,227,050	\$ 59,810,981	\$ 54,604,479
Contributions in relation to the statutorily required contribution	<u>67,623,837</u>	<u>64,227,050</u>	<u>59,810,981</u>	<u>54,604,479</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 331,814,706	\$ 315,147,449	\$ 293,478,809	\$ 274,670,416
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%

*The amounts presented in this schedule represent a fiscal year, July 1 through June 30.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 52,369,684	\$ 51,976,002	\$ 44,958,386	\$ 41,212,203	\$ 39,735,628	\$ 38,564,555
<u>52,369,684</u>	<u>51,976,002</u>	<u>44,958,386</u>	<u>41,212,203</u>	<u>39,735,628</u>	<u>38,564,555</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 263,428,993	\$ 268,194,022	\$ 231,913,692	\$ 218,250,104	\$ 216,169,864	\$ 217,388,594
19.88%	19.38%	19.39%	18.88%	18.38%	17.74%

ADAMS 12 FIVE STAR SCHOOLS
Schedule of the District's Proportionate Share of the Net OPEB Liability
PERA Healthcare Trust Fund
For the Year Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's Proportion of the Net OPEB Liability	2.71%	2.74%	2.81%	2.83%
District's proportionate share of the net OPEB liability	\$ 12,957,599	\$ 19,534,131	\$ 22,954,399	\$ 24,373,919
District's covered payroll	\$ 327,057,018	\$ 302,452,026	\$ 285,293,287	\$ 270,560,898
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96%	6.46%	8.05%	9.01%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	40.16%	38.60%	39.40%

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

Note: Information prior to 2016 was not available to report.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
2.93%	2.70%	2.64%	2.67%	2.77%
\$ 27,831,618	\$ 30,315,215	\$ 35,984,761	\$ 34,675,488	\$ 35,947,235
\$ 270,853,534	\$ 242,510,888	\$ 223,695,798	\$ 216,614,182	\$ 218,921,565
10.28%	12.50%	16.61%	16.01%	16.42%
32.78%	24.49%	17.03%	17.53%	16.72%

ADAMS 12 FIVE STAR SCHOOLS
Schedule of the District's OPEB Contributions
PERA Healthcare Trust Fund
For the Fiscal Year Ended June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Statutorily required contribution	\$ 3,384,510	\$ 3,214,504	\$ 2,993,484	\$ 2,801,638
Contributions in relation to the statutorily required contribution	<u>3,384,510</u>	<u>3,214,504</u>	<u>2,993,484</u>	<u>2,801,638</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 331,814,706	\$ 315,147,449	\$ 293,478,809	\$ 274,670,416
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

*The amounts presented in this schedule represent a fiscal year, July 1 through June 30.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 2,686,976	\$ 2,735,579	\$ 2,365,520	\$ 2,226,151	\$ 2,204,933	\$ 2,217,364
<u>2,686,976</u>	<u>2,735,579</u>	<u>2,365,520</u>	<u>2,226,151</u>	<u>2,204,933</u>	<u>2,217,364</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 263,428,993	\$ 268,194,022	\$ 231,913,692	\$ 218,250,104	\$ 216,169,864	\$ 217,388,594
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Notes to Required Supplementary Information

NOTE 1 Budgetary Comparison Schedules

Budget and budgetary accounting. The district adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. Budgets for all funds are required by the state. During June, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing July. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Board of Education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Superintendent of Schools. Revisions that alter the total appropriations of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board of Education. Variances between budget and actual result from the nonexpenditure of reserves, nonoccurrence of events, such as surplus land sales, scheduling of capital projects, and normal operating variances.
5. Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent of Schools and/or the Board of Education throughout the year.
7. All appropriations lapse at the end of each fiscal year.

NOTE 2 Net pension liability – changes in benefit terms and actuarial assumptions

Significant changes in plan provisions affecting trends in actuarial information – 2024 Changes in plan provisions since 2023

- There were no changes made to the plan provisions.

Significant changes in assumptions or other inputs affecting trends in actuarial information – 2024 Changes in assumptions or other inputs since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

Subsequent events

- SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million (actual dollars) on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at

that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

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.

There were no changes in terms or assumptions for the December 31, 2022, measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2021, measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1.00%, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020, measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG 2010(A) Above Median Employee Table with generational projection using scale MP 2019.

- The post-retirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019, measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018, measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017, measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

NOTE 3 Other Postemployment Benefits (OPEB) – Changes in Benefit Terms and Actuarial Assumptions

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2024 Changes in Plan Provisions Since 2023

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection

scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.

- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

Changes in assumptions or other inputs affecting trends in actuarial information for the December 31, 2022, measurement period compared to the prior year:

- The timing of the retirement decrement was adjusted to middle-of-year.

There were no changes in assumptions or other inputs effective for the December 31, 2021, measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020, measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
 - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The post-retirement nondisabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to 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.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019, measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018, measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017, measurement period for OPEB.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES



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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Major Governmental Funds

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

ADAMS 12 FIVE STAR SCHOOLS
Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Food Service	BASE	Pupil Activity	Interscholastic Athletic
ASSETS				
Cash and investments	\$ 4,954	\$ -	\$ 320	\$ 15,600
Receivables (net of allowance for uncollectibles):				
Intergovernmental	1,758,832	-	-	-
Due from other funds	10,917,294	4,722,314	4,705,565	2,034,432
Inventories	238,983	-	-	-
Total assets	<u>\$ 12,920,063</u>	<u>\$ 4,722,314</u>	<u>\$ 4,705,885</u>	<u>\$ 2,050,032</u>
LIABILITIES				
Accounts payable	\$ 11,260	\$ 1,635	\$ 16,196	\$ 10,184
Accrued salaries and benefits	32,959	247,999	3,719	125,016
Unearned revenue-other	139,705	-	-	-
Total liabilities	<u>183,924</u>	<u>249,634</u>	<u>19,915</u>	<u>135,200</u>
FUND BALANCES				
Non-Spendable Fund Balance	238,983	-	-	-
Restricted for:				
Restricted Fund Balance	12,497,156	-	-	-
Assigned	-	4,472,680	4,685,970	1,914,832
Total fund balances	<u>12,736,139</u>	<u>4,472,680</u>	<u>4,685,970</u>	<u>1,914,832</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 12,920,063</u>	 <u>\$ 4,722,314</u>	 <u>\$ 4,705,885</u>	 <u>\$ 2,050,032</u>

<u>Other</u>	<u>Total Nonmajor Governmental</u>
\$ -	\$ 20,874
-	1,758,832
2,914,362	25,293,967
-	238,983
<u>\$ 2,914,362</u>	<u>\$ 27,312,656</u>
\$ 60,391	\$ 99,666
37,128	446,821
-	139,705
<u>97,519</u>	<u>686,192</u>
-	238,983
-	12,497,156
<u>2,816,843</u>	<u>13,890,325</u>
<u>2,816,843</u>	<u>26,626,464</u>
<u>\$ 2,914,362</u>	<u>\$ 27,312,656</u>

ADAMS 12 FIVE STAR SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2025

	Food Service	BASE	Pupil Activity	Interscholastic Athletic
REVENUES				
Local:				
Pupil activities	\$ -	\$ -	\$ 3,741,911	\$ 805,737
Tuition	-	705,433	-	-
Gifts and grants	-	-	293,845	15
Charges for services	617,925	-	-	-
Rental of buildings	-	-	-	351,793
Other	10,206	6,096,688	254,751	10,071
State:				
Grants	4,210,316	-	-	-
Federal	13,175,493	-	-	-
Total revenues	18,013,940	6,802,121	4,290,507	1,167,616
EXPENDITURES				
Current:				
Instruction	-	-	4,141,187	3,604,774
Special education	-	-	3,995	-
Pupil support	-	-	15	-
Instructional staff support	-	-	-	215,412
School administration	-	-	-	-
Business administration	-	-	-	-
Operations and maintenance	5,638	-	-	9,753
Transportation services	-	-	1,686	-
Personnel/data/risk management	-	-	-	-
Other support services	170,590	7,204,750	-	31,368
Food service operations	17,851,585	-	-	-
Facilities acquisition and improvements	-	-	-	-
Total expenditures	18,027,813	7,204,750	4,146,883	3,861,307
Excess (deficiency) of revenues over (under) expenditures	(13,873)	(402,629)	143,624	(2,693,691)
OTHER FINANCING SOURCES (USES)				
Transfers in	35,276	-	-	2,733,745
Transfers out	-	-	(491,149)	-
Total other financing sources (uses)	35,276	-	(491,149)	2,733,745
Net change in fund balances	21,403	(402,629)	(347,525)	40,054
Fund balances, beginning of year	12,714,736	4,875,309	5,033,495	1,874,778
Fund balances, end of year	\$ 12,736,139	\$ 4,472,680	\$ 4,685,970	\$ 1,914,832

	Total Nonmajor Governmental	
Other	Funds	
\$ 673,794	\$ 5,221,442	
-	705,433	
505,015	798,875	
-	617,925	
730,579	1,082,372	
328,189	6,699,905	
-	4,210,316	
-	13,175,493	
<u>2,237,577</u>	<u>32,511,761</u>	
1,027,865	8,773,826	
1,259	5,254	
80,395	80,410	
239,674	455,086	
240,277	240,277	
345,408	345,408	
762,160	777,551	
16,099	17,785	
5,497	5,497	
32,785	7,439,493	
-	17,851,585	
1,780	1,780	
<u>2,753,199</u>	<u>35,993,952</u>	
<u>(515,622)</u>	<u>(3,482,191)</u>	
-	2,769,021	
-	(491,149)	
-	2,277,872	
<u>(515,622)</u>	<u>(1,204,319)</u>	
3,332,465	27,830,783	
<u>\$ 2,816,843</u>	<u>\$ 26,626,464</u>	

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Food Service Special Revenue
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Charges for services	\$ 892,518	\$ 887,518	\$ 617,925	\$ (269,593)
Other	12,000	12,000	10,206	(1,794)
Net earnings on investments	10,000	10,000	-	(10,000)
State:				
Grants	3,621,324	3,618,222	4,210,316	592,094
Federal	11,529,064	11,529,064	13,175,493	1,646,429
Total revenues	<u>16,064,906</u>	<u>16,056,804</u>	<u>18,013,940</u>	<u>1,957,136</u>
EXPENDITURES				
Current:				
Operations and maintenance	-	291	5,638	(5,347)
Other support services	37,000	100,000	170,590	(70,590)
Food service operations	16,406,590	16,490,249	17,851,585	(1,361,336)
Contingency and appropriated reserves	12,003,109	12,181,000	-	12,181,000
Total expenditures	<u>28,446,699</u>	<u>28,771,540</u>	<u>18,027,813</u>	<u>10,743,727</u>
Excess (deficiency) of revenues over (under) expenditures	(12,381,793)	(12,714,736)	(13,873)	12,700,863
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	35,276	35,276
Total other financing sources (uses)	-	-	35,276	35,276
Net change in fund balances*	(12,381,793)	(12,714,736)	21,403	12,736,139
Fund balances, beginning of year	12,381,793	12,714,736	12,714,736	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,736,139</u>	<u>\$ 12,736,139</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Before, After, and Summer Enrichment Special Revenue
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative) to Actuals
	Original	Final		
REVENUES				
Local:				
Tuition	\$ 338,820	\$ 766,797	\$ 705,433	\$ (61,364)
Other	7,101,193	6,141,790	6,096,688	(45,102)
Total revenues	<u>7,440,013</u>	<u>6,908,587</u>	<u>6,802,121</u>	<u>(106,466)</u>
EXPENDITURES				
Current:				
Other support services	7,789,529	7,911,960	7,204,750	707,210
Contingency and appropriated reserves	<u>4,217,527</u>	<u>3,871,936</u>	-	<u>3,871,936</u>
Total expenditures	<u>12,007,056</u>	<u>11,783,896</u>	<u>7,204,750</u>	<u>4,579,146</u>
Net change in fund balances*	(4,567,043)	(4,875,309)	(402,629)	4,472,680
Fund balances, beginning of year	<u>4,567,043</u>	<u>4,875,309</u>	<u>4,875,309</u>	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,472,680</u>	<u>\$ 4,472,680</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Pupil Activity Special Revenue
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Pupil activities	\$ 2,988,375	\$ 2,988,375	\$ 3,741,911	\$ 753,536
Gifts and grants	574,599	574,599	293,845	(280,754)
Other	-	135,809	254,751	118,942
Total revenues	<u>3,562,974</u>	<u>3,698,783</u>	<u>4,290,507</u>	<u>591,724</u>
EXPENDITURES				
Current:				
Instruction	3,825,521	3,870,495	4,141,187	(270,692)
Special education	-	1,547	3,995	(2,448)
Pupil support	-	-	15	(15)
School administration	-	2,115	-	2,115
Operations and maintenance	-	2,250	-	2,250
Transportation services	-	1,906	1,686	220
Contingency and appropriated reserves	<u>4,677,068</u>	<u>4,362,816</u>	<u>-</u>	<u>4,362,816</u>
Total expenditures	<u>8,502,589</u>	<u>8,241,129</u>	<u>4,146,883</u>	<u>4,094,246</u>
Excess (deficiency) of revenues over (under) expenditures	(4,939,615)	(4,542,346)	143,624	4,685,970
OTHER FINANCING SOURCES (USES)				
Transfers in	255,019	-	-	-
Transfers out	-	(491,149)	(491,149)	-
Total other financing sources (uses)	<u>255,019</u>	<u>(491,149)</u>	<u>(491,149)</u>	<u>-</u>
Net change in fund balances*	(4,684,596)	(5,033,495)	(347,525)	4,685,970
Fund balances, beginning of year	<u>4,684,596</u>	<u>5,033,495</u>	<u>5,033,495</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,685,970</u>	<u>\$ 4,685,970</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Interscholastic Athletic Special Revenue
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative) to Actuals
	Original	Final		
REVENUES				
Local:				
Pupil activities	\$ 773,100	\$ 773,100	\$ 805,737	\$ 32,637
Gifts and grants	-	15	15	-
Rental of buildings	295,000	5	351,793	351,788
Other	-	15,000	10,071	(4,929)
Total revenues	<u>1,068,100</u>	<u>788,120</u>	<u>1,167,616</u>	<u>379,496</u>
EXPENDITURES				
Current:				
Instruction	4,231,565	4,307,799	3,604,774	703,025
Instructional staff support	216,801	216,801	215,412	1,389
Operations and maintenance	1,000	16,000	9,753	6,247
Other support services	26,413	26,413	31,368	(4,955)
Contingency and appropriated reserves	<u>1,166,923</u>	<u>829,630</u>	<u>-</u>	<u>829,630</u>
Total expenditures	<u>5,642,702</u>	<u>5,396,643</u>	<u>3,861,307</u>	<u>1,535,336</u>
Excess (deficiency) of revenues over (under) expenditures	(4,574,602)	(4,608,523)	(2,693,691)	1,914,832
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,598,749</u>	<u>2,733,745</u>	<u>2,733,745</u>	<u>-</u>
Total other financing sources (uses)	<u>2,598,749</u>	<u>2,733,745</u>	<u>2,733,745</u>	<u>-</u>
Net change in fund balances*	(1,975,853)	(1,874,778)	40,054	1,914,832
Fund balances, beginning of year	<u>1,975,853</u>	<u>1,874,778</u>	<u>1,874,778</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,914,832</u>	<u>\$ 1,914,832</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Other Special Revenue
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Pupil activities	\$ 796,953	\$ 796,953	\$ 673,794	\$ (123,159)
Gifts and grants	1,078,047	1,078,047	505,015	(573,032)
Rental of buildings	565,542	565,542	730,579	165,037
Other	367,223	367,223	328,189	(39,034)
State:				
Grants	61,701	61,701	-	(61,701)
Total revenues	<u>2,869,466</u>	<u>2,869,466</u>	<u>2,237,577</u>	<u>(631,889)</u>
EXPENDITURES				
Current:				
Instruction	2,115,754	2,195,518	1,027,865	1,167,653
Special education	-	155	1,259	(1,104)
Pupil support	696,863	696,863	80,395	616,468
Instructional staff support	194,548	194,548	239,674	(45,126)
School administration	-	147,041	240,277	(93,236)
Business administration	28,900	214,712	345,408	(130,696)
Operations and maintenance	581,908	581,908	762,160	(180,252)
Transportation services	-	1,607	16,099	(14,492)
Personnel/data/risk management	-	-	5,497	(5,497)
Other support services	43,915	43,915	32,785	11,130
Facilities acquisition and improvements	-	2,930	1,780	1,150
Contingency and appropriated reserves	<u>2,175,151</u>	<u>2,122,734</u>	<u>-</u>	<u>2,122,734</u>
Total expenditures	<u>5,837,039</u>	<u>6,201,931</u>	<u>2,753,199</u>	<u>3,448,732</u>
Net change in fund balances*	(2,967,573)	(3,332,465)	(515,622)	2,816,843
Fund balances, beginning of year	<u>2,967,573</u>	<u>3,332,465</u>	<u>3,332,465</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,816,843</u>	<u>\$ 2,816,843</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Bond Redemption - Debt Service
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative) to Actuals
	Original	Final		
REVENUES				
Local:				
Property taxes	\$ 91,304,028	\$ 76,867,312	\$ 75,844,000	\$ (1,023,312)
Net earnings on investments	800,000	609,310	568,934	(40,376)
Total revenues	<u>92,104,028</u>	<u>77,476,622</u>	<u>76,412,934</u>	<u>(1,063,688)</u>
EXPENDITURES				
Debt service:				
Principal	25,340,000	59,295,000	59,295,000	-
Interest	15,322,000	18,364,604	17,979,063	385,541
Bond issuance and other costs	16,000	16,000	42,630	(26,630)
Contingency and appropriated reserves	<u>162,016,336</u>	<u>110,681,361</u>	<u>-</u>	<u>110,681,361</u>
Total expenditures	<u>202,694,336</u>	<u>188,356,965</u>	<u>77,316,693</u>	<u>111,040,272</u>
Net change in fund balances*	(110,590,308)	(110,880,343)	(903,759)	109,976,584
Fund balances, beginning of year	<u>110,590,308</u>	<u>110,880,343</u>	<u>110,880,343</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,976,584</u>	<u>\$ 109,976,584</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Building - Capital Projects
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative) to Actuals
	Original	Final		
REVENUES				
Local:				
Net earnings on investments	\$ 52,150	\$ 3,081,000	\$ 3,307,242	\$ 226,242
Total revenues	52,150	3,081,000	3,307,242	226,242
EXPENDITURES				
Current:				
Business administration	-	-	190,382	(190,382)
Operations and maintenance	-	-	654,934	(654,934)
Personnel/data/risk management	2,637,950	2,637,950	1,587,221	1,050,729
Funding to Charter Schools	-	-	12,438,445	(12,438,445)
Facilities acquisition and improvements	11,149,920	11,149,920	16,312,960	(5,163,040)
Debt service:				
Bond issuance and other costs	-	1,009,455	977,896	31,559
Contingency and appropriated reserves	52,150	184,067,719	-	184,067,719
Total expenditures	13,840,020	198,865,044	32,161,838	166,703,206
Excess (deficiency) of revenues over (under) expenditures	(13,787,870)	(195,784,044)	(28,854,596)	166,929,448
OTHER FINANCING SOURCES (USES)				
Debt financing from leases	-	185,989,625	185,975,255	(14,370)
Total other financing sources (uses)	-	185,989,625	185,975,255	(14,370)
Net change in fund balances*	(13,787,870)	(9,794,419)	157,120,659	166,915,078
Fund balances, beginning of year	13,787,870	9,794,419	9,794,419	-
Fund balances, end of year	\$ -	\$ -	\$ 166,915,078	\$ 166,915,078

* The net change in fund balances was included in the budget as an appropriation of fund balance

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Capital Reserve - Capital Projects
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Property taxes	\$ 435,000	\$ 435,000	\$ 1,182,541	\$ 747,541
Rental of buildings	1,224,082	1,224,082	1,106,576	(117,506)
Other	636,786	883,357	1,892,401	1,009,044
Net earnings on investments	2,737,690	2,737,690	4,912,852	2,175,162
Total revenues	<u>5,033,558</u>	<u>5,280,129</u>	<u>9,094,370</u>	<u>3,814,241</u>
EXPENDITURES				
Current:				
Business administration	2,598,748	3,132,477	248,524	2,883,953
Operations and maintenance	1,682,763	1,902,549	1,073,965	828,584
Transportation services	300,000	744,525	883,863	(139,338)
Personnel/data/risk management	15,000	15,000	-	15,000
Facilities acquisition and improvements	3,050,000	5,828,260	1,888,219	3,940,041
Debt service:				
Principal	2,578,953	2,578,953	2,934,418	(355,465)
Interest	365,413	365,413	464,631	(99,218)
Contingency and appropriated reserves	25,762,999	23,160,526	-	23,160,526
Total expenditures	<u>36,353,876</u>	<u>37,727,703</u>	<u>7,493,620</u>	<u>30,234,083</u>
Excess (deficiency) of revenues over (under) expenditures	(31,320,318)	(32,447,574)	1,600,750	34,048,324
OTHER FINANCING SOURCES (USES)				
Transfers in	2,902,004	3,902,004	3,902,004	-
Total other financing sources (uses)	<u>2,902,004</u>	<u>3,902,004</u>	<u>3,902,004</u>	<u>-</u>
Net change in fund balances*	(28,418,314)	(28,545,570)	5,502,754	34,048,324
Fund balances, beginning of year	28,418,314	28,545,570	28,545,570	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,048,324</u>	<u>\$ 34,048,324</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance

COMPONENT UNITS

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

ADAMS 12 FIVE STAR SCHOOLS
Combining Statement of Net Position
Component Units
June 30, 2025

	Charter Schools				
	Stargate	Westgate Community	Prospect Ridge Academy	New America School - Thornton	Total Charter Schools
ASSETS					
Cash and investments - unrestricted	\$ 15,587,832	\$ 4,624,811	\$ 4,021,469	\$ 1,314,203	\$ 25,548,315
Cash and investments - restricted	3,136,650	2,446,268	7,851,436	997,916	14,432,270
Intergovernmental receivables	107,032	-	26,485	11,569	145,086
Other receivables	34,035	53,958	74,679	20,533	183,205
Prepaid items	327,977	-	193,810	-	521,787
Capital assets not being depreciated	5,583,322	3,277,710	4,765,062	-	13,626,094
Capital assets, net of accumulated depreciation/amortization	37,134,117	7,169,636	32,325,819	5,015,211	81,644,783
Total assets	<u>61,910,965</u>	<u>17,572,383</u>	<u>49,258,760</u>	<u>7,359,432</u>	<u>136,101,540</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	5,627,643	1,740,961	4,962,325	405,992	12,736,921
OPEB related	468,856	60,370	126,584	9,437	665,247
Total deferred outflows of resources	<u>6,096,499</u>	<u>1,801,331</u>	<u>5,088,909</u>	<u>415,429</u>	<u>13,402,168</u>
LIABILITIES					
Accounts payable	1,038,890	133,937	400	6,828	1,180,055
Accrued salaries and benefits	726,134	267,271	862,027	72,254	1,927,686
Accrued interest payable	135,783	126,600	481,158	-	743,541
Unearned revenues	-	-	175,147	36,987	212,134
Noncurrent liabilities:					
Due within one year	928,825	155,000	722,234	184,131	1,990,190
Due in more than one year:					
Net pension liability	37,525,310	7,050,000	37,772,782	4,917,327	87,265,419
Net OPEB liability	25,203,131	8,648,240	22,403,867	2,656,181	58,911,419
Net OPEB liability	447,171	153,444	397,506	47,128	1,045,249
Total liabilities	<u>66,005,244</u>	<u>16,534,492</u>	<u>62,815,121</u>	<u>7,920,836</u>	<u>153,275,693</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	252,939	160,633	1,787,555	304,124	2,505,251
OPEB related	441,541	85,268	237,963	63,306	828,078
Total deferred inflows of resources	<u>694,480</u>	<u>245,901</u>	<u>2,025,518</u>	<u>367,430</u>	<u>3,333,329</u>
NET POSITION					
Net investment in capital assets	4,348,837	3,242,346	(1,698,952)	(86,247)	5,805,984
Restricted for:					
TABOR emergency reserve	681,188	236,915	569,559	92,992	1,580,654
Debt service	3,000,867	812,792	3,006,934	997,916	7,818,509
Capital projects	-	1,574,612	4,844,502	-	6,419,114
Special education	200,000	200,000	200,000	-	600,000
Unrestricted	(6,923,152)	(3,473,344)	(17,415,013)	(1,518,066)	(29,329,575)
Total net position	<u>\$ 1,307,740</u>	<u>\$ 2,593,321</u>	<u>\$ (10,492,970)</u>	<u>\$ (513,405)</u>	<u>\$ (7,105,314)</u>

ADAMS 12 FIVE STAR SCHOOLS
Statement of Activities
Component Units
For the Year Ended June 30, 2025

	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs:					
Component units:					
Stargate	\$ 22,561,962	\$ 1,545,124	\$ 1,115,129	\$ -	\$ (19,901,709)
Westgate Community	7,835,127	160,780	663,250	212,444	(6,798,653)
Prospect Ridge Academy	22,147,315	632,742	2,093,207	567,556	(18,853,810)
New America School - Thornton	2,745,997	-	603,706	90,435	(2,051,856)
Total governmental activities	<u>55,290,401</u>	<u>2,338,646</u>	<u>4,475,292</u>	<u>870,435</u>	<u>(47,606,028)</u>
	Net (Expense)				
	Revenue				
Net (expense) revenue	(47,606,028)				
General revenues:					
School Finance Act					
Stargate	17,676,480				
Westgate Community	5,949,358				
Prospect Ridge Academy	15,949,541				
New America School - Thornton	2,164,596				
Other revenues					
Stargate	9,443,438				
Westgate Community	2,856,048				
Prospect Ridge Academy	7,536,491				
New America School - Thornton	810,685				
Total general revenues	<u>62,386,637</u>				
Change in net position	14,780,609				
Net position, beginning of year	(21,885,923)				
Net position, end of year	<u>\$ (7,105,314)</u>				

STATE REQUIRED REPORT

Colorado Department of Education – Auditors Integrity Check

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



Colorado Department of Education

Auditors Integrity Report

District: 0020 - Adams 12 Five Star Schools

Fiscal Year 2024-25

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance	Total Revenues & Other Sources	Total Expenditures & Other Uses	Ending Fund Balance
Governmental		+	-	=
10 General Fund	119,723,623	462,972,695	466,231,158	116,465,160
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	119,723,623	462,972,695	466,231,158	116,465,160
11 Charter School Fund	17,871,640	75,437,166	62,547,365	30,761,441
20,26-29 Special Revenue Fund	10,082,551	12,941,059	13,819,256	9,204,354
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	12,714,736	18,049,216	18,027,813	12,736,139
22 Govt Designated-Purpose Grants Fund	0	37,825,651	37,825,651	0
23 Pupil Activity Special Revenue Fund	5,033,495	3,799,358	4,146,882	4,685,970
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	110,880,343	76,412,934	77,316,693	109,976,584
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	9,794,420	189,282,497	32,161,838	166,915,079
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	28,545,570	12,996,374	7,493,620	34,048,324
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	314,646,378	889,716,948	719,570,275	484,793,051
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

Statistical Section



This part of the 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 district's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

ADAMS 12 FIVE STAR SCHOOLS
Financial Trends Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 163,015,412	\$ 147,159,979	\$ 178,067,913	\$ 196,339,493
Restricted	70,250,428	71,516,770	78,607,227	283,327,839
Unrestricted	<u>(657,867,115)</u>	<u>(858,420,907)</u>	<u>(1,160,986,216)</u>	<u>(1,233,328,810)</u>
Total governmental activities net position	<u>\$ (424,601,275)</u>	<u>\$ (639,744,158)</u>	<u>\$ (904,311,076)</u>	<u>\$ (753,661,478)</u>
Business-type activities				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government				
Net investment in capital assets	\$ 163,015,412	\$ 147,159,979	\$ 178,067,913	\$ 196,339,493
Restricted	70,250,428	71,516,770	78,607,227	283,327,839
Unrestricted	<u>(657,867,115)</u>	<u>(858,420,907)</u>	<u>(1,160,986,216)</u>	<u>(1,233,328,810)</u>
Total primary government net position	<u>\$ (424,601,275)</u>	<u>\$ (639,744,158)</u>	<u>\$ (904,311,076)</u>	<u>\$ (753,661,478)</u>

2020	2021	2022	2023	2024	2025
\$ 216,718,472	\$ 217,662,648	\$ 225,561,525	\$ 309,979,448	\$ 305,889,622	\$ 319,004,276
204,781,811	188,840,783	147,907,890	96,919,813	138,488,010	136,364,228
(993,807,395)	(799,094,888)	(535,834,322)	(541,900,308)	(540,009,196)	(524,988,274)
<u>\$ (572,307,112)</u>	<u>\$ (392,591,457)</u>	<u>\$ (162,364,907)</u>	<u>\$ (135,001,047)</u>	<u>\$ (95,631,564)</u>	<u>\$ (69,619,770)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 216,718,472	\$ 217,662,648	\$ 225,561,525	\$ 309,979,448	\$ 305,889,622	\$ 319,004,276
204,781,811	188,840,783	147,907,890	96,919,813	138,488,010	136,364,228
(993,807,395)	(799,094,888)	(535,834,322)	(541,900,308)	(540,009,196)	(524,988,274)
<u>\$ (572,307,112)</u>	<u>\$ (392,591,457)</u>	<u>\$ (162,364,907)</u>	<u>\$ (135,001,047)</u>	<u>\$ (95,631,564)</u>	<u>\$ (69,619,770)</u>

ADAMS 12 FIVE STAR SCHOOLS
Financial Trends Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019
Expenses				
Governmental activities:				
Direct Instruction	\$ 232,478,810	\$ 367,274,260	\$ 382,902,884	\$ 173,813,445
Indirect Instruction	65,909,683	66,270,495	72,239,890	69,539,489
Other Support Programs	80,863,780	156,778,489	181,577,452	65,012,278
Charter school funding	23,186,915	35,740,446	23,164,902	29,981,478
Interest expense, unallocated	23,185,957	28,356,597	18,544,253	19,685,817
Total governmental activities expenses	425,625,145	654,420,287	678,429,381	358,032,507
Total primary government expenses	\$ 425,625,145	\$ 654,420,287	\$ 678,429,381	\$ 358,032,507
Program Revenues				
Governmental activities:				
Charges for services:				
Direct Instruction	\$ 3,436,695	\$ 11,628,380	\$ 11,552,685	\$ 11,962,972
Indirect Instruction	676,633	-	-	-
Other Support Programs	14,938,507	14,677,103	14,945,360	17,540,836
Charter School Funding	443,099	414,677	501,988	828,854
Operating grants and contributions:				
Direct Instruction	20,487,996	20,569,291	23,721,969	21,072,216
Indirect Instruction	7,943,535	7,394,343	8,019,330	8,551,922
Other Support Programs	10,486,734	11,856,009	9,849,959	12,915,585
Capital grants and contributions:				
Other Support Programs	-	-	-	-
Total governmental activities program revenues	58,413,199	66,539,803	68,591,291	72,872,385
Total primary government program revenues	\$ 58,413,199	\$ 66,539,803	\$ 68,591,291	\$ 72,872,385
Net (Expense)/Revenue				
Governmental activities	\$ (367,211,946)	\$ (587,880,484)	\$ (609,838,090)	\$ (285,160,122)
Total primary government net expense	\$ (367,211,946)	\$ (587,880,484)	\$ (609,838,090)	\$ (285,160,122)
General Revenues and Other Changes				
in Net Position				
Governmental activities:				
Taxes:				
Local property taxes	\$ 136,517,005	\$ 138,732,861	\$ 157,040,586	\$ 186,202,843
Specific ownership taxes	11,093,715	12,034,731	13,862,710	14,658,993
Intergovernmental, unrestricted	206,985,977	206,131,592	205,047,241	221,675,173
Intergovernmental agreements	2,733,756	-	-	-
Other	-	2,964,474	428,313	2,071,028
Earnings on investments	1,619,236	2,715,194	3,729,733	11,201,683
Gain (loss) on disposal of assets	-	-	-	-
Total governmental activities:	358,949,689	362,578,852	380,108,583	435,809,720
Business-type activities:				
Earnings on investments	-	-	-	-
Total business-type activities:	-	-	-	-
Total primary government	\$ 358,949,689	\$ 362,578,852	\$ 380,108,583	\$ 435,809,720
Change in Net Position				
Governmental activities	\$ (8,262,257)	\$ (227,999,058)	\$ (229,729,507)	\$ 150,649,598
Total primary government	\$ (8,262,257)	\$ (227,999,058)	\$ (229,729,507)	\$ 150,649,598

	2020	2021	2022	2023	2024	2025
\$	180,856,812	\$ 162,505,387	\$ 183,496,770	\$ 324,493,622	\$ 310,801,013	\$ 304,328,485
	76,762,268	78,091,543	57,709,132	76,739,956	74,409,829	77,299,590
	57,209,135	54,184,925	72,290,089	170,870,236	191,269,241	181,060,511
	35,487,122	34,423,655	38,619,459	41,509,858	40,078,587	63,547,685
	19,438,806	20,702,263	23,884,340	21,424,384	16,948,377	18,680,288
	369,754,143	349,907,773	375,999,790	635,038,056	633,507,047	644,916,559
\$	369,754,143	\$ 349,907,773	\$ 375,999,790	\$ 635,038,056	\$ 633,507,047	\$ 644,916,559
\$	8,464,291	\$ 4,960,479	\$ 6,507,333	\$ 4,543,641	\$ 4,989,579	\$ 4,769,505
	-	-	153,085	-	-	-
	13,809,141	5,713,807	8,289,791	13,796,073	10,247,852	9,896,052
	1,120,322	1,125,164	1,981,560	1,253,140	1,196,885	1,457,461
	32,487,124	39,112,465	97,026,733	111,128,212	74,877,132	57,057,172
	10,953,215	12,532,681	17,709,455	8,832,321	8,576,105	10,949,892
	20,710,559	33,872,446	682,115	17,950,942	20,128,349	19,968,757
	-	-	-	764,247	901,893	-
	87,544,653	97,317,042	132,350,072	158,268,576	120,917,795	104,098,839
\$	87,544,653	\$ 97,317,042	\$ 132,350,072	\$ 158,268,576	\$ 120,917,795	\$ 104,098,839
\$	(282,209,490)	\$ (252,590,731)	\$ (243,649,718)	\$ (476,769,480)	\$ (512,589,252)	\$ (540,817,720)
\$	(282,209,490)	\$ (252,590,731)	\$ (243,649,718)	\$ (476,769,480)	\$ (512,589,252)	\$ (540,817,720)
\$	214,043,518	\$ 211,350,903	\$ 228,979,094	\$ 232,546,342	\$ 271,649,821	\$ 258,077,400
	13,704,723	13,025,604	12,142,272	14,197,956	13,009,968	14,314,002
	226,389,820	207,217,662	230,882,915	247,014,339	254,111,356	273,205,330
	-	-	-	-	-	-
	789,794	154,936	3,339,933	1,889,637	1,680,811	3,807,332
	8,636,001	557,281	(1,471,779)	8,488,580	11,506,779	17,425,450
	-	-	3,833	(3,514)	-	-
	463,563,856	432,306,386	473,876,268	504,133,340	551,958,735	566,829,514
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	463,563,856	\$ 432,306,386	\$ 473,876,268	\$ 504,133,340	\$ 551,958,735	\$ 566,829,514
\$	181,354,366	\$ 179,715,655	\$ 230,226,550	\$ 27,363,860	\$ 39,369,483	\$ 26,011,794
\$	181,354,366	\$ 179,715,655	\$ 230,226,550	\$ 27,363,860	\$ 39,369,483	\$ 26,011,794

ADAMS 12 FIVE STAR SCHOOLS
Financial Trends Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 1,854,645	\$ 1,521,776	\$ 2,452,889	\$ 2,420,674
Restricted	18,894,678	18,868,915	19,199,644	19,381,266
Committed	11,103,922	11,679,868	12,389,195	12,658,458
Assigned	4,062,219	841,530	5,181,523	27,287,783
Unassigned	-	4,671,160	8,547,150	6,135,072
Total General Fund	\$ 35,915,464	\$ 37,583,249	\$ 47,770,401	\$ 67,883,253
All Other Governmental Funds				
Nonspendable:				
Inventory	\$ 147,083	\$ 149,139	\$ 121,812	\$ 98,195
Prepaid Items	47,557	83,613	88,535	46,323
Restricted for:				
Tabor 3% Emergency Reserve	761,737	1,096,140	1,001,283	1,560,390
Debt Service Fund	58,654,446	58,855,679	66,411,355	73,611,261
Capital Projects	24,997,937	269,711,636	212,984,403	196,778,514
Food Service	4,194,883	3,887,732	3,279,535	3,373,141
Committed to:				
Athletics	423,947	359,998	343,832	505,365
Child Care	2,391,491	1,929,598	792,548	464,770
Transportation	-	-	-	-
Capital Projects	12,248,536	33,766,084	14,884,608	22,524,079
Activity Special Revenue	-	6,468,253	10,280,184	13,509,893
Risk Management	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Designated Purpose Grants	(33,491)	-	-	-
Assigned Fund Balance	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	\$ 103,834,126	\$ 376,307,872	\$ 310,188,095	\$ 312,471,931

	2020	2021	2022	2023	2024	2025
\$	2,479,831	\$ 2,587,055	\$ 2,157,937	\$ 2,173,152	\$ 2,377,516	\$ 3,018,152
	19,776,229	21,102,884	21,728,281	23,110,430	32,150,939	31,192,518
	12,498,349	14,947,500	20,268,174	-	-	-
	41,222,766	29,548,888	38,036,781	53,336,612	64,242,706	59,805,815
	9,949,454	9,209,095	11,879,790	22,073,450	20,952,462	22,448,675
\$	85,926,629	\$ 77,395,422	\$ 94,070,963	\$ 100,693,644	\$ 119,723,623	\$ 116,465,160
\$	199,538	\$ 128,548	\$ 164,378	\$ 167,078	\$ 196,289	\$ 238,983
	45,863	469,075	492,675	107,221	3,588	-
	1,172,761	884,512	768,244	-	-	-
	90,302,546	111,657,094	124,376,814	71,678,333	110,880,343	109,976,584
	100,435,455	58,970,177	38,750,381	23,213,404	9,794,419	166,915,078
	2,858,071	6,479,302	10,820,338	11,688,162	12,522,164	12,497,156
	-	308,452	246,942	-	-	-
	-	913,644	2,559,476	-	-	-
	-	-	-	-	-	-
	25,907,510	28,327,498	26,440,977	-	-	-
	14,063,931	14,384,455	17,543,089	-	-	-
	-	-	-	-	-	-
	-	-	-	30,612,319	28,545,570	34,048,324
	-	-	-	-	-	-
	3,881,481	-	-	14,988,761	15,108,742	13,890,325
	-	-	(2,294,998)	-	-	-
\$	238,867,156	\$ 222,522,757	\$ 219,868,316	\$ 152,455,278	\$ 177,051,115	\$ 337,566,450

ADAMS 12 FIVE STAR SCHOOLS
Financial Trends Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues				
Taxes	\$ 146,675,513	\$ 151,450,944	\$ 170,631,184	\$ 199,729,916
State	223,377,140	222,924,367	223,040,936	245,676,336
Federal	24,470,458	23,479,402	23,883,740	25,847,555
Local	19,633,379	25,882,394	26,451,141	29,460,666
Mineral Leases	31,946	19,551	17,338	21,007
Investment Earnings	1,619,236	2,715,194	3,729,733	11,201,683
Miscellaneous	620,009	632,729	673,690	958,265
Total revenues	416,427,681	427,104,581	448,427,762	512,895,428
Expenditures				
Direct Instruction	200,880,489	203,923,568	200,899,049	218,715,822
Indirect Instruction	60,590,339	59,791,273	64,409,299	72,742,263
Other Support Programs	82,031,282	82,915,251	83,519,090	88,532,937
Charter school funding	23,186,915	35,740,446	23,164,902	29,981,478
Debt service:				
Principal	30,614,131	30,344,633	27,575,188	28,808,286
Interest	15,699,284	20,860,230	24,654,890	25,524,923
Bond issuance costs	454,878	1,568,249	26,258	355,811
Capital outlay	11,060,329	13,712,204	80,111,711	101,885,940
Total expenditures	424,517,647	448,855,854	504,360,387	566,547,460
Excess of revenues over (under) expenditure:	(8,089,966)	(21,751,273)	(55,932,625)	(53,652,032)
Other Financing Sources (Uses)				
Transfers in	18,632,079	9,592,463	9,261,549	17,446,939
Transfers out	(18,632,079)	(9,592,463)	(9,261,549)	(17,446,939)
Payments to refunded bonds escrow agent	(54,472,766)	(65,222,756)	-	-
Refunding bonds	-	-	-	-
Issuance of bonds	-	319,845,000	-	65,000,000
Bond premium	2,836,956	37,697,041	-	11,048,720
Lease purchase	54,633,388	-	-	-
Issuance of lease	-	-	-	-
Total other financing sources (uses)	2,997,578	292,319,285	-	76,048,720
Net change in fund balance	\$ (5,092,388)	\$ 270,568,012	\$ (55,932,625)	\$ 22,396,688

	2020	2021	2022	2023	2024	2025
\$	223,941,939	\$ 225,468,223	\$ 242,592,515	\$ 248,778,596	\$ 285,674,536	\$ 270,576,933
	251,961,417	227,789,198	264,502,785	289,081,239	298,618,113	319,003,906
	41,821,748	63,029,535	60,259,520	52,446,755	53,362,812	39,835,330
	21,977,393	11,331,527	20,434,600	28,120,319	21,717,027	23,202,883
	18,714	14,176	15,727	-	-	-
	8,636,001	557,281	(1,584,648)	8,488,580	11,506,778	17,425,450
	7,342,364	2,525,204	1,558,081	-	-	-
	555,699,576	530,715,144	587,778,580	626,915,489	670,879,266	670,044,502
	238,293,685	243,094,771	251,069,391	271,082,505	277,400,468	287,453,459
	81,408,428	84,034,388	91,154,146	104,465,482	107,184,415	115,883,685
	92,688,024	99,326,400	102,483,158	119,476,915	136,489,529	130,329,483
	35,487,122	34,423,655	38,619,459	41,509,858	40,078,587	63,547,685
	26,465,229	22,444,222	38,494,222	105,654,957	27,183,139	62,229,418
	26,012,476	26,820,625	23,853,203	25,111,016	16,986,255	18,443,694
	14,500	14,500	15,251	16,750	38,117	1,020,526
	110,891,511	47,529,881	28,054,647	20,388,363	23,946,149	19,854,935
	611,260,975	557,688,442	573,743,477	687,705,846	629,306,659	698,762,885
	(55,561,399)	(26,973,298)	14,035,103	(60,790,357)	41,572,607	(28,718,383)
	18,007,995	18,264,603	43,587,422	18,852,310	5,824,835	7,162,174
	(18,007,995)	(18,264,603)	(43,587,422)	(18,852,310)	(5,824,835)	(7,162,174)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	2,097,692	-	-	-	171,575,000
	-	-	-	-	-	14,400,255
	-	-	-	-	-	-
	-	-	1,923,816	-	2,053,209	-
	-	2,097,692	1,923,816	-	2,053,209	185,975,255
\$	(55,561,399)	\$ (24,875,606)	\$ 15,958,919	\$ (60,790,357)	\$ 43,625,816	\$ 157,256,872

ADAMS 12 FIVE STAR SCHOOLS
Revenue Capacity Schedule 5
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Levy Year/ Collection Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	Agricultural Property	Natural Resources
2015/2016	1,408,185,162	405,637,590	23,257,190	44,509,010	599,790	9,880
2016/2017	1,434,937,543	407,167,480	22,823,790	38,051,010	511,500	9,880
2017/2018	1,722,063,604	476,237,820	22,138,390	53,304,270	440,810	9,910
2018/2019	1,755,716,481	500,061,430	22,860,650	51,350,080	424,600	11,000
2019/2020	2,097,283,275	634,286,190	51,995,130	57,319,650	393,040	11,840
2020/2021	1,874,243,817	776,837,110	52,955,870	57,280,320	425,560	12,060
2021/2022	1,975,890,889	848,625,330	51,627,400	55,641,300	439,030	12,400
2022/2023	1,904,901,447	874,469,770	51,482,400	55,098,840	389,480	12,260
2023/2024	2,245,731,984	1,047,440,090	62,616,490	51,477,630	349,100	11,820
2024/2025	2,265,056,121	1,055,302,930	62,387,080	50,396,720	336,930	11,580

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

Oil and Gas	State Assessed	Personal Property	Total Taxable Assessed Value	Mill Levy General Fund and Bond	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
8,430,690	7,370,805	178,831,007	2,076,831,124	66.02	20,705,094,601	10.03%
10,519,850	7,433,150	192,136,000	2,113,590,203	65.92	21,082,604,911	10.03%
5,917,280	6,567,290	199,695,670	2,486,375,044	63.26	27,397,199,777	9.08%
2,194,960	6,903,142	190,328,999	2,529,851,342	73.51	28,087,678,829	9.01%
2,067,820	6,768,556	207,394,575	3,057,520,076	69.99	33,930,072,092	9.01%
25,106,420	7,225,610	292,109,350	3,086,196,117	69.79	34,179,804,473	9.03%
76,083,570	7,643,550	319,188,946	3,335,152,415	68.68	36,769,522,004	9.07%
208,663,140	8,501,600	301,443,890	3,404,962,827	68.37	37,156,239,224	9.16%
507,575,460	7,761,560	321,317,330	4,244,281,464	61.76	47,027,747,129	9.03%
314,099,570	8,262,900	362,405,560	4,118,259,391	62.71	46,649,690,495	8.83%

ADAMS 12 FIVE STAR SCHOOLS
Revenue Capacity Schedule 6
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of Assessed Value)
Last Ten Fiscal/Calendar Years
(Unaudited)

Fiscal Year	School District Rates			Overlapping Rates	
	General Fund	Debt Service	Total	Adams County	Broomfield County
2016	44.352	21.665	66.017	26.817	15.261
2017	44.257	21.665	65.922	27.055	15.261
2018	41.594	21.665	63.259	26.929	15.261
2019	51.845	21.665	73.510	26.864	15.261
2020	48.319	21.665	69.984	26.917	15.261
2021	48.120	21.665	69.785	26.897	15.261
2022	47.012	21.665	68.677	27.069	15.261
2023	46.701	21.665	68.366	26.967	15.261
2024	43.095	18.665	61.760	26.835	15.261
2025	44.040	18.665	62.705	26.944	15.261

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

ADAMS 12 FIVE STAR SCHOOLS
Revenue Capacity Schedule 7
Principal Property Taxpayers
Most Current Calendar Year Available and Nine Years Ago
(Unaudited)

Taxpayer	2024			2015		
	Assessed Value	Rank	Percentage of Total District Assessed Value	Assessed Value	Rank	Percentage of Total District Assessed Value
Extraction Oil & Gas Llc	\$ 350,010,890	1	8.50%			
Jpmorgan Chase Bank National Association	57,356,120	2	1.39%			
Amazon.com Services LLC	30,970,440	3	0.75%			
Tpp Orchard Property Llc	30,345,460	4	0.74%	33,366,920	2	1.61%
Pdc Energy Inc	27,631,330	5	0.67%			
Meati Foods	26,615,070	6	0.65%			
Denver Premium Outlets Llc C/O	23,931,390	7	0.58%			
144 Bull Crossing Associates Llc	22,311,620	8	0.54%			
NP Industrial LLC	22,176,870	9	0.54%			
25 North Investors Spe4-9 Llc	21,584,810	10	0.52%			
Gc Net Lease (Westminster) Investors Llc				15,992,510	4	0.77%
Hx Willow Run Llc						
Xcel Energy (Public Service Company Of Colorado)				48,885,320	1	2.35%
Qwest Corp.				21,923,600	3	1.06%
Tri State Generation				12,936,240	5	0.62%
Marketplace At Northglenn				10,246,070	6	0.49%
SITE C LLC				9,071,550	7	0.44%
Target Corp				6,423,880	8	0.31%
TKG Sheridan Crossing Development				6,332,970	9	0.30%
Thornton Town Center				6,153,220	10	0.30%
Rlif 160Th Ave Spe Llc						
Last Mile Distrubution Dst						
Front Range Llc						
Mmf Baseline 1 Llc						
Avenues At Crofton Park Llc The						
Elevation Midstream Llc						
Total	<u>\$ 612,934,000</u>		<u>14.88%</u>	<u>\$ 171,332,280</u>		<u>8.25%</u>

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

Note: Total assessed valuation upon which 2025 tax collections are based is \$4,118,259,391

ADAMS 12 FIVE STAR SCHOOLS
Revenue Capacity Schedule 8
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collected ⁽²⁾	Total Tax Collections	Percent of Total Tax Collections To Levy ⁽³⁾
2016	137,106,160	135,396,623	98.8%	56,038	135,452,660	98.8%
2017	139,332,094	139,107,064	99.8%	145,235	139,252,298	99.9%
2018	157,285,599	156,377,039	99.4%	233,052	156,610,091	99.6%
2019	185,969,372	184,797,824	99.4%	90,520	184,888,344	99.4%
2020	213,977,485	209,877,121	98.1%	118,706	209,995,827	98.1%
2021	215,370,196	211,628,643	98.3%	554,569	212,183,212	98.5%
2022	229,048,262	229,743,707	100.3%	447,734	230,191,441	100.5%
2023	233,842,632	231,687,216	99.1%	275,372	231,962,589	99.2%
2024	262,126,823	260,313,743	99.3%	357,133	260,670,876	99.4%
2025	258,235,456	254,286,169	98.5%	405,562	254,691,731	98.6%

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

Notes:

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

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

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

ADAMS 12 FIVE STAR SCHOOLS
Debt Capacity Schedule 9
Ratios of Outstanding Debt by Type
Last Ten Fiscal Periods
(Unaudited)

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Debt to Assessed Value ⁽¹⁾	Percentage of Debt to Personal Income ⁽²⁾	Net Debt Per Capita	Population ⁽³⁾
	General Obligation Bonds	Certificates of Participation	Leases and Contracts Payable					
2016	284,640,274	54,317,570	9,551,402	348,509,246	16.78%	4.74%	1,493	233,505
2017	569,700,159	26,126,320	6,583,703	602,410,182	28.50%	7.86%	2,582	233,342
2018	541,586,058	23,570,999	3,573,515	568,730,572	22.87%	7.03%	2,379	239,051
2019	588,370,519	20,790,754	520,229	609,681,502	24.10%	6.81%	2,446	249,243
2020	557,950,682	18,725,016	-	576,675,698	18.86%	6.41%	2,361	244,209
2021	531,529,541	16,609,278	2,097,692	550,236,511	17.83%	6.15%	2,286	240,739
2022	489,342,095	14,438,540	3,665,721	507,446,356	15.22%	5.30%	2,103	241,271
2023	375,865,941	12,212,802	3,095,764	358,343,566	10.52%	3.25%	1,501	241,358
2024	346,503,257	9,907,064	4,360,834	360,771,155	8.50%	3.07%	1,469	240,655
2025	467,281,187	7,526,326	3,521,416	478,328,929	11.61%	3.84%	1,948	245,598

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

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

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

(3) U.S. Census Bureau, 2022 American Community Survey (Estimates)

ADAMS 12 FIVE STAR SCHOOLS
Debt Capacity Schedule 10
Direct, Overlapping and Underlying Governmental Activities Debt
As of June 30, 2025
(Unaudited)

	Debt	Percentage	Estimated Amount	Percentage of
	Outstanding	Applicable to	Applicable to	General Obligation
<u>Direct Debt</u>		Adams 12	Adams 12	Debt to Actual
		Five Star Schools	Five Star Schools	Property Value ⁽¹⁾
Adams 12 Five Star Schools	\$ 478,328,929	100.00%	\$ 478,328,929	1.301%
<u>Overlapping Debt</u>				
Adams County Fire Protection District	485,000	5.56%	26,966	0.000%
Anthem West Metropolitan District	54,585,000	100.00%	54,585,000	0.148%
Aspen Reserve Metropolitan District	3,522,000	100.00%	3,522,000	0.010%
Baseline Metropolitan Districts Nos. 1,2,3,4	91,815,000	100.00%	91,815,000	0.250%
Bradburn Metropolitan District No. 2	15,694,000	100.00%	15,694,000	0.043%
Bradburn Metropolitan District No. 3	7,975,000	100.00%	7,975,000	0.022%
Bramming Farm Metropolitan District No. 1	5,285,000	100.00%	5,285,000	0.014%
Broadlands Metro District No. 2	10,730,000	100.00%	10,730,000	0.029%
Country Club Highlands Metro District	2,055,000	100.00%	2,055,000	0.006%
Country Club Village Metropolitan District No. 1	2,205,000	100.00%	2,205,000	0.006%
Cundall Farms Metropolitan District	13,679,000	100.00%	13,679,000	0.037%
Fallbrook Metropolitan District	1,695,000	100.00%	1,695,000	0.005%
Fallbrook Villas Metropolitan District	2,803,000	100.00%	2,803,000	0.008%
HighPointe Park Metropolitan District	7,046,000	100.00%	7,046,000	0.019%
Homestead Hills Metropolitan District	2,942,000	100.00%	2,942,000	0.008%
Huntington Trails Metropolitan Dist.	5,695,000	100.00%	5,695,000	0.015%
Hyland Hills Metro Park and Recreation District	-	0.00%	-	0.000%
Karl's Farm Metropolitan District No. 2	15,920,000	100.00%	15,920,000	0.043%
Karl's Farm Metropolitan District No. 3	6,295,000	100.00%	6,295,000	0.017%
Lambertson Farms Metropolitan District Nos. 1,2,3	31,350,000	100.00%	31,350,000	0.085%
Lambertson Lakes Metropolitan District	2,970,000	100.00%	2,970,000	0.008%
Larkridge Metropolitan District No. 1	11,440,000	98.48%	11,266,112	0.031%
Lewis Pointe Metropolitan District	8,840,000	100.00%	8,840,000	0.024%
Mayfield Metropolitan District	9,912,000	100.00%	9,912,000	0.027%
McKay Landing Metropolitan Dist. No. 2	7,610,000	100.00%	7,610,000	0.021%
North Metro Fire Rescue District	9,530,000	52.79%	5,030,887	0.014%
Orchard Park Place North Metropolitan District	4,111,000	100.00%	4,111,000	0.011%
PLA Metropolitan District	720,000	100.00%	720,000	0.002%
Red Leaf Metropolitan District No. 2	3,385,000	100.00%	3,385,000	0.009%
RII - DII Business Improvement District	9,203,466	100.00%	9,203,466	0.025%
Spruce Meadows Metropolitan District	2,305,000	100.00%	2,305,000	0.006%
Village at Dry Creek Metropolitan District No. 2	18,405,000	100.00%	18,405,000	0.050%
Villas at Eastlake Reservoir Metropolitan District	2,630,000	100.00%	2,630,000	0.007%
Wildgrass Metropolitan District	9,625,000	89.29%	8,594,163	0.023%
Wildgrass Metropolitan District	4,040,000	100.00%	4,040,000	0.011%
Total Overlapping Debt	386,502,466		380,340,595	
Total Direct and Overlapping Debt	<u>\$ 864,831,395</u>		<u>\$ 858,669,524</u>	

Notes:

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

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

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

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

ADAMS 12 FIVE STAR SCHOOLS
Debt Capacity Schedule 11
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Leases and Contracts Payable	Certificates of Participation	Total Outstanding Debt	Percentage of Personal Income ⁽¹⁾	Population ⁽²⁾	Debt per Capita
Governmental Activities							
2016	284,640,274	9,551,402	54,317,570	348,509,246	4.74%	233,505	1,493
2017	569,700,159	6,583,703	26,126,320	602,410,182	7.86%	233,342	2,582
2018	541,586,058	3,573,515	23,570,999	568,730,572	7.03%	239,051	2,379
2019	588,370,519	520,229	20,790,754	609,681,502	6.81%	249,243	2,446
2020	557,950,682	-	18,725,016	576,675,698	6.41%	244,209	2,361
2021	531,529,541	2,097,692	16,609,278	550,236,511	6.15%	240,739	2,286
2022	489,342,095	3,665,721	14,438,540	507,446,356	5.30%	241,271	2,103
2023	375,865,941	3,095,764	12,212,802	358,343,566	3.25%	241,358	1,501
2024	346,503,257	2,517,233	9,907,064	360,771,155	3.07%	240,655	1,469
2025	467,281,187	3,521,416	7,526,326	478,328,929	3.84%	245,598	1,948

Notes:

- (1) Personal income is disclosed on Schedule 14 - Demographic & Economic Statistics
- (2) U.S. Census Bureau ACS 2024 1-Year Survey (Estimates)

ADAMS 12 FIVE STAR SCHOOLS
Debt Capacity Schedule 12
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended 30-Jun	General Obligation Bonds ⁽¹⁾	Less: Amounts Restricted for Debt Service ⁽²⁾	Total	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2016	\$ 284,640,274	\$ 56,785,386	\$ 227,854,888	1.10%	976
2017	569,700,159	58,305,207	511,394,952	2.43%	2,192
2018	541,586,058	66,007,989	475,578,069	1.74%	1,989
2019	588,370,519	73,360,943	515,009,576	1.83%	2,066
2020	557,950,682	91,318,115	466,632,567	1.38%	1,911
2021	531,529,541	112,379,860	419,149,681	1.23%	1,741
2022	489,342,095	124,807,437	364,534,658	0.99%	1,511
2023	375,865,941	71,678,333	271,356,667	0.73%	1,137
2024	346,503,257	110,880,343	235,622,914	0.50%	959
2025	467,281,187	109,976,584	357,304,603	0.77%	1,455

Notes:

- (1) This is the general bonded debt of both governmental and business-type activities
- (2) This is the amount restricted for debt service principal payments. FY2016 through FY2020 have been updated to reflect the Debt Service Net Position amount.
- (3) Estimated actual taxable value can be found on Schedule 5 - Assessed & Actual Property Values
- (4) Population Data can be found on Schedule 14 - Demographic & Economic Statistics

ADAMS 12 FIVE STAR SCHOOLS
Debt Capacity Schedule 13
Legal Debt Margin Information
Last Ten Years

Fiscal Year Ended	Gross Certified Assessed Valuation (1)	Debt			Legal Debt Margin	Debt Service Funds Available	Gross Bonded Debt Outstanding	Ratio of Gross Bonded Debt to Assessed Value
		Limitation (20% of Assessed)	Net Bonded Debt Outstanding	Percent of Legal Debt Incurred				
2016	2,076,831,124	415,366,225	252,447,526	60.78%	162,918,699	58,654,446	284,640,274	13.71%

Fiscal Year Ended	Gross Actual Valuation (1)	Debt			Legal Debt Margin	Debt Service Funds Available	Gross Bonded Debt	Ratio of Gross Bonded Debt to Actual Value
		Limitation (6% of Actual Valuation)	Net Bonded Debt Outstanding	Percent of Legal Debt Incurred				
2017	\$ 21,082,604,911	1,264,956,295	507,900,000	40.15%	\$ 757,056,295	58,855,679	569,700,159	2.70%
2018	27,397,199,777	1,643,831,987	485,570,000	29.54%	1,158,261,987	66,411,355	541,586,058	1.98%
2019	28,087,678,829	1,685,260,730	527,295,000	31.29%	1,157,965,730	73,611,261	588,370,519	2.09%
2020	33,930,072,092	2,035,804,326	503,130,000	24.71%	1,532,674,326	90,302,546	557,950,682	1.64%
2021	34,156,453,782	2,049,387,227	482,680,000	23.55%	1,566,707,227	111,657,094	531,529,541	1.56%
2022	36,769,522,004	2,206,171,320	446,180,000	20.22%	1,759,991,320	124,376,814	489,342,095	1.33%
2023	37,156,239,224	2,229,374,353	343,035,000	15.39%	1,886,339,353	71,678,333	375,865,941	1.01%
2024	47,027,802,129	2,821,668,128	318,660,000	11.29%	2,503,008,128	110,880,343	346,503,257	0.74%
2025	47,366,559,375	2,841,993,563	430,940,000	15.16%	2,411,053,563	109,976,584	467,281,187	0.99%

Note:

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

ADAMS 12 FIVE STAR SCHOOLS
Demographic and Economic Information Schedule 14
Demographic and Economic Statistics
Last Ten Fiscal/Calendar Years
(Unaudited)

Fiscal/ Calendar Year	Population ⁽¹⁾	Median Age ⁽¹⁾	Head Count ⁽²⁾	Personal Income ⁽³⁾	Per Capita Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2015/2016	233,505	35.1	43,205	7,360,077,600	31,520	4.2%
2016/2017	233,342	34.4	43,626	7,667,618,120	32,860	3.5%
2017/2018	239,051	34.4	43,689	8,086,378,177	33,827	3.0%
2018/2019	249,243	34.1	44,094	8,955,051,747	35,929	3.4%
2019/2020	244,209	34.9	43,494	8,996,659,560	36,840	2.9%
2020/2021	240,739	34.0	41,490	8,940,083,504	37,136	3.9%
2021/2022	241,271	35.6	40,936	9,572,185,654	39,674	3.5%
2022/2023	241,358	37.0	40,409	11,023,574,355	46,185	2.8%
2023/2024	240,655	36.6	39,600	11,770,284,150	47,925	4.3%
2024/2025	245,598	37.7	39,096	12,466,308,882	50,759	3.5%

Notes:

- (1) U.S. Census Bureau American Community Survey 1-Year Estimates (Total Population)
- (2) The enrollment figure is based on the one-day pupil count in October and includes Pinnacle, The Academy, and Global Village Academy charter schools, which lie within District boundaries but are affiliated with the Charter School Institute (CSI)
- (3) U.S. Census Bureau American Community Survey 1-Year Estimates (Mean Income); 2024 data not available
- (4) U.S. Bureau of Labor Statistics (Local Area Unemployment)

ADAMS 12 FIVE STAR SCHOOLS
Demographic and Economic Information Schedule 15
Principal Employers
Current Year and Nine Years Ago

Employer	Product/Service	2024			2015		
		Employees	Rank	Percent of Total District Employment	Employees	Rank	Percent of Total District Employment
Amazon	Retail Distribution	3,375	1	2.40%	944	2	0.77%
Waterworld ⁽¹⁾	Amusement Park	1,095	2	0.78%			
Centura Health/St. Anthony North	Hospital	659	3	0.47%	895	3	0.73%
Mtech Mechanical Technologies	Mechanical Contractor	585	4	0.42%			
Tri State Generation	Electric Utilities Generation	488	5	0.35%	522	9	0.43%
Maxar Technologies	Satellite Imaging	319	6	0.23%	650	6	0.53%
Avaya, Inc.	Telecommunications Research and Development	310	7	0.22%	1,202	1	0.98%
Appliance Factory Outlet	Appliance Distribution	299	8	0.21%			
LifeTime Fitness	Gym	284	9	0.20%			
Murphy Mechanical	Electrical Contractor	200	10	0.14%			
Health One: North Suburban Medical Center	Medical and Rehabilitation Clinic				880	4	0.72%
Wal-Mart / Sam's Club (3 locations)	Retail				870	5	0.71%
DISH Network/EchoStar Communications	Satellite Television Service Provider				648	7	0.53%
Bread Financial (formerly Alliance Data Systems)	Credit Card Processing				543	8	0.44%
American Furniture Warehouse	Furniture Retailer				518	10	0.42%
		7,614		5.42%	7,672		6.28%

Sources:

Adams & Broomfield County Economic Development (Employer Data)
State of Colorado, Division of Labor and Employment, Labor Market information
City of Thornton, Westminster & Federal Heights. City of Northglenn no longer tracks this data.

Note:

(1) Seasonal Employer

State/local government agencies not included.

ADAMS 12 FIVE STAR SCHOOLS
Operating Information Schedule 16
Full-time Equivalent District Employees by Category
Last Ten Fiscal Years
As of June 30, 2025

Employee Category	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 ⁽¹⁾
Educational Services										
Executive Directors	4.0	3.0	4.0	4.0	6.0	5.0	8.0	9.0	10.0	11.0
Directors	10.0	8.4	8.0	11.0	12.0	13.0	12.0	12.0	11.0	15.0
Principals	49.1	49.0	49.0	49.0	52.0	51.0	52.0	54.0	50.0	51.0
Assistant Principals	51.0	51.5	53.0	61.0	62.0	63.3	65.5	63.5	67.1	67.1
Dean of Students	16.4	15.5	16.1	21.0	21.0	22.0	25.0	26.0	29.1	30.1
Teachers	2008.3	1963.0	1942.4	1970.9	2156.3	2147.3	2114.0	2100.6	2165.8	2159.3
Counselors	65.1	64.6	67.5	71.6	73.0	78.0	80.5	80.2	80.9	80.9
Library Media Specialists	18.5	17.0	16.0	14.5	13.5	11.5	11.0	7.5	6.0	6.0
Social Workers	20.2	25.9	28.9	36.0	35.3	34.8	43.0	39.5	45.8	45.8
Secretaries/Bookkeepers/Office Clerks	166.0	165.1	164.5	162.8	169.1	163.1	169.8	172.6	172.7	169.8
Campus Supervisors	22.3	23.8	25.3	37.5	42.5	38.5	45.8	45.3	47.4	47.4
Physical/Occupational/Speech Therapists	85.3	82.9	94.8	102.1	110.4	108.1	113.0	108.9	108.7	98.9
Psychologists	41.9	35.6	34.7	40.0	41.2	44.0	43.9	45.4	41.9	39.1
Nurses	16.4	16.5	18.1	20.4	20.1	24.6	22.7	22.3	23.4	24.8
ParaEducator Classified	603.2	565.9	571.3	580.5	579.0	565.3	568.0	611.4	658.8	660.6
Childcare ParaEducators Classified	108.3	173.1	139.3	133.5	106.5	70.7	75.5	90.9	75.1	77.3
Coordinators	38.9	33.8	44.1	47.6	47.1	42.9	45.6	45.6	46.8	46.3
Other ⁽²⁾	13.5	15.5	9.9	10.4	9.0	4.3	5.5	7.6	6.9	8.9
Substitute Teachers ⁽³⁾⁽⁴⁾	557.0	616.0	623.0	681.0	555.0	628.0	730.0	789.0	787.0	762.0
Classified Substitutes ⁽³⁾	136.0	140.0	161.0	164.0	183.0	185.0	124.0	137.0	145.0	191.0
Total Educational Services	4031.4	4065.9	4070.7	4218.6	4293.9	4300.4	4354.6	4468.0	4579.3	4592.1
Support Services										
Executive Directors	2.0	1.0	0.0	0.0	1.0	2.0	2.0	2.0	1.0	1.0
Directors	11.0	11.0	11.0	9.0	10.0	11.0	12.0	11.0	17.0	18.0
Supervisors	5.0	5.0	6.0	6.0	6.0	6.0	6.0	5.0	6.0	6.0
Managers	30.5	25.5	30.0	30.0	34.0	30.0	29.0	28.0	26.1	26.0
Information Systems - Administrative	34.8	35.5	35.3	35.3	37.1	33.3	34.3	46.3	46.3	53.3
Technicians/Specialists Classified	77.8	64.5	66.7	68.7	65.5	65.0	67.3	71.0	73.7	80.9
Professional/Technical	72.1	70.3	69.9	73.1	70.5	74.4	80.3	83.9	90.4	94.0
Secretaries	12.1	16.3	10.9	10.9	14.0	12.8	10.4	11.6	13.1	9.4
Custodians	169.7	168.3	170.7	169.0	173.2	173.2	170.5	177.3	181.3	173.9
Crafts/Trades/Services	79.0	89.0	95.0	95.8	89.8	83.0	84.0	84.2	81.5	87.3
Food Service Managers	30.0	26.6	30.0	36.4	39.0	36.0	36.7	40.9	43.5	43.4
Food Service Classified	104.7	95.6	83.6	79.1	90.2	57.2	61.9	61.2	71.9	70.6
Bus Drivers	95.1	109.8	104.7	109.1	93.5	72.3	83.4	80.8	87.2	94.8
Other ⁽²⁾	19.4	27.7	16.5	17.7	17.3	12.3	17.5	18.3	23.0	45.6
Custodial Substitutes ⁽³⁾	14.0	15.0	16.0	11.0	9.0	5.0	13.0	21.0	22.0	32.0
Total Support Services	757.2	761.0	746.3	750.9	749.9	673.3	695.9	722.6	783.7	836.1
Districtwide Leadership										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Superintendent	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Operations Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Academic Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Human Resource Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Communication Officer	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Financial Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Information Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Counsel	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Districtwide	7.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0	9.0
Charter School Employees	331.4	282.0	303.1	286.9	310.9	342.7	326.0	312.1	264.9	233.6
Grand Total	5127.0	5117.0	5128.1	5264.4	5363.7	5325.4	5385.5	5511.7	5636.9	5670.8

Source: District HR Department Staffing Reports

Notes:

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

ADAMS 12 FIVE STAR SCHOOLS
Operating Information Schedule 17
Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Expenses ⁽¹⁾	District 12 Head Count ⁽²⁾	Cost per Pupil	Teaching Staff ⁽³⁾	Pupil Teacher Ratio	High School Graduates ⁽⁴⁾
2016	425,625,145	39,287	10,834	2,008	19.56	2,116
2017	654,420,287	38,818	16,859	1,963	19.77	2,261
2018	678,429,381	38,870	17,454	1,942	20.02	2,317
2019	358,032,507	39,282	9,114	1,971	19.93	2,438
2020	369,754,143	38,707	9,553	2,156	17.95	2,556
2021	331,196,707	36,654	9,036	2,147	17.07	2,397
2022	356,429,104	36,078	9,879	2,114	17.07	2,682
2023	635,038,056	35,747	17,765	2,101	17.02	2,717
2024	633,430,474	34,998	18,099	2,166	16.16	2,469
2025	644,916,559	34,466	18,712	2,159	15.96	2,642

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

Notes:

- (1) Expenses from Government-Wide Statement of Activities
- (2) Based on one-day pupil count in October of District schools and 4 District Charter Schools: Stargate Charter, Westgate Community Charter, Prospect Ridge Academy, and New America School-Thornton (Pinnacle, The Academy, and Global Village Academy Charter are not included as the District incurs no expenses on their behalf)
- (3) Employee counts based on Full-Time Equivalent (FTE)
- (4) High School Graduate data for 2024-25 is a CDE estimate as final data was not available

ADAMS 12 FIVE STAR SCHOOLS
Operating Information Schedule 18
School Building Information
Last Ten Fiscal Years
(Unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
30 Elementary Schools					
Total square feet	1,678,914	1,693,335	1,693,335	1,705,218	1,708,453
Total program capacity	15,570	15,090	14,802	14,610	13,506
Enrollment	15,942	15,805	15,590	15,170	14,344
4 K-8 Schools					
Total square feet	301,440	301,440	301,440	414,383	441,435
Total program capacity	1,979	2,251	1,856	2,892	2,826
Enrollment	2,007	2,058	2,000	2,567	2,933
7 Middle Schools					
Total square feet	916,365	916,365	916,365	916,365	916,365
Total program capacity	8,173	8,125	8,350	8,410	8,410
Enrollment	7,398	7,281	7,255	7,004	6,943
5 High Schools & 2 Vocational Schools ⁽¹⁾					
Total square feet	1,404,293	1,404,293	1,404,293	1,389,957	1,388,461
Total program capacity	10,572	10,572	10,627	10,572	10,572
Enrollment	9,893	10,030	10,122	10,185	10,068
4 Alternative Schools ⁽²⁾					
Total square feet	100,751	100,751	100,751	100,751	100,751
Total program capacity	650	700	700	700	700
Enrollment	630	744	715	740	746
4 Charter Schools					
Enrollment	3,417	2,900	3,188	3,616	3,673
District wide Facilities					
Total square feet	625,004	610,582	610,582	610,582	610,582

Source: District Business Services Department

Notes:

- (1) Future Forward at Washington Square Opened at the Beginning of the 2020-21 School Year
- (2) Independence Academy opened new campus at beginning of 2024-25 school year

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1,706,988	1,726,570	1,720,841	1,704,715	1,704,715
13,554	13,980	13,995	13,572	13,572
12,772	12,814	12,710	12,295	12,063
440,917	422,620	422,158	435,460	435,460
2,820	3,100	3,140	2,956	2,956
2,930	2,913	2,920	2,918	2,754
934,038	931,479	924,644	925,288	925,288
8,410	8,553	8,489	8,553	8,553
6,601	6,219	5,944	5,781	5,612
1,437,100	1,436,801	1,426,112	1,428,802	1,428,802
12,057	11,757	11,830	11,707	11,707
9,920	9,680	9,656	9,392	9,124
100,936	100,936	100,936	108,186	122,649
700	650	715	700	700
736	702	733	798	717
3,695	3,750	3,784	3,814	3,778
610,590	610,592	584,868	585,130	595,354

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
Adams 12 Five Star Schools
Adams County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2025. Our report includes a reference to other auditors who audited the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School – Thornton 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.

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.

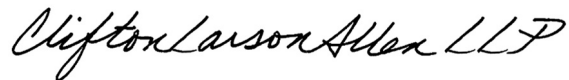
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Denver, Colorado
November 5, 2025