

Arapahoe County School District Number Six

LITTLETON PUBLIC SCHOOLS



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

**5776 South Crocker Street, Littleton, Colorado 80120
www.littletonpublicschools.net**

COVER IMAGES: From top to bottom, left to right. Student art from Lenski Elementary School, Wilder Elementary School, Hopkins Elementary School, Littleton High School, Newton Middle School, student art from Field Elementary School, and Village Preschool.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Littleton, Colorado

Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2025



Prepared by Financial Services

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Chief Financial Officer

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Director of Finance

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Assistant Director of Finance

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

The Annual Comprehensive Financial Report (Annual Report) of the Arapahoe County School District Number Six (the district) as of June 30, 2025, and for the fiscal year then ended, is hereby submitted. Colorado state law requires that each local government undergo an annual audit of the financial statements by independent certified public accountants in accordance with generally accepted auditing standards. This report fulfills that requirement.

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

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

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

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

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

Beginning July 2018, Colorado Revised Statutes (C.R.S. 24-51-413) specifies that the state is required to contribute \$225 million each year to PERA, the pension plan that covers all district employees. A portion of the direct distribution payment is allocated to the district based on the district's proportionate amount of annual payroll to the total payroll of all PERA divisions. This portion is considered a non-employer contribution for financial reporting purposes. PERA's goal is to eliminate its unfunded actuarial accrued liability and reach a 100 percent funded ratio by 2048. However, House Bill (HB) 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020, for the state's 2020–2021 fiscal year due to budget restraints. Senate Bill (SB) 21-228 restored the suspended payment to PERA on July 1, 2022, for a total of \$380 million, which includes calculated interest from the suspended payment.

In May 2020, the Governmental Accounting Standards Board (GASB) adopted Statement No. 96, Subscription-Based Information Technology Arrangement (SBITAs). This standard required the recognition of certain subscription-based information technology arrangements for government end users that were previously classified as information technology (IT) software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The District reviewed the SBTIAs and determined they are insignificant for the year ending June 30, 2025.

Beginning July 1, 2024, the district adopted the provisions of GASB Statement No. 101, Compensated Absences, which updated the recognition and measurement for compensated absences under a unified model. As a result, the School District is required to restate liabilities for compensated absences to be recognized for the leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The beginning of year net position for the year ended June 30, 2024 has been restated to adopt GASB Statement No. 101.

Profile of the District

Arapahoe County School District Number Six, commonly referred to as Littleton Public Schools (LPS), is a political subdivision of the State of Colorado and a corporate body duly organized in 1889 for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The district provides a full range of educational programs and services, including Pre-K–12 instruction, special education and special education preschool, vocational education, and numerous other programs. The number of students enrolled in fiscal year 2024–2025 was 13,100.

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

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

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

Factors Affecting Financial Condition

State funding: Colorado repealed the budget stabilization factor for the 2024–2025 fiscal year, marking the first time since its start in 2009 that K–12 education was funded without this reduction mechanism. This change follows years of underfunding through this method which cumulatively withheld approximately \$10 billion from public schools statewide. The long-standing Colorado Public School Finance Act of 1994 (SFA) is being phased out and House Bill (HB) 24-1448 then amended in House Bill (HB) 25-1320 is in its first year of implementation. For the 2024-2025 fiscal year, the SFA includes approximately \$256 million in increased funding. The district's program revenue will no longer be subject to the budget stabilization factor reductions, representing a significant improvement in funding. However, the state continues to face fiscal pressures and challenges to meet all the obligations of the general fund while complying with TABOR requirements.

In November 2020, voters approved the Debt-Free Schools Mill Levy tax increase of \$12 million, or no more than 6 mills, for collection starting in 2021. One additional mill can be approved by the Board each year, not to exceed 11 mills in total. This allowed the district to cover ongoing building maintenance, capital improvements, and technology expenditures, which allows the district's General Fund to be available for purposes such as continuing to attract and retain quality teachers, maintaining school counseling for mental health, and providing career, technical, and skilled trade classes.

State and local economy: The state's economic picture is important to the district because a major source of funding for the district's General Fund is received through the SFA established by the state legislature. The inflationary pressures and challenging economic recovery, as federal funding recedes, are eroding the gains made in wages. These pressures have driven the Federal Reserve to hold interest rates steady except for one reduction in December 2024. Continued inflationary pressures and rapid shifts in federal policy leads to wavering consumer confidence and an uncertain economic outlook.

Colorado's economic outlook is uncertain and forecasted to slow due to a teetering housing market, low consumer confidence and increasing unemployment. Consumer spending is slower due to continuing price hikes from energy, housing, food, and vehicles and have eroded gains in earnings, income, and savings. The risk of a near-term recession remains possible. The current forecast anticipates slowing expansion.

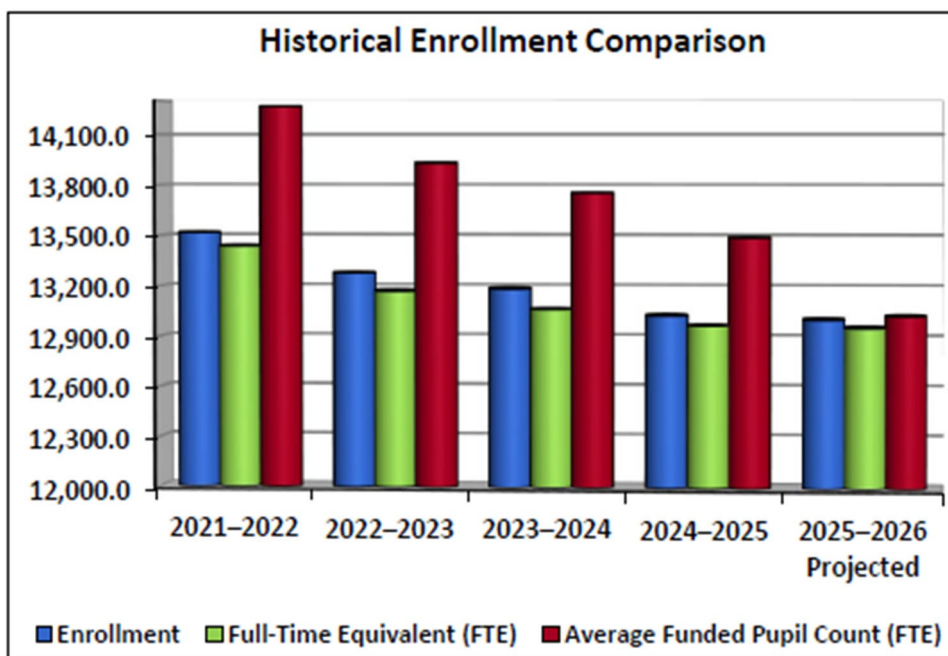
The Denver metro area has the largest share of the state's population and workforce. The unemployment rate is expected to end around 4.8 percent in 2025, higher than the national average of 4.2 percent. At the time of this letter, the state's unemployment projection for 2026 is expected to end at 4.5 percent.

Home prices have leveled off at historical highs and have started to recede as interest rates decrease. Rent is expected to remain high through 2025. In Colorado, single-family and multi-family new home permits are down from the same period last year reflecting continued market challenges and a strong rental market.

The State Education Fund (SEF) continues to support a large share of education funding. The SEF is required to be used to fund kindergarten through twelfth grade public education. Revenue to the SEF increased \$437.6 million in 2024–2025 to \$923.2 million for total program spending primarily due to the School Finance Act formula change and repeal of the budget stabilization factor.

The Colorado Constitution requires the SEF to receive one-third of one percent of taxable income.

Enrollment and demographics: In fiscal year 2024–2025, the district’s enrollment decreased 126 students to 13,100 which includes preschool (PK) tuition and PK–12 students. Budgeted membership counts for the 2025–2026 school year indicate that enrollment will decrease to 13,079 students. The trends from the last two years continue as the district has a lower number in all grade levels except preschool. This pattern is consistent across the state with lower total enrollment statewide. It is less likely for those students to return to the district. The student full-time equivalent (FTE) count is less than enrollment mostly due to part-time students. The actual SFA funded count allows for the current year FTE count to be averaged with up to three previous years’ counts. Declining enrollment continues to challenge the district to provide services and keep a balanced budget while maintaining necessary reserves for long-term fiscal stability.



Major Initiatives

In 2018–2019, the LPS Long-Range Planning Committee (LRPC), representing a cross-section of the community, continued discussions on instructional programs and facility needs. Based on the LRPC’s recommendation, the Board placed a \$298.9 million bond measure on the November 2018 ballot. Voters approved the bond measure, sending a strong endorsement of the district’s commitment to providing the resources needed for students to succeed. Projects for fiscal year 2024–2025 included ADA compliant restroom renovations, secure vestibules at remaining locations, and various projects at select locations. As the bond measure nears completion, smaller improvement projects will continue through fiscal year 2025–2026, including planning for a future bond request to maximize benefit to the district.

The district maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions included in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in the district’s financial plan. The level of expenditures cannot exceed the appropriated amount by fund.

The district also maintains an encumbrance accounting process to account for commitments for goods and services which have not been provided or rendered at the end of the fiscal year. Outstanding encumbrances are not reported as expenditures for the financial statements for GAAP purposes but are reported as an assignment of fund balance. Budgets for all fund types are adopted on a basis consistent with GAAP.

The district's adopted budget is approved by the Board of Education in June prior to the start of the budget year. Management may amend individual lines within the budget. The Board of Education may revise the budget due to unforeseen circumstances which did not exist at the time of the original budget adoption such as emergencies or unanticipated revenues.

Long-Term Financial Planning

The district's long-range financial projections are regularly updated for review and consideration by the Board. These include forecasts of student enrollment, which directly impact school funding calculations. With the passage of the Debt-Free Schools Mill Levy and restored funding from the state to pre-pandemic levels, the district's long-range financial projections are stable and in alignment with the Board's strategic plan.

Strategic Plan

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

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

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

In the spring of 2022, the Board, superintendent, and superintendent staff established five main strategic priorities based on the core beliefs and focus areas:

- Professional Learning Communities and Multi-tiered Systems of Support, Including Equity
- Mental Health and Behavior Support, Including Student and Staff Wellness
- Structure of School - More Time (Longer Year and/or School Day, Smaller Class Sizes)
- Stay Competitive with Compensation
- Long Range Planning (Facilities, Properties, Etc.)

These priorities help focus the work of the Board, the district, and the community as we all work together to improve the lives of all students and staff.

Annual Audit

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its Annual Report for the fiscal year ended June 30, 2024. In order to be awarded the Certificate of Achievement, the district published an easily readable and efficiently organized Annual Report. That report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current Annual Report continues to meet the award program's requirements, and we are submitting it to GFOA to determine its eligibility for a new Certificate of Achievement.

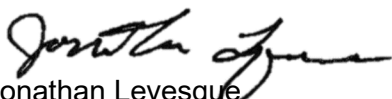
The preparation of the Annual Report on a timely basis was made possible by the dedicated service of the entire staff of financial services, grant administrators, and payroll. Each department member has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Todd Lambert
Superintendent



Jonathan Levesque
Chief Financial Officer

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
ANNUAL REPORT AWARD CERTIFICATE



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Arapahoe County School District Number Six
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
PRINCIPAL OFFICIALS

Board of Education



Angela Christensen
President
Term: 2021–2025



Andrew Graham
Vice President
Term: 2021–2025



Lindley McCrary
Treasurer
Term: 2023–2027



Joan Anderssen
Secretary
Term: 2021–2025



Chérie Garcia-Kuper
Assistant Secretary
Term: 2023–2027

Superintendent and Superintendent’s Staff

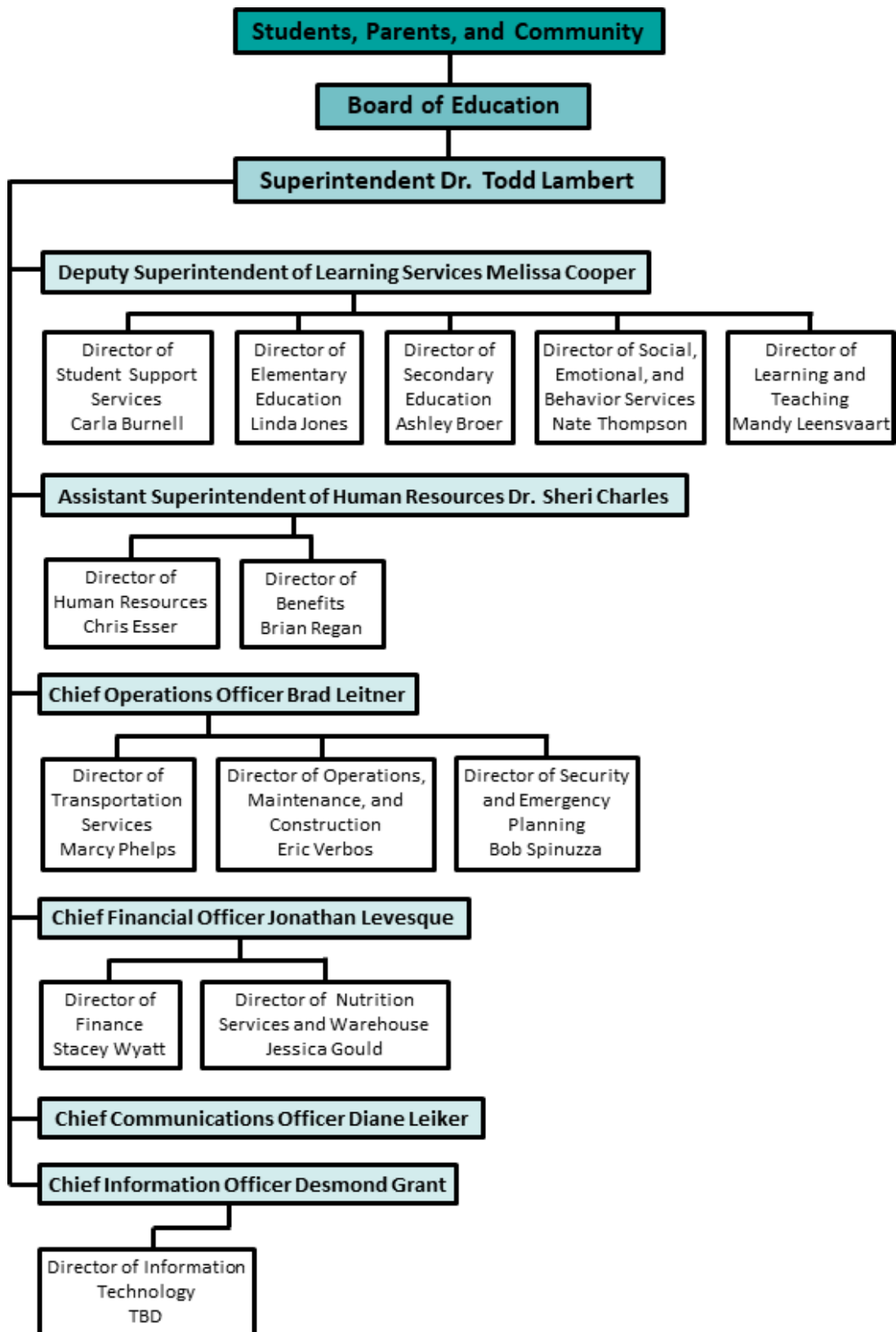
Dr. Todd Lambert Superintendent
Melissa Cooper Deputy Superintendent of Learning Services
Dr. Sheri Charles Assistant Superintendent of Human Resources
Brad Leitner Chief Operations Officer
Jonathan Levesque Chief Financial Officer

Desmond Grant Chief Information Officer

MISSION STATEMENT

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
ORGANIZATIONAL CHART



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for presentation purposes



Independent Auditor's Report

To the Board of Education
Arapahoe County School District Number Six

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County School District Number Six (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise Arapahoe County School District Number Six's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County School District Number Six as of June 30, 2025 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

To the Board of Education
Arapahoe County School District Number Six

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Arapahoe County School District Number Six's basic financial statements. The other supplementary information, as identified in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), are presented for the purpose 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 auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2025 on our consideration of Arapahoe County School District Number Six's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Arapahoe County School District Number Six'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 Arapahoe County School District Number Six's internal control over financial reporting and compliance.

Plante & Moreau, PLLC

October 16, 2025

Arapahoe County School District Number Six

Management's Discussion and Analysis

As of and For the Fiscal Year Ended June 30, 2025

As management of the Arapahoe County School District Number Six, Arapahoe County, Colorado (the district), we offer readers of the district's Annual Comprehensive Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1–6.

Financial Highlights

- Beginning June 30, 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established new financial reporting requirements for most governments that provide pension benefits through a multiple-employer, cost-sharing defined-benefit pension plan. District employees, including the two charter schools' employees, are in a program administered by the Public Employees' Retirement Association of Colorado (PERA). Statement No. 68 requires the district and its charter schools to record a proportionate share of PERA's unfunded pension liability. The district and its charter schools have no legal obligation to fund any shortfall, nor do they have any liability to affect funding, benefits, or annual required contribution decisions made by PERA.
- Beginning June 30, 2018, the district adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for financial statements beginning after June 15, 2017. Statement No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). Statement No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by PERA to record their proportionate share of the HCTF's net OPEB liability. For the district, the effect of implementing this standard was to change how it accounts for and reports the net OPEB liability.
- Beginning June 30, 2019, the district began reporting the effects of the Senate Bill (SB) 18-200 which was passed and signed into Colorado law June 4, 2018. SB 18-200 made changes in several ways to the PERA retirement plan including increasing contribution rates from employers and employees and directing the state to make a \$225 million on-behalf contribution each year to PERA to reduce the unfunded liability. Other changes included modifying retirement benefits by reducing the annual increase for all current and future retirees, raising the retirement age for new employees, and establishing an automatic adjustment provision designed to keep PERA on a path to full funding in 30 years. House Bill (HB) 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020, for the state's 2020–2021 fiscal year due to budget restraints. The direct distribution payable on July 1, 2022, of \$225 million, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million, upon enactment, with reductions to future direct distributions scheduled on July 1, 2023, and July 1, 2024. Due to the advanced payment made in 2022, the State reduced the distribution to \$35 million. Additionally, the newly added C.R.S. 24-51-414(9) provided compensatory payment of \$14.6 million for 2023 only.
- Beginning June 30, 2022, the district adopted the provisions of GASB Statement No. 87, *Leases*, which is effective for financial statements starting with the fiscal year ending June 30, 2022. Statement No. 87 revises and establishes new financial reporting requirements for most governments that enter into lease agreements. Leased assets are determined by the districts right to control, right to use the asset, and the lease term as specified in the contract, in an exchange-like transaction.

Arapahoe County School District Number Six Management's Discussion and Analysis

- Beginning July 1, 2024, the district adopted the provisions of GASB Statement No. 101, Compensated Absences, which updated the recognition and measurement for compensated absences under a unified model. As a result, the School District is required to restate liabilities for compensated absences to be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The beginning of the year net position for the year ended June 30, 2024, has been restated to adopt GASB Statement No. 101.
- The liabilities and deferred inflows of resources of the district, sometimes referred to as the primary government, exceeded assets and deferred outflows of resources at June 30, 2025, by \$159.6 million, primarily due to the net OPEB and pension liabilities, explained above, of \$281.6 million.
- The financial position of the primary government increased as the total net position increased by \$20.4 million, which included a GASB 101 impact of \$2.3 million.
- The total cost of basic programs decreased \$9.2 million or 3.3 percent, to \$272.1 million compared to the prior year. Support increased \$3.0 million, instruction decreased \$6.8 million offset by \$5.4 million decrease in interest expense.
- Revenues increased \$8.0 million, or 2.8 percent, to \$290.2 million compared to prior year primarily due to the increase in property taxes of \$4.6 million, state equalization aid of \$5.5 million, \$1.2 million in charges for services, and \$2.9 million in operating grants, offset by decreases of interest and other revenues of \$6.2 million.
- The net cost of governmental activities decreased \$13.2 million, or 5.4 percent, primarily due to the decrease in significant capital outlays compared to the prior year.

Overview of the Financial Statements

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

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

Arapahoe County School District Number Six Management's Discussion and Analysis

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

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

Figure A-2 summarizes the major features of the district's financial statements, including the portion of activities they cover and the types of information they contain.

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

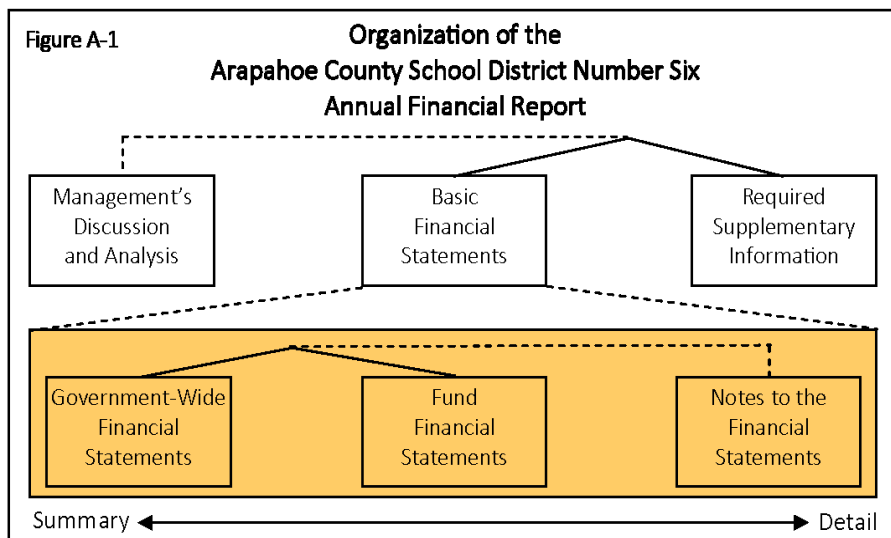


Figure A-2
Major Features of the Districtwide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire district (except the fiduciary fund)	The activities of the district which are not proprietary or fiduciary, such as instruction and support services
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balance
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

Government-Wide Financial Statements

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

Arapahoe County School District Number Six Management's Discussion and Analysis

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

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

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

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

Fund Financial Statements

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

- Some funds are required by state law or GAAP.
- The district establishes other funds to control and manage money for specific purposes such as athletics, activities and clubs which is also funded by fees and ticket sales or to show that it is properly using certain revenues, such as grants.

The district has one category of funds:

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

Financial Analysis of the District as a Whole

The district's net position of the governmental activities on June 30, 2025, increased \$20.4 million, which included a \$2.3 million impact from GASB 101, to a negative \$159.6 million from what it was the previous year (see Figure A-3), primarily due to the impact of GASB Statements No. 68 and No. 75.

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

- Current and other assets decreased by \$8.0 million, primarily from lower restricted cash and investments related to Capital Projects—Building Fund, offset by the refunding of bonds in the Debt Service Fund.
- Capital assets decreased \$10.0 million, which is the net result of capital asset depreciation expense, asset additions, lease amortization and construction in progress.

Arapahoe County School District Number Six Management's Discussion and Analysis

- Deferred outflows of resources for deferred charges on refunding increased \$2.6 million due to the 2024 bond refunding. Deferred outflows related to OPEB decreased by \$0.2 million compared to the prior year. Deferred outflows related to pension decreased by \$32.6 million due to an increase of \$0.6 million to the district's pension contribution subsequent to the measurement date; a decrease of \$18.0 million to the district's pension contribution of proportionate share; an increase of deferred assumptions of \$2.1 million; and the net difference between experience and earnings of \$17.3 million.
- Current and other liabilities decreased \$8.2 million, mainly due to lower accounts payable in the Capital Projects–Building Fund.
- The net OPEB liability decreased \$2.8 million due to the GASB Statement No. 75 requirement to record a proportionate share of PERA's Health Care Trust Fund (HCTF) net OPEB liability. The net pension liability decreased \$42.9 million due to the GASB Statement No. 68 requirement to record a proportionate share of PERA's unfunded pension liability net of the contributions subsequent to the measurement date.
- Noncurrent liabilities decreased \$20.7 million, the net result of bond principal payments, refunding proceeds and issuance costs associated with the refunded bonds including the 2013 bonds, a portion of the 2014 bonds and 2020 bonds, amortization of bond premium, and accreted interest on bonds.
- Deferred inflows of resources for OPEB increased \$0.4 million which includes interest earnings and the change in proportionate share of contributions. Deferred inflows of resources for pension increased \$5.8 million for pension-related activities with a corresponding increase of deferred proportionate share of \$6.3 million.
- Net position increased \$20.4 million. This change included a \$1.6 million decrease to net investment in capital assets (capital assets less related debt), a \$16.5 million increase in restricted net position, and a \$5.5 million increase in unrestricted net position.

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

Arapahoe County School District Number Six Management's Discussion and Analysis

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

	<u>Primary Government</u>		
	<u>Governmental Activities</u>		Total Dollars Change
	<u>2024</u>	<u>2025</u>	<u>2024–2025</u>
Assets			
Current and other assets	\$ 156.6	\$ 148.6	\$ (8.0)
Capital assets	340.5	330.5	(10.0)
Total assets	<u>\$ 497.1</u>	<u>\$ 479.1</u>	<u>\$ (18.0)</u>
Deferred outflows of resources			
Deferred charges on refunding	0.1	2.7	2.6
Deferred OPEB outflows	1.1	0.9	(0.2)
Deferred pension outflows	93.0	60.4	(32.6)
Total deferred outflows	<u>\$ 94.2</u>	<u>\$ 64.0</u>	<u>\$ (30.2)</u>
Liabilities			
Current and other liabilities	26.2	18.0	(8.2)
Net OPEB liability	7.7	4.9	(2.8)
Net pension liability	319.6	276.7	(42.9)
Noncurrent liabilities	393.0	372.3	(20.7)
Total liabilities	<u>\$ 746.5</u>	<u>\$ 671.9</u>	<u>\$ (74.6)</u>
Deferred inflows of resources			
Deferred OPEB inflows	3.1	3.5	0.4
Deferred pension inflows	21.5	27.3	5.8
Deferred lease inflows	0.1	-	(0.1)
Total deferred inflows	<u>\$ 24.7</u>	<u>\$ 30.8</u>	<u>\$ 6.1</u>
Net position (deficit)			
Net investment in capital assets	(16.1)	(17.7)	(1.6)
Restricted	38.5	55.0	16.5
Unrestricted	(202.4)	(196.9)	5.5
Total net position (deficit)	<u>(\$180.0)</u>	<u>(\$159.6)</u>	<u>\$20.4</u>

Arapahoe County School District Number Six Management's Discussion and Analysis

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

- Revenues of \$290.2 million were higher than expenses of \$272.1 million, resulting in a \$18.1 million increase in net position. Total revenues increased \$8.0 million over revenues in the prior year and total expenses decreased \$9.2 million.
- The State of Colorado's General Assembly included a 5.2 percent increase per-pupil for inflation through the School Finance Act (SFA) for fiscal year 2024–2025 for K–12 students. The district's per-pupil revenue was \$10,913 compared to \$10,179 in the prior year. The SFA was supported by state equalization funds, local taxes, and property taxes in the fiscal year.
- Through the Colorado Department of Education (CDE) the average SFA funded student count for K-12 students on a per-pupil basis for fiscal year 2024–2025, decreased 2.0 percent to 13,208.4 from 13,472.3 the previous year, adjusted for preschool. For preschool students, funding comes from the Colorado Department of Early Childhood (CDEC). For fiscal year 2024–2025, the funded count increased 81.7 or 52.7 percent to 236.8 compared to 155.1 in fiscal year 2023–2024.
- Property tax collections were strong compared to the prior year increasing by \$4.6 million, primarily due to timing of collections and higher property assessment values. The collection of specific ownership taxes was slightly higher this year compared to the prior year. Interest rates were lower for most of the fiscal year resulting in a \$1.2 million decrease.
- Total expenses of \$272.1 million represent a \$9.2 million or 3.3 percent decrease compared to the prior year. Instructional expenses decreased \$6.8 million primarily due to salary and benefits related to declining enrollment and category realignment with support services compared to fiscal year 2023–2024. Support services expenses increased \$3.0 million due to category realignment with instruction compared to the prior fiscal year. Interest expenses decreased \$5.4 million compared to the prior year due to declining interest rates compared to the last fiscal year.

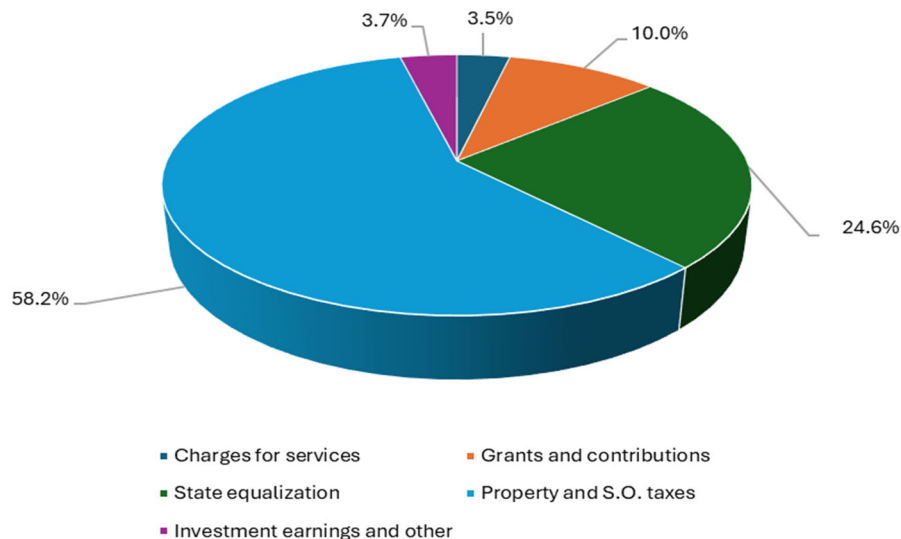
Figure A-4 presents a two-year summary of change in net position.

Arapahoe County School District Number Six Management's Discussion and Analysis

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

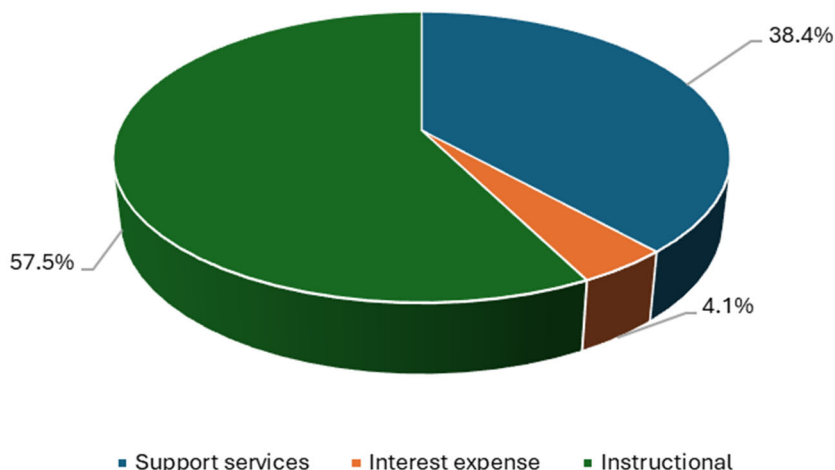
	Primary Government		
	Governmental Activities		Total Percent Change
	2024	2025	2024-2025
Revenues			
Program revenues			
Charges for services	\$8.9	\$10.1	13.5%
Operating grants/contributions	26.1	29.0	11.1%
General revenues			
Property and S.O. taxes	164.3	168.9	2.8%
State Equalization aid	66.0	71.5	8.3%
Interest and other revenues	16.9	10.7	(36.7%)
Total revenues	\$282.2	\$290.2	2.8%
Expenses			
Instruction	164.8	158.0	(4.1%)
Support services	102.5	105.5	2.9%
Interest	14.0	8.6	(38.6%)
Total expenses	\$281.3	\$272.1	(3.3%)
Change in net position	\$0.9	\$18.1	1911.1%
Adoption of GASB 101	0.0	2.3	100.0%
Net position (deficit) — beginning of year	(\$180.9)	(\$180.0)	(0.5%)
Net position (deficit) — end of year	(\$180.0)	(\$159.6)	

Figure A-5
Sources of Revenue for Fiscal Year 2025



Arapahoe County School District Number Six Management's Discussion and Analysis

Figure A-6
Expenses for Fiscal Year 2025



Governmental Activities

Revenues increased \$8.0 million, or 2.8 percent, to \$290.2 million. Total expenses decreased \$9.2 million to \$272.1 million. Revenues exceeded expenses resulting in a \$18.1 million increase in net position.

Figure A-7 summarizes the net cost of governmental activities, as presented in the statement of activities in the government-wide financial statements. The table also shows each activity's *net cost* (total cost less fees generated by the activities and other aid provided for specific programs). The net cost shows the financial burden placed on local and state taxpayers for each of the functions. Program revenues of \$39.1 million are a much smaller funding source for public school district governmental activities, representing only 13.5 percent of total revenues of \$290.2 million.

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

Function/Program	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2024	2025		2024	2025	
Instruction	\$164.8	\$158.0	(4.1%)	\$144.8	\$136.4	(5.8%)
Support services	102.5	105.5	2.9%	87.4	88.0	0.7%
Interest expense	14.0	8.6	(38.6%)	14.0	8.6	(38.6%)
Total	\$281.3	\$272.1	(3.3%)	\$246.2	\$233.0	(5.4%)

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

- The cost of all governmental activities for the year was \$272.1 million.
- Some of the cost was financed by the users of the programs, \$10.1 million.
- The federal and state governments, along with private donors, subsidized certain programs with operating grants of \$29.0 million.
- Most of the net cost of \$233.0 million was financed by general revenues from state and local taxpayers.

Arapahoe County School District Number Six Management's Discussion and Analysis

- Net cost of governmental services decreased \$13.2 million, or 5.4 percent, from \$246.2 million in the previous year to \$233.0 million.
- General revenues totaled \$290.2 million, consisting of \$168.9 million in property and specific ownership taxes, \$71.5 million in state equalization aid, \$4.7 million of interest earnings, \$6.0 million of other revenue, \$10.1 million of charges for services, and \$29.0 million in operating grants.
- The resulting increase in governmental activities' net position was \$18.1 million.

Financial Analysis of the District's Governmental Funds

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

Fund Analysis

The General Fund, including the Risk Management sub-fund, is a major fund and is the most significant fund of the district. The Capital Projects Fund and the Student Athletic, Activities, and Clubs Fund are supported by the General Fund and recorded transfers out totaling \$10.8 million for the year. The Capital Projects—Building Fund is a capital improvement fund used to account for the major capital outlays for district facilities supported by the voter-approved 2018 bond election. These one-time bond proceeds are used for major capital expenditures to replace facilities for the district and were incurred for this fiscal year. The Designated Purpose Grant Fund is supported by grant revenues and the Debt Service Fund by voter-approved property tax mill levies to meet general obligation debt service requirements. The Extended Day Care Program Fund is supported by tuition, while the Nutrition Services Fund receives funding from federal grants along with sales of breakfasts and lunches. The Operations and Technology Fund was created on January 1, 2021, and is funded by the Debt-Free Schools Mill Levy that was passed by the voters in November 2020. Expenditures eligible for this fund include ongoing building maintenance, capital improvements, and technology expenditures.

Total General Fund school finance program funding, which includes property taxes, specific ownership taxes, and state equalization for fiscal year 2024–2025, was impacted by the state's cost-of-living increase and slightly lower enrollment.

- Overall, the combined General Fund and Risk Management sub-fund reported revenue of \$201.7 million for fiscal year 2024–2025, which was \$3.3 million higher when compared to the previous year. This increase is primarily due to increased State Equalization Funding received in the current year.
- Expenditures reported in the combined General Fund and Risk Management sub-fund increased \$10.6 million to \$191.6 million for fiscal year 2024–2025. Net transfers to other funds decreased from \$12.4 million to \$10.5 million when compared to the prior year primarily due to the transfer from the General Fund to the Capital Projects Fund for roof repairs from hail damage not covered by insurance loss proceeds. Expenditures included salaries, benefits and one-time student and staff spending. The fund balance decreased \$0.5 million for fiscal year 2024–2025.

Arapahoe County School District Number Six

Management's Discussion and Analysis

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

The Capital Projects—Building Fund expenditures totaled \$14.5 million related to major capital construction projects and district facility upgrades. This resulted in a decrease in fund balance of \$13.2 million.

General Fund Budget

Current General Fund expenditures totaled \$187.6 million or 82.5 percent of the budget compared to 83.2 percent of budget the prior year. Budget carryovers are allowed by policy in various operating areas. The unspent expenditure amounts at the end of 2024–2025 is mostly due to the under-spending of the final budget that will be rolled into the subsequent year. The district's contingency budget represents the majority of unspent appropriation and anticipated ending fund balance. The final budget reported a contingency reserve of \$33.2 million, which represents 14.6 percent of budgeted expenditures. Revenues of the General Fund amounted to 102.7 percent of budgeted revenues.

Capital Assets and Long-Term Debt

Capital Assets

As shown in Figure A-8, total primary government capital assets, net of depreciation, decreased a net \$10.0 million to \$330.5 million compared to the previous year. This was the result of \$18.3 million of depreciation expense, \$9.8 million of asset capitalization, \$0.3 million of lease amortization and \$1.2 million of net change in construction in progress. Asset additions consisted of building improvements, buildings, equipment, and vehicles.

Figure A-8

Capital Assets (net of depreciation, in millions of dollars)

	Total Primary Governmental Governmental Activities		Dollars
	2024	2025	Change 2024-2025
Land	\$10.6	\$10.6	\$0.0
Land improvements	7.9	7.0	(0.9)
Buildings	304.1	297.2	(6.9)
Equipment	5.4	5.1	(0.3)
Vehicles	2.7	2.3	(0.4)
Leases	0.3	0.0	(0.3)
Construction in progress	9.5	8.3	(1.2)
Total	\$340.5	\$330.5	(\$10.0)

More detailed information about capital assets is presented in Note 5, C. Capital Assets, of the financial statements.

Arapahoe County School District Number Six

Management's Discussion and Analysis

Long-Term Debt

At the end of fiscal year 2025, the district had \$372.3 million in general obligation (G.O.) bonds and other long-term debt outstanding, a decrease of \$18.3 million, as shown in Figure A-9. The outstanding G.O. bonds as of June 30, 2025, consisted of the 2014 G.O. bonds of \$5.70 million, 2015 G.O. bonds of \$15.63 million, and the 2019 G.O. bonds of \$241.93 million and the 2024 G.O. refunding bonds of \$61.23 million.

More detailed information about long-term liabilities is presented in Note 7 - Long-term Debt, of the financial statements.

Figure A-9

Outstanding Long-Term Debt (in millions of dollars)

	Governmental Activities		Dollar Change	Credit Rating Moody's
	2024	2025	2024–2025	Underlying Rate
General obligation (G.O.) bonds	\$344.8	\$324.5	(\$20.3)	Aa2
Premium on G.O. bonds	42.7	44.5	1.8	
Leases	0.3	0.0	(0.3)	
Accreted interest	2.3	2.5	0.2	
Compensated absences (as restated)	0.5	0.8	0.3	
Total	\$390.6	\$372.3	(\$18.3)	

Factors Bearing on the District's Future

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

- While the economy continues to navigate challenges like inflation, labor market issues, and housing, the economic outlook continues to emerge with a mix of strengths and challenges. Slowing employment growth and reduced inflationary pressures have prompted the Federal Reserve to ease monetary policy with an interest rate cut in July 2025.
- The state's General Assembly incorporated a statewide base per-pupil revenue (PPR) increase of 2.3 percent for inflation.
- Due to state funding changes, it is projected that the district's per-pupil funding will increase 3.6 percent to \$147.3 million when compared to 2024–2025 budget of \$146.9 million.
- The School Finance Act (SFA) formula changes the funded count for 2025–2026 and allows for the current year FTE count to be averaged with up to three previous years' counts compared to the prior year that allowed for averaging of the current year FTE up to four previous years.
- House Bill (HB) 24-1448 then amended in House Bill (HB) 25-1320 implements the new school funding formula beginning in 2025–2026 with a phase in schedule over seven years and calculations favoring at-risk student populations.
- The 2025–2026 budget has an average 4.2 percent salary increase for licensed staff, 4.2 percent for classified staff, and 4.0 percent for administrative staff. Health benefits increased by 6.5 percent.

Arapahoe County School District Number Six Management's Discussion and Analysis

- Projects for fiscal year 2025–2026 for the Operations and Technology fund include a high school pool resurface, ADA modifications and various facility projects throughout the district. Projects for the building fund for 2025–2026 include ADA compliant restroom renovations, secure vestibules at remaining locations, and various projects at select locations.
- In August 2020, the Board approved language for a Debt-Free Schools Mill Levy to be placed on the November 2020 ballot. The question asked voters to approve a tax increase of \$12 million, or no more than six mills, for collection starting in 2021. One additional mill can be approved by the Board each year, not to exceed 11 mills in total. The passage of this mill levy override will allow the district to cover ongoing building maintenance, capital improvements, and technology expenditures, thereby freeing up General Fund dollars for purposes such as continuing to attract and retain quality teachers; maintaining counselors and mental health support; and providing career, technical, and skilled trade programming. The 2025–2026 Adopted Budget included revenue from one additional mill along with the corresponding expenditures to be approved by the Board in December 2025.
- The District is reviewing possible refunding of the outstanding Series 2015 bonds resulting in a Refunding Bond Series when the timing is favorable to taxpayers.
- On August 21, 2025, a special Legislative session began to review various fiscal issues related to tax changes, artificial intelligence (AI) and Supplemental Nutrition Assistance Program (SNAP) to Proposition MM regarding a ballot measure to add additional funding for Healthy School Meals for All.

Contacting the District's Financial Management

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

Arapahoe County School District Number Six

Statement of Net Position

June 30, 2025

	Primary Government	
	Governmental Activities	Component Units
Assets		
Equity in pooled cash and investments (Note 3)	\$ 76,226,298	\$ 5,522,175
Receivables:		
Taxes receivable - Net	3,814,973	-
Taxes receivable from the county treasurer	1,121,594	-
Other receivables	114,784	173,182
Due from other governments	1,135,439	30,395
Inventory	652,215	-
Prepaid expenses and other assets	1,123,032	-
Deposits	74,667	-
Restricted investments (Note 3)	64,351,403	3,590,942
Capital assets: (Note 5)		
Assets not subject to depreciation	18,848,851	1,889,806
Assets subject to depreciation - Net	311,666,470	19,368,441
Total assets	479,129,726	30,574,941
Deferred Outflows of Resources		
Deferred charges on bond refunding (Note 7)	2,707,540	187,088
Deferred pension costs (Note 11)	60,482,014	3,070,299
Deferred OPEB costs (Note 12)	859,889	44,208
Total deferred outflows of resources	64,049,443	3,301,595
Liabilities		
Accounts and contracts payable	5,359,589	144,162
Accrued payroll and other liabilities:		
Accrued salaries and wages	9,986,399	722,397
Accrued interest payable	1,262,152	97,104
Other unearned revenue	1,392,723	11,590
Noncurrent liabilities:		
Due within one year (Note 7)	27,941,649	399,101
Due in more than one year: (Note 7)	344,373,283	15,467,417
Net pension liability (Note 11)	276,697,518	14,601,738
Net OPEB liability (Note 12)	4,916,953	251,530
Total liabilities	671,930,266	31,695,039
Deferred Inflows of Resources		
Deferred pension cost reductions (Note 11)	27,312,847	1,508,952
Deferred OPEB cost reductions (Note 12)	3,505,201	187,752
Total deferred inflows of resources	30,818,048	1,696,704
Net Position (Deficit)		
Net investment in capital assets	(17,723,315)	5,578,818
Restricted:		
Debt service	40,778,715	1,531,588
Nutrition services	3,867,796	-
Emergency reserve under TABOR (Note 10)	5,850,000	375,400
Operations and technology	3,270,186	-
Capital projects	1,293,922	1,049,552
Repair and replacement	-	160,000
Unrestricted	(196,906,449)	(8,210,565)
Total net position (deficit)	\$ (159,569,145)	\$ 484,793

Arapahoe County School District Number Six

Statement of Activities

Year Ended June 30, 2025

	Program Revenue				Governmental Activities	Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
Functions/Programs						
Primary government - Governmental activities:						
Instruction	\$ 157,968,781	\$ 1,765,248	\$ 20,524,956	\$ -	\$ (135,678,577)	\$ -
Support services	98,314,028	7,761,824	2,572,797	-	(87,979,407)	-
Nutrition services	6,891,753	545,190	5,924,927	-	(421,636)	-
Community services	337,759	-	-	-	(337,759)	-
Interest and fiscal charges	8,585,260	-	-	-	(8,585,260)	-
Total primary government	<u>\$ 272,097,581</u>	<u>\$ 10,072,262</u>	<u>\$ 29,022,680</u>	<u>\$ -</u>	(233,002,639)	-
Component units - Charter Schools:						
Littleton Academy	\$ 7,382,377	\$ -	\$ 44,055	\$ 177,928	-	(7,160,394)
Littleton Preparatory Charter School	7,047,589	120,960	237,533	188,029	-	(6,501,067)
Total component units	<u>\$ 14,429,966</u>	<u>\$ 120,960</u>	<u>\$ 281,588</u>	<u>\$ 365,957</u>	-	(13,661,461)
General revenue (expense):						
Taxes:						
Property taxes - Levied for general purposes					96,085,001	1,012,666
Property taxes - Levied for debt service					63,668,321	1,852,800
Specific ownership taxes					9,125,301	-
State aid not restricted to specific purposes					71,479,751	10,062,063
Interest and investment earnings					4,708,022	451,638
Loss on sale of capital assets					-	(54,748)
Other					6,032,055	580,772
Total general revenue					251,098,451	13,905,191
Change in Net Position					18,095,812	243,730
Net Position (Deficit) - Beginning of year, as previously reported					(179,964,916)	241,063
Adoption of GASB 101 (Note 2)					2,299,959	-
Net Position (Deficit) - Beginning of year, as restated					(177,664,957)	241,063
Net Position (Deficit) - End of year					<u>\$ (159,569,145)</u>	<u>\$ 484,793</u>

Arapahoe County School District Number Six

Governmental Funds Balance Sheet

June 30, 2025

	General Fund	Debt Service Fund	Capital Projects - Building Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Equity in pooled cash and investments (Note 3)	\$ 58,941,086	\$ -	\$ -	\$ 17,285,212	\$ 76,226,298
Receivables:					
Taxes receivable - Net	2,293,165	932,994	-	588,814	3,814,973
Taxes receivable from the county treasurer	944,739	108,439	-	68,416	1,121,594
Other receivables	114,784	-	-	-	114,784
Due from other governments	58,133	-	-	1,077,306	1,135,439
Inventory	277,190	-	-	375,025	652,215
Prepaid expenses	1,123,032	-	-	-	1,123,032
Deposits	74,667	-	-	-	74,667
Restricted investments (Note 3)	-	41,932,428	22,418,975	-	64,351,403
Total assets	\$ 63,826,796	\$ 42,973,861	\$ 22,418,975	\$ 19,394,773	\$ 148,614,405
Liabilities					
Accounts and contracts payable	\$ 1,917,966	\$ -	\$ 1,766,823	\$ 1,674,800	\$ 5,359,589
Accrued payroll and other liabilities	9,097,646	-	-	888,753	9,986,399
Other unearned revenue	204,738	-	-	1,187,985	1,392,723
Total liabilities	11,220,350	-	1,766,823	3,751,538	16,738,711
Deferred Inflows of Resources - Unavailable revenue property tax revenue	2,357,283	932,994	-	588,814	3,879,091
Total liabilities and deferred inflows of resources	13,577,633	932,994	1,766,823	4,340,352	20,617,802
Fund Balances					
Nonspendable:					
Inventory	277,190	-	-	375,025	652,215
Deposits and prepaids	1,197,699	-	-	-	1,197,699
Restricted:					
Debt service	-	42,040,867	-	-	42,040,867
Capital projects	-	-	20,652,152	-	20,652,152
Nutrition services	-	-	-	3,492,771	3,492,771
Emergency reserve under TABOR (Note 10)	5,850,000	-	-	-	5,850,000
Operations and technology	-	-	-	2,690,899	2,690,899
Committed:					
Capital projects	-	-	-	5,225,539	5,225,539
Risk management	3,751,819	-	-	-	3,751,819
Pupil activities	-	-	-	387,418	387,418
Student care services	-	-	-	2,859,020	2,859,020
Assigned:					
Budget carryovers	9,245,574	-	-	-	9,245,574
One-time spending related to staffing needs	3,967,679	-	-	-	3,967,679
Subsequent year expenditures	6,288,587	-	-	-	6,288,587
One-time spending related to student and district needs	10,149,418	-	-	-	10,149,418
Contracts	-	-	-	23,749	23,749
Unassigned	9,521,197	-	-	-	9,521,197
Total fund balances	50,249,163	42,040,867	20,652,152	15,054,421	127,996,603
Total liabilities, deferred inflows of resources, and fund balances	\$ 63,826,796	\$ 42,973,861	\$ 22,418,975	\$ 19,394,773	\$ 148,614,405

Arapahoe County School District Number Six

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2025

Fund Balances Reported in Governmental Funds	\$ 127,996,603
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets that are not financial resources and are not reported in the funds:	
Cost of capital assets	567,027,053
Accumulated depreciation	<u>(236,511,732)</u>
Net capital assets used in governmental activities	330,515,321
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	3,879,091
Deferred inflows and outflows related to bond refunding are not reported in the funds	2,707,540
Bonds payable are not due and payable in the current period and are not reported in the funds	(371,514,977)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,262,152)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(799,955)
Net pension liability and related deferred inflows and outflows	(243,528,351)
Retiree health care benefits	<u>(7,562,265)</u>
Total employee fringe benefits not reported as fund liabilities	<u>(251,890,571)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (159,569,145)</u></u>

Arapahoe County School District Number Six

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2025

	General Fund	Debt Service Fund	Capital Projects - Building Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	\$ 117,266,212	\$ 40,349,342	\$ 1,293,921	\$ 32,322,034	\$ 191,231,509
State sources	83,723,265	-	-	4,565,965	88,289,230
Federal sources	700,745	-	-	8,219,419	8,920,164
Total revenue	201,690,222	40,349,342	1,293,921	45,107,418	288,440,903
Expenditures					
Current:					
Instruction	126,067,849	-	-	3,594,563	129,662,412
Support services	64,596,720	-	-	27,903,298	92,500,018
Nutrition services	-	-	-	6,201,227	6,201,227
Community services	336,614	-	-	-	336,614
Debt service:					
Principal retirement on bonds (Note 7)	-	12,437,366	-	-	12,437,366
Interest and fiscal charges	-	18,523,395	-	-	18,523,395
Capital outlay	644,118	-	14,470,995	14,256,743	29,371,856
Total expenditures	191,645,301	30,960,761	14,470,995	51,955,831	289,032,888
Excess of Revenue Over (Under) Expenditures	10,044,921	9,388,581	(13,177,074)	(6,848,413)	(591,985)
Other Financing Sources (Uses)					
Proceeds from sale of bonds (Note 7)	-	70,538,117	-	-	70,538,117
Transfers in (Note 4)	265,852	-	-	10,779,450	11,045,302
Payment to bond refunding escrow agent (Note 7)	-	(69,152,634)	-	-	(69,152,634)
Transfers out (Note 4)	(10,779,450)	-	-	(265,852)	(11,045,302)
Total other financing (uses) sources	(10,513,598)	1,385,483	-	10,513,598	1,385,483
Net Change in Fund Balances	(468,677)	10,774,064	(13,177,074)	3,665,185	793,498
Fund Balances - Beginning of year	50,717,840	31,266,803	33,829,226	11,389,236	127,203,105
Fund Balances - End of year	<u>\$ 50,249,163</u>	<u>\$ 42,040,867</u>	<u>\$ 20,652,152</u>	<u>\$ 15,054,421</u>	<u>\$ 127,996,603</u>

Arapahoe County School District Number Six

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	\$ 793,498
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay (Note 5)	8,555,470
Depreciation expense (Note 5)	(18,276,059)
Net book value of assets disposed of (Note 5)	<u>(266,816)</u>
Total	(9,987,405)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(223,842)
Prior assets that did not represent current financial resources and not reported in the fund level expensed during the year	(223,924)
Issuing debt, net of premiums, provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(70,538,117)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	91,713,603
Interest expense is recognized in government-wide statements as it accrues	139,374
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	<u>6,422,625</u>
Change in Net Position of Governmental Activities	<u>\$ 18,095,812</u>

Arapahoe County School District Number Six

Component Units Statement of Net Position

June 30, 2025

	Littleton Academy	Littleton Preparatory Charter School	Total
Assets			
Cash and cash equivalents	\$ 2,474,282	\$ 3,047,893	\$ 5,522,175
Due from other governments	165,387	38,190	203,577
Restricted investments	1,908,097	1,682,845	3,590,942
Capital assets:			
Assets not subject to depreciation	1,019,806	870,000	1,889,806
Assets subject to depreciation - Net	13,874,872	5,493,569	19,368,441
Total assets	19,442,444	11,132,497	30,574,941
Deferred Outflows of Resources			
Deferred charges on bond refunding	187,088	-	187,088
Deferred pension costs	1,427,681	1,642,618	3,070,299
Deferred OPEB costs	19,857	24,351	44,208
Total deferred outflows of resources	1,634,626	1,666,969	3,301,595
Liabilities			
Accounts payable	30,121	114,041	144,162
Accrued payroll and other liabilities	428,620	390,881	819,501
Other unearned revenue	-	11,590	11,590
Noncurrent liabilities:			
Due within one year	204,027	195,074	399,101
Due in more than one year:			
Net pension liability	6,753,362	7,848,376	14,601,738
Net OPEB liability	115,752	135,778	251,530
Due in more than one year	9,781,238	5,686,179	15,467,417
Total liabilities	17,313,120	14,381,919	31,695,039
Deferred Inflows of Resources			
Deferred pension cost reductions	688,027	820,925	1,508,952
Deferred OPEB cost reductions	86,689	101,063	187,752
Total deferred inflows of resources	774,716	921,988	1,696,704
Net Position (Deficit)			
Net investment in capital assets	5,096,501	482,317	5,578,818
Restricted:			
Debt service	888,486	643,102	1,531,588
Emergency reserve under TABOR	181,600	193,800	375,400
Capital projects	919,638	129,914	1,049,552
Repair and replacement	-	160,000	160,000
Unrestricted	(4,096,991)	(4,113,574)	(8,210,565)
Total net position (deficit)	<u>\$ 2,989,234</u>	<u>\$ (2,504,441)</u>	<u>\$ 484,793</u>

Arapahoe County School District Number Six

Component Units Statement of Activities

Year Ended June 30, 2025

	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Littleton Academy	Littleton Preparatory Charter School	Total
Functions/Programs							
Littleton Academy:							
Instruction	\$ 4,449,794	\$ -	\$ 44,055	\$ -	\$ (4,405,739)	\$ -	\$ (4,405,739)
Support services	2,611,984	-	-	177,928	(2,434,056)	-	(2,434,056)
Interest and fiscal charges	320,599	-	-	-	(320,599)	-	(320,599)
Total Littleton Academy	7,382,377	-	44,055	177,928	(7,160,394)	-	(7,160,394)
Littleton Preparatory Charter School:							
Instruction	4,129,914	-	237,533	-	-	(3,892,381)	(3,892,381)
Support services	2,304,884	120,960	-	188,029	-	(1,995,895)	(1,995,895)
Community services	324,365	-	-	-	-	(324,365)	(324,365)
Interest and fiscal charges	288,426	-	-	-	-	(288,426)	(288,426)
Total Littleton Preparatory Charter School	7,047,589	120,960	237,533	188,029	-	(6,501,067)	(6,501,067)
Total component units	\$ 14,429,966	\$ 120,960	\$ 281,588	\$ 365,957	(7,160,394)	(6,501,067)	(13,661,461)
General revenue (expense):							
Taxes - District mill levy					1,360,910	1,504,556	2,865,466
Per pupil revenue					4,965,552	5,096,511	10,062,063
Interest and investment earnings					219,138	232,500	451,638
Loss on sale of capital assets					-	(54,748)	(54,748)
Other					353,009	227,763	580,772
Total general revenue					6,898,609	7,006,582	13,905,191
Change in Net Position					(261,785)	505,515	243,730
Net Position (Deficit) - Beginning of year					3,251,019	(3,009,956)	241,063
Net Position (Deficit) - End of year					\$ 2,989,234	\$ (2,504,441)	\$ 484,793

June 30, 2025

Note 1 - Nature of Business

Arapahoe County School District Number Six (the "School District") is a school district in the state of Colorado that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected five-member Board of Education. The accompanying financial statements present the School District and its component units, entities for which the School District is considered to be financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the School District.

Discretely Presented Component Units

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

- www.academy.littletonpublicschools.net
- www.littletonprep.littletonpublicschools.net

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The individual fund columns present their activities on the modified accrual basis of accounting, as discussed above, which demonstrates accountability for how the current resources have been spent. The government-wide columns are presented on the economic resources measurement focus and the full accrual basis of accounting in order to measure the cost of providing government services and the extent to which constituents have paid the full cost of government services.

On the full accrual basis of accounting, revenue is 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 revenue 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.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Encumbrance accounting is employed in governmental funds. Encumbrances (purchase orders and contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. The amount of encumbrances outstanding at year end is \$160,421.

Revenue at the fund level is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 30 days of year end, or within 90 days for federal grants, to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Fund Accounting

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into the following broad fund type:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The School District reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Debt Service Fund accounts for dedicated revenue for the payments of principal and interest on long-term general obligation debt.
- The Capital Projects - Building Fund is a capital improvement fund that accounts for the major capital outlays for school district facilities funded by the voter-approved 2019 general obligation bonds.

Additionally, the School District reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- Capital projects funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Specific Balances and Transactions

Deposits and Investments

In order to facilitate the recording of cash transactions and maximize earnings on investments, the School District has combined the cash resources of its funds and maintains accountability for each fund's equity in the pooled cash and investments reported at net asset value, amortized cost, or categorized by level within GASB Statement Nos. 72 and 79.

Receivables

Property taxes levied in 2024 but not yet collected in 2025 are identified as property taxes receivable in the governmental funds balance sheet at June 30, 2025 and are presented net of an allowance for uncollectible taxes. Intergovernmental receivables include amounts due from grantors for specific program grants.

The School District elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received.

Inventories, Deposits, and Prepaid Items

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

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

Restricted Assets

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

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)****Capital Assets**

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

Capital assets of the primary government and the component units are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Depreciable Life - Years</u>
Buildings and improvements	8–50
Furniture and equipment	5–20
Vehicles	8–15
Land improvements	10–20

Compensated Absences

In accordance with GASB Statement No. 101, *Compensated Absences*, the School District has accrued a liability for future absences, recognizing the obligation relating to compensation for absences attributable to services already rendered. Teachers and other employees receive compensation for vacations, holidays, illnesses, and certain other qualifying absences. It is the policy of the School District to accumulate earned but unused annual leave benefits, which will be paid to employees upon separation from the School District. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

School district policy allows unlimited accumulation of vacation leave and unused sick days. Accrued vacation is paid to eligible employees upon termination of employment, limited to two years' accrual. Payment for unused sick days is made upon an employee's retirement, as defined by the School District, not to exceed annual contract days times \$53.25 a day. Each fund liquidates the accrued vacation and sick leave for its respective liabilities.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The School District reports deferred outflows related to deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note 11 for deferred pension outflows of resources and Note 12 for deferred OPEB outflows of resources.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

The School District reports deferred inflows related to taxes that are levied and measurable and recognized as an inflow of resources in the period the taxes are collected, as well as deferred inflows of leases. See Note 11 for deferred pension inflows of resources and Note 12 for deferred OPEB inflows of resources.

Pension

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

Other Postemployment Benefit Costs

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

Long-term Obligations

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

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

The School District elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-of-use lease assets on the statements of net position.

State Equalization Aid

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

Net Position/Fund Balance

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

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumptions

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

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

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

Assigned Fund Balance - Amounts that are constrained by the School District's intent to be used for specific purposes, including encumbrances, but are neither restricted nor committed. Per board policy, authority is delegated to the superintendent, or the superintendent's designee, to assign fund balance.

Unassigned Fund Balance - The remaining fund balance after amounts are set aside for other classifications. The board assigns the superintendent or designee the responsibility of accumulating and maintaining a minimum General Fund unassigned fund balance of 5.0 percent of the School District's adopted General Fund revenue budget of the current fiscal year.

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

Property Taxes

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

Note 2 - Significant Accounting Policies (Continued)

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Changes

Adoption of New Accounting Pronouncement

During the current year, the School District adopted GASB Statement No. 101, *Compensated Absences*, which updated the recognition and measurement for compensated absences under a unified model. As a result, the School District is required to restate liabilities for compensated absences to be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The financial statements for the year ended June 30, 2024 have been restated in order to adopt GASB Statement No. 101. The effects of this adoption of a new accounting pronouncement are shown in the table at the end of this section.

Adjustment to and Restatements of Beginning Balances

During fiscal year 2025, the changes noted above resulted in adjustments to and restatements of beginning net position (deficit) as follows:

	<u>June 30, 2024</u>		<u>June 30, 2024</u>
	<u>As Previously</u>	<u>Adoption of</u>	<u>As Restated</u>
	<u>Reported</u>	<u>GASB 101</u>	
Government-wide	\$ (179,964,916)	\$ 2,299,959	\$ (177,664,957)

Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

June 30, 2025

Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Component Units
Equity in pooled cash and investments	\$ 76,226,298	\$ 5,522,175
Restricted investments	64,351,403	3,590,942
Total deposits and investments	<u>\$ 140,577,701</u>	<u>\$ 9,113,117</u>

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

Investment policies are governed by Colorado state statutes and the School's own investment policies and procedures. Investments of the School may include the following:

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

The School District holds shares or interests in government pooled investment funds where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment fund as a practical expedient. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy established by generally accepted accounting principles.

As of June 30, 2025, the School District had investments of approximately \$42.0 million in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund, and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and the highest-rated commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard & Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

June 30, 2025

Note 3 - Deposits and Investments (Continued)

As of June 30, 2025, the School District invested approximately \$82.0 million in the Colorado Surplus Asset Fund Trust (CSAFE) Colorado CORE, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE operates similarly to a money market fund, and each share is equal in value to \$2.00. CSAFE is rated AAAs/S1 by Fitch and is valued at fair value. CSAFE records investments at fair value, and the School District records investments in CSAFE at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is a one-day redemption notice period.

As of June 30, 2025, the School District invested approximately \$20.8 million in the Colorado Statewide Investment Program (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing CSIP. CSIP operates similarly to a money market fund, and each share is equal in value to \$1.00. CSIP Liquid Portfolio is rated AAAs by Standard & Poor's and is valued at amortized cost. CSIP Term is rated AAAs by Fitch. It records investments at fair value, and the School District records investments in CSIP Term at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is a one-day redemption notice period.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment policies are governed by Colorado state statutes and the School District's own investment policies and procedures. At June 30, 2025, the School District does not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy limits investment maturities to less than five years as a means of managing its exposure to interest rate risk. The School District investments have a maturity of less than five years. At June 30, 2025, the School District does not have investments with interest rate risk other than those disclosed above.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. State law has various restrictions on a majority of allowable investments and money markets related to ratings by a nationally recognized statistical rating organization. The School District's investment policy does not further limit its investment choices. As of June 30, 2025, the School District's investments were rated AAAs and AAAs by Standard & Poor's.

Concentration of Credit Risk

State statutes generally do not limit the amount the School District may invest in one issuer. The investments individually do not garner greater than 5.0 percent of total investments.

Component Units

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The charter schools do not have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorized the investment for a period in excess of five years. The charter schools' investments have a maturity of less than 12 months.

June 30, 2025**Note 3 - Deposits and Investments (Continued)**

At the Littleton Preparatory Charter School, there were investments of \$0.8 million in the Morgan Stanley Government Liquidity Fund (the "Fund"), a money market mutual fund that complies with the Rule 2a-7 definition of a government money market fund. The fund is rated AAAM by Standard & Poor's and valued at amortized cost.

Credit risk for the charter schools is the same as the School District. The charter schools' investments as of June 30, 2025 were rated AAAM by Standard & Poor's.

Concentration of Credit Risk

State statutes generally do not limit the amount the charter schools may invest in one issuer.

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund transfers in/out for the year ended June 30, 2025 are as follows:

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
General Fund	Nonmajor funds	\$ 10,779,450
Nonmajor funds	General Fund	<u>265,852</u>
	Total	<u><u>\$ 11,045,302</u></u>

Annually, the School District subsidizes the Student Athletic, Activities, and Clubs Fund and the Capital Projects Fund by a transfer from the General Fund. The Extended Day Care Program Fund reimbursed the General Fund for use of the facility.

Arapahoe County School District Number Six

Notes to Financial Statements

June 30, 2025

Note 5 - Capital Assets

Capital asset activity of the School District's governmental activities for the year ended June 30, 2025 are as follows:

	Primary Government				Balance June 30, 2025
	Balance July 1, 2024	Reclassifications	Increases	Decreases	
Capital assets not being depreciated:					
Land	\$ 10,592,063	\$ -	\$ -	\$ -	\$ 10,592,063
Construction in progress	9,463,508	(7,966,858)	6,760,138	-	8,256,788
Subtotal	20,055,571	(7,966,858)	6,760,138	-	18,848,851
Capital assets being depreciated:					
Buildings and improvements	493,152,787	7,966,858	216,685	-	501,336,330
Furniture and equipment	11,607,700	(463,649)	1,157,209	(80,204)	12,221,056
Buses and other vehicles	9,983,899	-	302,079	(242,880)	10,043,098
Land improvements	23,994,710	463,649	119,359	-	24,577,718
Lease assets - Land improvements	188,331	-	-	(188,331)	-
Lease assets - Building improvements	61,114	-	-	(61,114)	-
Lease assets - Vehicles	103,299	-	-	(103,299)	-
Lease assets - Equipment	318,902	-	-	(318,902)	-
Subtotal	539,410,742	7,966,858	1,795,332	(994,730)	548,178,202
Accumulated depreciation:					
Buildings and improvements	189,024,323	-	15,105,567	-	204,129,890
Furniture and equipment	6,144,768	(34,357)	1,141,918	(138,230)	7,114,099
Buses and other vehicles	7,310,613	-	647,375	(242,880)	7,715,108
Land improvements	16,137,079	34,357	1,381,199	-	17,552,635
Lease assets - Land improvements	39,072	-	-	(39,072)	-
Lease assets - Building improvements	56,636	-	-	(56,636)	-
Lease assets - Vehicles	103,299	-	-	(103,299)	-
Lease assets - Equipment	147,797	-	-	(147,797)	-
Subtotal	218,963,587	-	18,276,059	(727,914)	236,511,732
Net capital assets being depreciated	320,447,155	7,966,858	(16,480,727)	(266,816)	311,666,470
Net governmental activities capital assets	<u>\$ 340,502,726</u>	<u>\$ -</u>	<u>\$ (9,720,589)</u>	<u>\$ (266,816)</u>	<u>\$ 330,515,321</u>

Depreciation and amortization expense was charged to programs of the primary government for the year ended as follows:

Instruction	\$ 16,448,453
Support services	1,827,606
Total depreciation and amortization expense	<u>\$ 18,276,059</u>

Arapahoe County School District Number Six

Notes to Financial Statements

June 30, 2025

Note 5 - Capital Assets (Continued)

	Component Units			Balance June 30, 2025
	Balance July 1, 2024	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 1,889,806	\$ -	\$ -	\$ 1,889,806
Construction in progress	48,840	-	(48,840)	-
Subtotal	1,938,646	-	(48,840)	1,889,806
Capital assets being depreciated:				
Buildings and improvements	24,388,661	271,000	(9,778)	24,649,883
Furniture and equipment	228,746	42,191	(14,997)	255,940
Land improvements	609,711	-	-	609,711
Subtotal	25,227,118	313,191	(24,775)	25,515,534
Accumulated depreciation:				
Buildings and improvements	4,869,230	917,741	(3,870)	5,783,101
Furniture and equipment	118,297	32,840	(14,997)	136,140
Land improvements	160,222	67,630	-	227,852
Subtotal	5,147,749	1,018,211	(18,867)	6,147,093
Net capital assets being depreciated	20,079,369	(705,020)	(5,908)	19,368,441
Net governmental activities capital assets	<u>\$ 22,018,015</u>	<u>\$ (705,020)</u>	<u>\$ (54,748)</u>	<u>\$ 21,258,247</u>

Note 6 - Short-term Debt

State of Colorado Interest-free Loan Program

To meet short-term General Fund cash flow needs, the School District was awarded up to \$17,214,307 with the State of Colorado's Interest-Free Loan Program. The agreement was signed in June 2025 with no subsequent draws. Total award amount remains available through June 30, 2026.

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2025 can be summarized as follows:

Governmental Activities

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligations	\$ 344,841,195	\$ 61,230,000	\$ (81,590,000)	\$ 324,481,195	\$ 23,552,616
Unamortized bond premiums	42,727,021	8,392,801	(6,577,947)	44,541,875	4,309,037
Total bonds payable	387,568,216	69,622,801	(88,167,947)	369,023,070	27,861,653
Leases	324,842	-	(324,842)	-	-
Compensated absences (Note 2)	492,553	307,402	-	799,955	79,996
Accreted interest on bonds	2,234,140	257,767	-	2,491,907	-
Total governmental activities long-term debt	<u>\$ 390,619,751</u>	<u>\$ 70,187,970</u>	<u>\$ (88,492,789)</u>	<u>\$ 372,314,932</u>	<u>\$ 27,941,649</u>

Arapahoe County School District Number Six

Notes to Financial Statements

June 30, 2025

Note 7 - Long-term Debt (Continued)

The table above discloses the net change in the compensated absence liability of the School District.

Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Building loan - Direct borrowings and direct placements	\$ 14,870,000	\$ -	\$ (320,000)	\$ 14,550,000	\$ 330,000
Leases	1,386,639	-	(70,121)	1,316,518	69,101
Total component unit long-term debt	<u>\$ 16,256,639</u>	<u>\$ -</u>	<u>\$ (390,121)</u>	<u>\$ 15,866,518</u>	<u>\$ 399,101</u>

General Obligation Bonds and Contracts

	Primary Government General Obligations		
	Maturing December 1	Interest Rates	Amount Outstanding
\$17,000,000 - 2014 G.O. bond	2038	3.0%-4.0%	\$ 5,700,000
\$12,998,580 - 2015 G.O. bond	2038	2.9%-5.0%	15,626,195
\$298,870,000 - 2019 G.O. bond	2043	5.0%-5.5%	241,925,000
\$61,230,000 - 2024 G.O. refunding bonds	2038	3.5%-5.0%	61,230,000
Total			<u>\$ 324,481,195</u>

Payment of G.O. bonds debt service, including bond principal, is made from the Debt Service Fund.

Construction Commitments

The School District has active construction projects at year end. The projects include the bond issue and the escrow balance on projects. At year end, the School District's commitments with contractors are as follows:

- The School District has spent to date \$14,758,849 and has a remaining commitment of \$8,386,165.

Component Unit Leases

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

Component Unit Intraentity Lease

Littleton Academy and Littleton Preparatory Charter School lease their buildings from their respective building corporations. The leases require monthly payments. Rent expenditures for Littleton Academy and Littleton Preparatory Charter School were \$490,200 and \$478,417, respectively, for the year ended June 30, 2025, and are included in supporting services expenditures in the General Fund.

June 30, 2025

Note 7 - Long-term Debt (Continued)

Other Long-term Liabilities

Compensated absences attributable to governmental activities will be liquidated primarily by the School District and charter schools' General Fund. The claims and judgments liability will generally be liquidated through the School District's Risk Management Fund. That fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. The net pension liability and the net OPEB liability will be liquidated from the funds from which the individual employees' salaries are paid, generally the School District and charter schools' General Fund.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities			Component Unit Activities		
	General Obligation Bonds			Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 23,552,616	\$ 17,342,834	\$ 40,895,450	\$ 330,000	\$ 635,200	\$ 965,200
2027	22,280,000	15,379,125	37,659,125	345,000	619,850	964,850
2028	24,685,000	14,190,175	38,875,175	365,000	603,800	968,800
2029	26,010,000	12,829,238	38,839,238	375,000	586,850	961,850
2030	10,750,000	11,848,300	22,598,300	395,000	569,400	964,400
2031-2035	60,270,000	50,212,138	110,482,138	2,250,000	2,554,650	4,804,650
2036-2040	75,358,579	36,322,895	111,681,474	2,815,000	1,979,625	4,794,625
2041-2045	81,575,000	9,273,413	90,848,413	7,675,000	2,522,500	10,197,500
Total	\$ 324,481,195	\$ 167,398,118	\$ 491,879,313	\$ 14,550,000	\$ 10,071,875	\$ 24,621,875

In September 2024, the School District issued general obligation refunding bonds in the amount of \$61,230,000 at an interest rate of 3.47 percent for the purpose of refunding certain maturities from outstanding series 2013, 2014, and 2020 general obligation bonds. This refunding was undertaken to reduce total debt service payments by \$8,731,937, with net present value savings of 10.74 percent. The net proceeds of this refunding were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on these general obligation bonds. As a result, these bonds are defeased, and the liability for these bonds was removed from the 2024-2025 government-wide statement of net position.

Note 8 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

Liability and Property

The School District has a self-insured retention on its general liability, errors and omissions, and auto claims up to \$250,000 per occurrence. For claims in excess of \$250,000 up to \$10,000,000, the School District is a member of the Excess-of-Loss Self-Insurance Pool (ELSIP), a public entity risk pool. ELSIP operates risk management and insurance programs for three participating member school districts. The School District pays an annual premium for its coverage. ELSIP may require additional contributions if it determines that the financial condition, including cash flow availability, necessitates additional contributions. Additionally, the School District purchases cyber liability coverage through American International Group (AIG). The School District self-insures the first \$100,000 for each property claim and insures through Travelers additional losses up to approximately \$666.4 million. The School District purchases other insurance policies for crime and fiduciary with varying deductibles and limits. Both charter schools participate with the School District for all coverages.

June 30, 2025

Note 8 - Risk Management (Continued)

Employee Health Care

All employee health care benefit plans of the School District and the component units are commercially insured.

Workers' Compensation

In 1986, the School District joined with other school districts in the state of Colorado to form the Joint School Districts' Workers' Compensation Self-Insurance Pool (the "Joint Pool"), a public entity risk pool currently operating as a common risk management and insurance program with four participating members. The School District pays an annual premium to the Joint Pool for its workers' compensation coverage. The Joint Pool may require additional contributions if it determines that the financial condition, including cash flow availability, necessitates additional contributions. Each member of the Joint Pool is responsible for \$100,000 of each loss. Losses between \$100,000 and \$550,000 are pooled between the member districts, and losses in excess of \$550,000 are reinsured for up to statutory limits. The component units participate with the School District in the Joint Pool.

Note 9 - Contingent Liabilities

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

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

Note 10 - Constitutional TABOR Amendment

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

In the November 1998 general election, the School District's electorate authorized the School District to collect, retain, and expend all revenue and other funds collected during fiscal year 1999 and each subsequent year from any source, notwithstanding the TABOR limitations. The School District remains subject to TABOR with respect to general mill levy increase restrictions and to the issuance of any new debt without taxpayers' approval. The TABOR amendment is subject to many interpretations, but the School District believes it is in compliance. TABOR requires that an emergency reserve be established. Net position and fund balances of \$5,850,000 have been restricted for this emergency reserve at June 30, 2025.

June 30, 2025

Note 11 - Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

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

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

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit have 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 postretirement 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 percent 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 percent 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 percent 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 percent based on the parameters specified in C.R.S. § 24-51-413.

June 30, 2025

Note 11 - Defined Benefit Pension Plan (Continued)

Disability benefits are available for eligible employees once they reach 5 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 School District 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 percent of their PERA-includable salary during the period from July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table:

	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
	20.38 %
Total employer contribution rate to the SCHDTF	

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School District and component units were \$25,123,016 and \$1,463,907, respectively, for the year ended June 30, 2025.

For the purpose of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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 School District and component units' proportion of the net pension liability was based on the School District's 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.

Arapahoe County School District Number Six

Notes to Financial Statements

June 30, 2025

Note 11 - Defined Benefit Pension Plan (Continued)

At June 30, 2025, the School District and component units reported a liability of \$276,697,518 and \$14,601,738, respectively, for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School District as its proportionate share 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 School District were as follows:

	Primary Government	Component Unit
The School District's proportionate share of the net pension liability	\$ 276,697,518	\$ 14,601,738
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School District	24,722,715	1,440,582

At December 31, 2024, the School District's primary government proportion was 1.60 percent, which was a decrease of 0.2100 percentage points (11.6 percent change) from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the School District and component units recognized pension expense of \$4,626,489 and \$269,584, respectively, and revenue of \$474,133 and \$15,024, respectively, for support from the State as a nonemployer contributing entity. At June 30, 2025, the School District and component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 15,587,559	\$ -	\$ 908,280	\$ -
Changes in assumptions or other inputs	2,063,656	-	120,248	-
Net difference between projected and actual earnings on pension plan investments	5,193,391	-	302,617	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	24,584,695	27,312,847	1,035,493	1,508,952
Contributions subsequent to the measurement date	13,052,713	-	703,661	-
Total	<u>\$ 60,482,014</u>	<u>\$ 27,312,847</u>	<u>\$ 3,070,299</u>	<u>\$ 1,508,952</u>

The \$13,052,713 and \$703,661 reported at the School District and component units, respectively, 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 ending 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:

Years Ending June 30	Primary Government	Component Units
2026	\$ 14,666,537	\$ 854,613
2027	23,687,871	1,380,282
2028	(10,681,695)	(622,418)
2029	(7,853,434)	(457,616)

June 30, 2025

Note 11 - Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The December 31, 2023 actuarial valuation was determined using the following actuarial cost method, key actuarial assumptions, and other inputs:

Actuarial cost method	
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%
Postretirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after December 31, 2006*	Financed by AIR

*Postretirement 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
Preretirement	PubT-2010 Employee	N/A
Postretirement (retiree), Nondisabled	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
Postretirement (beneficiary), Nondisabled	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 from January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA board November 20, 2020.

Based on the 2024 experience analysis dated January 3, 2025, for the period from January 1, 2020 through 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 rollforward calculation of the total pension liability from December 31, 2023 through December 31, 2024:

Salary increases, including wage inflation: 4.00 percent-13.40 percent

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 percent to 0.45 percent.

June 30, 2025

Note 11 - Defined Benefit Pension Plan (Continued)

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
Preretirement	PubT-2010 Employee	N/A
Postretirement (retiree), Nondisabled	PubT-2010 Healthy Retiree	Males: 106% of the rates prior for all ages Females: 86% of the rates prior to age 85, 115% of the rates age 85 and older
Postretirement (beneficiary), Nondisabled	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 scheduled experience studies prepared at least every four years and asset/liability studies performed every three to five years. Recently, this assumption has been reviewed more frequently. 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 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the PERA board reaffirmed the assumed rate of return at its November 15, 2019 meeting and again at its 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:

Asset Class	Target Allocation	30-year Expected Geometric Real Rate of Return
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 percent.

June 30, 2025

Note 11 - Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop by 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing on 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 percent on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and, therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

June 30, 2025

Note 11 - Defined Benefit Pension Plan (Continued)

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	Primary Government			Component Units		
	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Proportionate share of the net pension liability	\$ 373,188,732	\$ 276,697,518	\$ 193,230,954	\$ 21,745,547	\$ 14,601,738	\$ 11,259,485

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 Benefits Plan

General Information about the OPEB Plan

Plan Description

Eligible employees of the School District are provided with OPEB through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes, 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 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 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.

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

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 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School District and component units are statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School District and component units were \$1,257,379 and \$73,274, respectively, for the year ended June 30, 2025.

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

At June 30, 2025, the School District and component units reported a liability of \$4,916,953 and \$251,530 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 School District and component units' proportion of the net OPEB liability was based on the School District's and component units' contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the School District's proportion was 1.0809 percent, which was a decrease of 0.0584 percentage points (5.12 percent change) from its proportion measured as of December 31, 2023.

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

For the year ended June 30, 2025, the School District and component units recognized OPEB contra expense of \$2,153,399 and \$74,116, respectively. At June 30, 2025, the School District and component units reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,077,285	\$ -	\$ 62,779
Changes in assumptions or other inputs	57,059	1,576,735	2,207	75,370
Net difference between projected and actual earnings on pension plan investments	16,556	-	965	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	142,806	851,181	7,234	49,603
Contributions subsequent to the measurement date	643,468	-	33,802	-
Total	<u>\$ 859,889</u>	<u>\$ 3,505,201</u>	<u>\$ 44,208</u>	<u>\$ 187,752</u>

The \$643,468 and \$33,802 within the School District and component units, respectively, reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 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:

Years Ending June 30	Primary Government	Component Units
2026	\$ (750,271)	\$ (43,722)
2027	(693,654)	(40,423)
2028	(729,660)	(42,521)
2029	(513,691)	(29,935)
2030	(336,995)	(19,638)
Thereafter	(250,989)	(14,626)

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

Actuarial Assumptions

The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	Government 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	3.20%–11.30%
Long-term investment rate of return - Net of OPEB 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 (1)	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034

(1) UnitedHealthcare MAPD PPO plans are 0 percent for 2023.

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 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 Age	Annual Increase (Male)	Annual Increase (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%

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A 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 Age	MAPD PPO #1 without Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A 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 (actual dollars) per month.

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

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

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

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 table below:

Year	PERACare Medicare Plans	MAPD PPO #2	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	5.58	4.25
2032	5.00	5.40	4.25
2033	4.75	4.95	4.50
2034+	4.50	4.50	4.50

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

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

Mortality assumptions used in the December 31, 2023 valuation for the determination of the total pension liability for each of the Division Trust Funds shown below reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF but were developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Preretirement	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
Postretirement (Retiree), Nondisabled	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
Postretirement (Beneficiary), Nondisabled	Mortality Table	Adjustments, as Applicable
All beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for 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 rollforward 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 attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. 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.

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

The actuarial assumptions used in the December 31, 2023 valuation were based on the 2020 experience analysis, dated October 28, 2020 and November 4, 2020, for the period from January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA board at its November 20, 2020 meeting.

Based on the 2024 experience analysis, dated January 3, 2025, for the period from January 1, 2020 through December 31, 2023, revised actuarial assumptions were adopted by the PERA board on January 17, 2025 and were effective as of December 31, 2024. The following assumptions were reflected in the rollforward calculation of the total OPEB liability from December 31, 2023 through 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 rollforward 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 rollforward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Preretirement	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

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

Postretirement (Retiree), Nondisabled	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
Postretirement (Beneficiary), Nondisabled	Mortality Table	Adjustments, as Applicable
All beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for 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 prepared every three to five years for PERA. The most recent analyses were outlined in the 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 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the board reaffirmed the assumed rate of return at its November 15, 2019 meeting and again at its 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:

Asset Class	Target Allocation	30-year Expected Geometric Real Rate of Return
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 %	

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

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 percent.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1 Percentage Point Decrease in Trend Rates	Current Trend Rates	1 Percentage Point Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	7.55%	8.55%	9.55%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB liability - Primary government	\$4,752,292	\$4,916,953	\$5,032,792
Net OPEB liability - Component units	\$276,940	\$251,530	\$293,287

Discount Rate

The discount rate used to measure the TOL was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was a 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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 payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

June 30, 2025

Note 12 - Defined Benefit Other Postemployment Benefits Plan (Continued)

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 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and, therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	Primary Government		
	1 Percentage Point Decrease (6.25 percent)	Current Discount Rate (7.25 percent)	1 Percentage Point Increase (8.25 percent)
Proportionate share of the net OPEB liability - Primary government	\$ 5,985,264	\$ 4,916,953	\$ 3,934,345
Proportionate share of the net OPEB liability - Component units	348,792	251,530	229,275

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.

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Required Supplementary Information

Arapahoe County School District Number Six

Notes to Required Supplementary Information

June 30, 2025

Budgetary Information

The School District prepares budgets for all funds. During May, the superintendent of schools submits to the Board of Education a proposed budget for all funds for the fiscal year commencing on July 1. The budget includes proposed expenditures and the means for financing them.

Notice is provided to taxpayers of the availability for inspection of the proposed budget. Prior to June 30, the budget is adopted by formal resolution of the Board of Education. C.R.S. 22-44-110 (5) allows the Board of Education to review and change the adopted budget, with respect to both revenue and expenditures, at any time prior to January 31.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department within any fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves, as established by the Board of Education.

Budgets are adopted on a basis consistent with GAAP, with the exception of the on-behalf payments for retirement benefits to Colorado PERA paid by the State of Colorado. Actual amounts in the budget schedules are presented on the same basis in which the board adopts the budgets, which is different than the presentation in the financial statements.

The budgets reported in the accompanying financial statements and schedules as adopted by the Board of Education were done so as authorized.

Appropriations for all funds lapse at the fiscal year end.

The Risk Management Fund is a subfund of the General Fund, and its budget is approved by the Board of Education annually. The statement of revenue, expenditures, and changes in fund balances combines the actual revenue and expenditures of the General Fund and the Risk Management Fund. A budgetary comparison schedule is provided separately for both the General Fund and the Risk Management Fund. The following is a reconciliation of the General Fund actual revenue and expenditures as reported in the statement of revenue, expenditures, and changes in fund balance:

	General Fund	Risk Management Fund	Total
Revenue and transfers - GAAP basis	\$ 196,733,396	\$ 9,122,678	\$ 205,856,074
Expenditures and transfers - GAAP basis	(195,568,391)	(10,756,360)	(206,324,751)
Changes in fund balances - GAAP basis	1,165,005	(1,633,682)	(468,677)
Fund balance - Beginning - GAAP basis	45,257,672	5,460,168	50,717,840
Fund balance - Ending - GAAP basis	<u>\$ 46,422,677</u>	<u>\$ 3,826,486</u>	<u>\$ 50,249,163</u>

Pension Information

Changes in Plan Provisions

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 on 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.

Arapahoe County School District Number Six

Notes to Required Supplementary Information

June 30, 2025

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 8 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.

Benefit Changes

There were no changes of benefit terms in 2024.

Changes in Assumptions

The salary scale assumptions were altered to better reflect actual experience.

Changes in assumptions or other inputs effective subsequent to December 31, 2025:

- SB 25-310, enacted on 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 assumptions 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 percent benchmark.

Changes in assumptions or other inputs effective for the December 31, 2024 measurement period are as follows:

- 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 percent to 0.45 percent.

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

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

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses, from 4.85 percent 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.

Arapahoe County School District Number Six

Notes to Required Supplementary Information

June 30, 2025

- The preretirement 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 preretirement 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 postretirement 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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019
 - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019
- The postretirement 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 assumptions 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 inputs 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 percent to 1.25 percent.

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 percent was used as the discount rate, rather than using the blended rate of 4.72 percent.

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 percent to 4.72 percent.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP-2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scales for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50 percent to 5.26 percent.

Arapahoe County School District Number Six

Notes to Required Supplementary Information

June 30, 2025

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other inputs effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 3.50 percent to 2.80 percent.
- The wage inflation assumption was lowered from 4.25 percent to 3.90 percent.

OPEB Information

Changes in Plan Provisions

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 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.

Benefit Changes

There were no changes of benefit terms in 2024.

Changes in Assumptions

Changes in assumptions or other inputs effective for the December 31, 2024 measurement period are as follows:

- 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.

There were no changes in assumptions or other inputs effective for the December 31, 2023 measurement period for OPEB compared to the prior year.

Changes in assumptions or other inputs effective for the December 31, 2022 measurement period are as follows:

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

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

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses, from 4.85 percent per year, net of investment expenses.

Arapahoe County School District Number Six

Notes to Required Supplementary Information

June 30, 2025

- 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 preretirement 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 preretirement 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 postretirement 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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019
 - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019
- The postretirement nondisabled mortality assumption for the state troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The postretirement 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 postretirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019
 - Females: 105 percent of the rates for all ages, with generational 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 disabled 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 compared to the prior year.

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 compared to the prior year.

Arapahoe County School District Number Six

Required Supplementary Information Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Property taxes	\$ 97,234,880	\$ 97,234,880	\$ 96,224,653	\$ (1,010,227)
Specific ownership taxes	8,326,248	8,326,248	9,125,301	799,053
Federal sources	300,000	300,000	700,745	400,745
State equalization aid	70,247,391	70,247,391	71,479,751	1,232,360
State education of students with disabilities	5,635,564	5,635,564	6,100,389	464,825
Other state entitlements	4,821,541	4,821,541	6,143,125	1,321,584
Investment earnings	1,000,000	1,000,000	1,388,014	388,014
Other	3,680,893	3,680,893	5,305,566	1,624,673
Total revenue	191,246,517	191,246,517	196,467,544	5,221,027
Expenditures				
Current:				
Instruction - Basic programs	125,232,397	127,717,025	126,255,384	(1,461,641)
Support services:				
Pupil services	12,962,038	13,523,661	12,816,880	(706,781)
Instructional staff services	10,636,124	12,833,976	10,838,804	(1,995,172)
General administration	2,471,440	2,547,393	2,466,857	(80,536)
School administration	13,027,502	14,644,352	13,616,620	(1,027,732)
Financial administration	2,879,646	3,016,885	1,726,928	(1,289,957)
Operations administration	1,699,732	2,529,922	2,729,942	200,020
Transportation	6,934,887	6,939,058	8,604,827	1,665,769
Central administration	8,537,359	9,705,309	8,196,085	(1,509,224)
Community services	390,693	667,967	336,614	(331,353)
Contingency reserve	42,553,642	33,199,913	-	(33,199,913)
Total expenditures	227,325,460	227,325,461	187,588,941	(39,736,520)
Excess of Revenue (Under) Over Expenditures	(36,078,943)	(36,078,944)	8,878,603	44,957,547
Other Financing Sources (Uses)				
Transfers in	310,876	310,876	265,852	(45,024)
Transfers out	(7,979,450)	(7,979,450)	(7,979,450)	-
Total other financing uses	(7,668,574)	(7,668,574)	(7,713,598)	(45,024)
Net Change in Fund Balance	(43,747,517)	(43,747,518)	1,165,005	44,912,523
Fund Balance - Beginning of year	43,747,517	43,747,518	45,257,672	1,510,154
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,422,677</u>	<u>\$ 46,422,677</u>

Arapahoe County School District Number Six

Required Supplementary Information Budgetary Comparison Schedule - Risk Management Fund

Year Ended June 30, 2025

	Revised Budget	Final Budget	Actual	Over Final Budget
Revenue				
Investment earnings	\$ 125,000	\$ 125,000	\$ 281,411	\$ 156,411
Insurance reimbursements and other	4,825,000	4,825,000	4,941,267	116,267
Total revenue	4,950,000	4,950,000	5,222,678	272,678
Expenditures				
Current services:				
Support services - Risk management	4,409,066	4,409,804	4,056,360	353,444
Contingency reserve	3,201,102	3,200,364	-	3,200,364
Total expenditures	7,610,168	7,610,168	4,056,360	3,553,808
Excess of Revenue (Under) Over Expenditures	(2,660,168)	(2,660,168)	1,166,318	3,826,486
Other Financing Sources (Uses)				
Transfers in	3,900,000	3,900,000	3,900,000	-
Transfers out	(6,700,000)	(6,700,000)	(6,700,000)	-
Total other financing uses	(2,800,000)	(2,800,000)	(2,800,000)	-
Net Change in Fund Balance	(5,460,168)	(5,460,168)	(1,633,682)	3,826,486
Fund Balance - Beginning of year	5,460,168	5,460,168	5,460,168	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,826,486</u>	<u>\$ 3,826,486</u>

Arapahoe County School District Number Six

Required Supplementary Information Schedule of the School District's Proportionate Share of the Net Pension Liability Colorado Public Employees' Retirement Association

	Last Ten Plan Years For the Plan Years Ended December 31 (Dollar Amounts in Thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	1.60000 %	1.81000 %	1.41000 %	1.71000 %	1.90000 %	1.79000 %	1.82000 %	2.19000 %	2.21000 %	2.22000 %
School District's proportionate share of the net pension liability	\$ 276,698	\$ 319,648	\$ 256,506	\$ 198,717	\$ 287,817	\$ 267,995	\$ 322,173	\$ 676,856	\$ 629,668	\$ 325,723
State's proportionate share of the net pension liability**	\$ 24,723	\$ 7,013	\$ 74,748	\$ 22,780	\$ -	\$ 33,992	\$ 44,053	\$ -	\$ -	\$ -
School District's covered payroll	\$ 123,264	\$ 119,557	\$ 114,824	\$ 106,702	\$ 103,372	\$ 104,900	\$ 100,073	\$ 96,531	\$ 94,917	\$ 93,180
School District's proportionate share of the net pension liability as a percentage of its covered payroll	224.50 %	267.40 %	223.39 %	186.24 %	278.43 %	255.48 %	321.94 %	701.18 %	663.39 %	349.56 %
Plan fiduciary net position as a percentage of total pension liability	67.20 %	64.70 %	61.80 %	74.90 %	67.00 %	64.52 %	57.01 %	43.96 %	43.10 %	59.20 %

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

Arapahoe County School District Number Six

Required Supplementary Information Schedule of Pension Contributions Colorado Public Employees' Retirement Association

Last Ten Fiscal Years Years Ended June 30 (Dollar Amounts in Thousands)										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 25,123	\$ 24,367	\$ 21,873	\$ 21,295	\$ 21,099	\$ 20,519	\$ 19,631	\$ 18,436	\$ 17,498	\$ 16,843
Contributions in relation to the statutorily required contribution	25,123	24,367	21,873	21,295	21,099	20,519	19,631	18,436	17,498	16,843
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 126,995	\$ 120,358	\$ 108,883	\$ 107,294	\$ 107,516	\$ 105,877	\$ 102,612	\$ 97,621	\$ 95,196	\$ 94,995
Contributions as a Percentage of Covered Payroll	19.78 %	20.25 %	20.10 %	19.88 %	19.62 %	19.38 %	19.13 %	18.89 %	18.38 %	17.73 %

Arapahoe County School District Number Six

Required Supplementary Information Schedule of the School District's Proportionate Share of the Net OPEB Liability Colorado Public Employees' Retirement Association

**Last Nine Plan Years
For the Plan Years Ended December 31
(Dollar Amounts in Thousands)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net OPEB liability	1.08090 %	1.14000 %	1.07000 %	1.18000 %	1.16000 %	1.17000 %	1.18000 %	1.24000 %	1.26000 %
School District's proportionate share of the net OPEB liability	\$ 4,917	\$ 7,717	\$ 8,741	\$ 9,665	\$ 10,511	\$ 13,177	\$ 16,099	\$ 15,456	\$ 15,585
School District's covered payroll	\$ 123,264	\$ 119,557	\$ 114,824	\$ 106,702	\$ 103,372	\$ 104,900	\$ 100,073	\$ 96,531	\$ 94,917
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.99 %	6.45 %	7.61 %	9.06 %	10.17 %	12.56 %	16.09 %	16.01 %	16.42 %
Plan fiduciary net position as a percentage of total OPEB liability	59.83 %	46.16 %	38.57 %	39.40 %	32.78 %	24.49 %	17.03 %	17.53 %	16.72 %

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

Arapahoe County School District Number Six

Required Supplementary Information Schedule of OPEB Contributions Colorado Public Employees' Retirement Association

Last Ten Fiscal Years Years Ended June 30 (Dollar Amounts in Thousands)										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 1,257	\$ 1,220	\$ 1,108	\$ 1,094	\$ 1,059	\$ 1,080	\$ 1,047	\$ 996	\$ 971	\$ 968
Contributions in relation to the statutorily required contribution	1,257	1,220	1,108	1,094	1,059	1,080	1,047	996	971	968
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 126,995	\$ 120,358	\$ 108,883	\$ 107,294	\$ 107,516	\$ 105,877	\$ 102,612	\$ 97,621	\$ 95,196	\$ 94,995
Contributions as a Percentage of Covered Payroll	0.99 %	1.01 %	1.02 %	1.02 %	0.98 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %

Other Supplementary Information

Arapahoe County School District Number Six

Other Supplementary Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds						
	Nutrition Services Fund	Designated Purpose Grant Fund	Student Athletic, Activities, and Club Fund	Extended Day Care Program Fund	Capital Projects Fund	Operations and Technology Fund	Total
Assets							
Equity in pooled cash and investments	\$ 3,305,389	\$ 441,673	\$ 588,903	\$ 3,559,152	\$ 5,960,268	\$ 3,429,827	\$17,285,212
Receivables:							
Taxes receivable - Net	-	-	-	-	-	588,814	588,814
Taxes receivable from the county treasure	-	-	-	-	-	68,416	68,416
Due from other governments	508,220	569,086	-	-	-	-	1,077,306
Inventory	375,025	-	-	-	-	-	375,025
Total assets	\$ 4,188,634	\$ 1,010,759	\$ 588,903	\$ 3,559,152	\$ 5,960,268	\$ 4,087,057	\$19,394,773
Liabilities							
Accounts and contracts payable	\$ 6,902	\$ 46,964	\$ 121,939	\$ 18,668	\$ 734,729	\$ 745,598	\$ 1,674,800
Accrued payroll and other liabilities	187,168	295,944	55,772	288,123	-	61,746	888,753
Other unearned revenue	126,768	667,851	25	393,341	-	-	1,187,985
Total liabilities	320,838	1,010,759	177,736	700,132	734,729	807,344	3,751,538
Deferred Inflows of Resources -							
Deferred property tax revenue	-	-	-	-	-	588,814	588,814
Total liabilities and deferred inflows of resources	320,838	1,010,759	177,736	700,132	734,729	1,396,158	4,340,352
Fund Balances							
Nonspendable - Inventory	375,025	-	-	-	-	-	375,025
Restricted:							
Nutrition services	3,492,771	-	-	-	-	-	3,492,771
Operations and technology	-	-	-	-	-	2,690,899	2,690,899
Committed:							
Capital projects	-	-	-	-	5,225,539	-	5,225,539
Pupil activities	-	-	387,418	-	-	-	387,418
Student care services	-	-	-	2,859,020	-	-	2,859,020
Assigned - Contracts	-	-	23,749	-	-	-	23,749
Total fund balances	3,867,796	-	411,167	2,859,020	5,225,539	2,690,899	15,054,421
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,188,634	\$ 1,010,759	\$ 588,903	\$ 3,559,152	\$ 5,960,268	\$ 4,087,057	\$19,394,773

Arapahoe County School District Number Six

Other Supplementary Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue Funds						
	Nutrition Services Fund	Designated Purpose Grant Fund	Student Athletic, Activities, and Club Fund	Extended Day Care Program Fund	Capital Projects Fund	Operations and Technology Fund	Total
Revenue							
Local sources	\$ 722,967	\$ -	\$ 2,480,718	\$ 3,956,200	\$ 496,828	\$24,665,321	\$32,322,034
State sources	3,393,914	1,172,051	-	-	-	-	4,565,965
Federal sources	2,531,013	5,688,406	-	-	-	-	8,219,419
Total revenue	6,647,894	6,860,457	2,480,718	3,956,200	496,828	24,665,321	45,107,418
Expenditures							
Current:							
Instruction	-	3,594,563	-	-	-	-	3,594,563
Support services	-	2,892,014	4,586,267	3,394,493	-	17,030,524	27,903,298
Nutrition services	6,201,227	-	-	-	-	-	6,201,227
Capital outlay	690,526	373,880	129,253	18,752	8,040,708	5,003,624	14,256,743
Total expenditures	6,891,753	6,860,457	4,715,520	3,413,245	8,040,708	22,034,148	51,955,831
Excess of Revenue (Under) Over Expenditures	(243,859)	-	(2,234,802)	542,955	(7,543,880)	2,631,173	(6,848,413)
Other Financing Sources (Uses)							
Transfers in (Note 4)	-	-	1,954,450	-	8,825,000	-	10,779,450
Transfers out (Note 4)	-	-	-	(265,852)	-	-	(265,852)
Total other financing sources (uses)	-	-	1,954,450	(265,852)	8,825,000	-	10,513,598
Net Change in Fund Balances	(243,859)	-	(280,352)	277,103	1,281,120	2,631,173	3,665,185
Fund Balances - Beginning of year	4,111,655	-	691,519	2,581,917	3,944,419	59,726	11,389,236
Fund Balances - End of year	<u>\$ 3,867,796</u>	<u>\$ -</u>	<u>\$ 411,167</u>	<u>\$ 2,859,020</u>	<u>\$ 5,225,539</u>	<u>\$ 2,690,899</u>	<u>\$15,054,421</u>

Arapahoe County School District Number Six

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds Designated Purpose Grant Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Under Final Budget</u>
Revenue				
State sources	\$ 1,536,496	\$ 1,536,496	\$ 1,172,051	\$ (364,445)
Federal sources	<u>6,294,790</u>	<u>6,294,790</u>	<u>5,688,406</u>	<u>(606,384)</u>
Total revenue	7,831,286	7,831,286	6,860,457	(970,829)
Expenditures				
Current:				
Instruction	4,228,894	4,228,894	3,715,305	(513,589)
Support services	<u>3,602,392</u>	<u>3,602,392</u>	<u>3,145,152</u>	<u>(457,240)</u>
Total expenditures	<u>7,831,286</u>	<u>7,831,286</u>	<u>6,860,457</u>	<u>(970,829)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Arapahoe County School District Number Six

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Nutrition Services Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Food sales	\$ 690,000	\$ 690,000	\$ 545,190	\$ (144,810)
Federal government programs reimbursements	2,050,343	2,050,343	2,531,011	480,668
State programs reimbursements	3,215,126	3,215,126	3,393,920	178,794
Investment earnings	100,000	100,000	161,158	61,158
Other	15,000	15,000	16,615	1,615
Total revenue	6,070,469	6,070,469	6,647,894	577,425
Expenditures				
Current:				
Salaries and employee benefits	3,429,610	3,429,610	3,319,302	(110,308)
Supplies	2,229,616	2,273,146	2,602,463	329,317
Equipment	902,000	902,000	690,526	(211,474)
Other	2,400	2,400	2,531	131
Purchased services	284,600	284,600	276,931	(7,669)
Contingency reserve	3,738,617	3,695,087	-	(3,695,087)
Total expenditures	10,586,843	10,586,843	6,891,753	(3,695,090)
Net Change in Fund Balance - Expenditures over revenue	(4,516,374)	(4,516,374)	(243,859)	4,272,515
Fund Balance - Beginning of year	4,516,374	4,516,374	4,111,655	(404,719)
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,867,796</u>	<u>\$ 3,867,796</u>

Arapahoe County School District Number Six

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Extended Day Care Program Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Student care fees	\$ 4,450,415	\$ 4,450,415	\$ 3,797,886	\$ (652,529)
Interest and rentals	166,890	166,890	157,772	(9,118)
Other revenue	-	-	542	542
Total revenue	4,617,305	4,617,305	3,956,200	(661,105)
Expenditures				
Current:				
Salaries and employee benefits	3,422,106	3,422,106	2,814,575	607,531
Purchased services	307,264	309,764	317,498	(7,734)
Supplies	370,285	367,785	191,754	176,031
Equipment	3,000	3,000	18,752	(15,752)
Other	203,774	203,774	70,666	133,108
Contingency reserve	2,836,543	2,836,543	-	2,836,543
Total expenditures	7,142,972	7,142,972	3,413,245	3,729,727
Excess of Revenue (Under) Over Expenditures	(2,525,667)	(2,525,667)	542,955	3,068,622
Other Financing Uses - Transfers out	(310,876)	(310,876)	(265,852)	45,024
Net Change in Fund Balance	(2,836,543)	(2,836,543)	277,103	3,113,646
Fund Balance - Beginning of year	2,836,543	2,836,543	2,581,917	(254,626)
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,859,020</u>	<u>\$ 2,859,020</u>

Arapahoe County School District Number Six

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Student Athletic, Activities, and Club Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Pupil activities	\$ 1,948,209	\$ 1,948,209	\$ 2,460,351	\$ 512,142
Investment earnings	63,058	63,058	20,367	(42,691)
Total revenue	2,011,267	2,011,267	2,480,718	469,451
Expenditures				
Current - Support services	3,965,717	5,001,368	4,715,520	285,848
Contingency reserve	917,103	(118,548)	-	(118,548)
Total expenditures	4,882,820	4,882,820	4,715,520	167,300
Excess of Expenditures Over Revenue	(2,871,553)	(2,871,553)	(2,234,802)	636,751
Other Financing Sources - Transfers in	1,954,450	1,954,450	1,954,450	-
Net Change in Fund Balance	(917,103)	(917,103)	(280,352)	636,751
Fund Balance - Beginning of year	917,103	917,103	691,519	(225,584)
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,167</u>	<u>\$ 411,167</u>

Arapahoe County School District Number Six

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Capital Projects Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Over Final Budget
Revenue				
Investment earnings	\$ 40,000	\$ 40,000	\$ 143,228	\$ 103,228
Gifts to school and other revenue	349,000	349,000	353,600	4,600
Total revenue	389,000	389,000	496,828	107,828
Expenditures				
Capital outlay	7,124,000	8,040,772	8,040,708	64
Contingency reserve	6,034,419	5,117,647	-	5,117,647
Total expenditures	13,158,419	13,158,419	8,040,708	5,117,711
Excess of Expenditures Over Revenue	(12,769,419)	(12,769,419)	(7,543,880)	5,225,539
Other Financing Sources - Transfers in	8,825,000	8,825,000	8,825,000	-
Net Change in Fund Balance	(3,944,419)	(3,944,419)	1,281,120	5,225,539
Fund Balance - Beginning of year	3,944,419	3,944,419	3,944,419	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,225,539</u>	<u>\$ 5,225,539</u>

Arapahoe County School District Number Six

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Operations and Technology Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Property taxes	\$ 25,945,550	\$ 25,945,550	\$ 24,665,321	\$ (1,280,229)
Interest income	<u>77,837</u>	<u>77,837</u>	<u>-</u>	<u>(77,837)</u>
Total revenue	26,023,387	26,023,387	24,665,321	(1,358,066)
Expenditures				
Current:				
Salaries and employee benefits:				
Salaries	7,838,988	7,838,988	7,412,839	(426,149)
Employee benefits	3,080,935	3,080,935	2,641,241	(439,694)
Purchased services:				
Prof and tech services	1,862,422	1,935,719	1,961,104	25,385
Property services	3,287,087	4,704,081	4,814,863	110,782
Supplies	5,149,709	5,277,167	4,440,047	(837,120)
Capital outlay	1,352,210	508,900	762,973	254,073
Other	200	600	1,081	481
Contingency reserve	<u>4,754,143</u>	<u>3,979,305</u>	<u>-</u>	<u>(3,979,305)</u>
Total expenditures	27,325,694	27,325,695	22,034,148	(5,291,547)
Net Change in Fund Balance	(1,302,307)	(1,302,308)	2,631,173	3,933,481
Fund Balance - Beginning of year	<u>1,302,307</u>	<u>1,302,308</u>	<u>59,726</u>	<u>(1,242,582)</u>
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,690,899</u>	<u>\$ 2,690,899</u>

Arapahoe County School District Number Six

Other Supplementary Information Budgetary Comparison Schedule - Capital Projects - Building Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue - Interest earnings	\$ 194,618	\$ 194,618	\$ 1,293,921	\$ 1,099,303
Expenditures - Capital projects - Buildings and improvements	<u>27,188,737</u>	<u>27,188,737</u>	<u>14,470,995</u>	<u>(12,717,742)</u>
Net Change in Fund Balance	(26,994,119)	(26,994,119)	(13,177,074)	13,817,045
Fund Balance - Beginning of year	<u>26,994,119</u>	<u>26,994,119</u>	<u>33,829,226</u>	<u>6,835,107</u>
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,652,152</u>	<u>\$ 20,652,152</u>

Arapahoe County School District Number Six

Other Supplementary Information Budgetary Comparison Schedule - Debt Service Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue				
Property taxes	\$ 37,025,464	\$ 37,025,464	\$ 39,087,191	\$ 2,061,727
Investment earnings	805,990	805,990	1,262,151	456,161
Total revenue	37,831,454	37,831,454	40,349,342	2,517,888
Expenditures				
Contingency reserve	31,700,694	31,700,694	-	(31,700,694)
Debt service:				
Principal retirement on bonds	20,290,000	20,290,000	12,437,366	(7,852,634)
Interest and fiscal charges	17,219,850	17,219,850	18,523,395	1,303,545
Total expenditures	69,210,544	69,210,544	30,960,761	(38,249,783)
Other Financing Sources (Uses)				
Proceeds from sale of bonds	50,000,000	50,000,000	70,538,117	20,538,117
Payment to bond refunding escrow agent	(50,321,500)	(50,321,500)	(69,152,634)	(18,831,134)
Total other financing (uses) sources	(321,500)	(321,500)	1,385,483	1,706,983
Net Change in Fund Balance	(31,700,590)	(31,700,590)	10,774,064	42,474,654
Fund Balance - Beginning of year	31,700,590	31,700,590	31,266,803	(433,787)
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,040,867</u>	<u>\$ 42,040,867</u>

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This part of the Arapahoe County School District Number Six's (the district) Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the district's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.	87–95
Revenue Capacity	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	96–100
Debt Capacity	
These schedules present information to help the reader assess the affordability of the district's current level of outstanding debt and the district's ability to issue additional debt in the future.	101–105
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment in which the district's financial activities take place.	106–107
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the educational services provided and the activities performed.	108–111

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

Arapahoe County School District Number Six

Net Position by Component

Last Ten Fiscal Years

June 30, 2025

	2016	2017	2018	2019	2020
Governmental activities:					
Net investment in capital assets	\$ 12,428,571	\$ 5,825,329	\$ 1,847,800	\$ 1,147,396	\$ 8,672,164
Restricted	15,789,139	16,869,202	19,679,141	26,722,644	36,978,173
Unrestricted	(251,710,052)	(352,808,225)	(491,135,868)	(455,914,785)	(405,151,221)
Total governmental activities net position (deficit)	(223,492,342)	(330,113,694)	(469,608,927)	(428,044,745)	(359,500,884)
Primary government:					
Net investment in capital assets	12,428,571	5,825,329	1,847,800	1,147,396	8,672,164
Restricted	15,789,139	16,869,202	19,679,141	26,722,644	36,978,173
Unrestricted	(251,710,052)	(352,808,225)	(491,135,868)	(455,914,785)	(405,151,221)
Total primary government net position (deficit)	\$ (223,492,342)	\$ (330,113,694)	\$ (469,608,927)	\$ (428,044,745)	\$ (359,500,884)

Note: GASB 75 was adopted effective July 1, 2017

Note: GASB 84 was adopted effective July 1, 2019

Note: GASB 87 was adopted effective July 1, 2021

Note: GASB 96 was adopted effective July 1, 2022

Note: GASB 101 was adopted effective July 1, 2024

See accompanying Notes to Basic Financial Statements

Arapahoe County School District Number Six

Net Position by Component

Last Ten Fiscal Years

June 30, 2025

	2021	2022	2023	2024	2025
Governmental activities:					
Net investment in capital assets	\$ 15,832,523	\$ (1,145,823)	\$ (12,249,271)	\$ (16,115,862)	\$ (20,430,857)
Restricted	41,313,358	43,537,878	42,334,638	38,491,920	55,060,619
Unrestricted	(316,017,860)	(220,564,131)	(210,934,890)	(202,340,974)	(196,906,447)
Total governmental activities net position (deficit)	(258,871,979)	(178,172,076)	(180,849,523)	(179,964,916)	(162,276,685)
Primary government:					
Net investment in capital assets	15,832,523	(1,145,823)	(12,249,271)	(16,115,862)	(20,430,857)
Restricted	41,313,358	43,537,878	42,334,638	38,491,920	55,060,619
Unrestricted	(316,017,860)	(220,564,131)	(210,934,890)	(202,340,974)	(196,906,447)
Total primary government net position (deficit)	\$ (258,871,979)	\$ (178,172,076)	\$ (180,849,523)	\$ (179,964,916)	\$ (162,276,685)

Note: GASB 75 was adopted effective July 1, 2017

Note: GASB 84 was adopted effective July 1, 2019

Note: GASB 87 was adopted effective July 1, 2021

Note: GASB 96 was adopted effective July 1, 2022

Note: GASB 101 was adopted effective July 1, 2024

See accompanying Notes to Basic Financial Statements

Arapahoe County School District Number Six
Expenses, Program Revenues, and Net (Expense) Revenue
Last Ten Fiscal Years
June 30, 2025

	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
Instruction	\$ 109,313,858	\$ 169,532,622	\$ 185,027,246	\$ 84,903,900	\$ 78,646,819
Support services	77,014,745	109,440,454	118,896,968	72,312,065	75,402,286
Interest expense	5,637,212	5,682,433	5,501,741	10,735,526	16,924,527
Total governmental activities expenses	191,965,815	284,655,509	309,425,955	167,951,491	170,973,632
Program Revenues					
Governmental activities:					
Charges for services:					
Direct instruction	1,308,087	1,238,727	1,244,972	1,201,349	969,777
Support services	10,585,801	11,059,436	10,840,527	11,581,916	8,087,886
Operating and capital grants and contributions:					
Direct instruction	10,162,428	9,437,377	10,415,285	11,037,389	20,838,810
Support services	2,732,523	2,714,781	2,642,877	2,711,678	3,927,003
Total governmental activities program revenues	24,788,839	24,450,321	25,143,661	26,532,332	33,823,476
Net (Expenses) Revenue					
Total primary government net expense	<u>\$ (167,176,976)</u>	<u>\$ (260,205,188)</u>	<u>\$ (284,282,294)</u>	<u>\$ (141,419,159)</u>	<u>\$ (137,150,156)</u>

Arapahoe County School District Number Six
Expenses, Program Revenues, and Net (Expense) Revenue
Last Ten Fiscal Years
June 30, 2025

	2021	2022	2023	2024	2025
Expenses					
Governmental activities:					
Instruction	\$ 57,347,969	\$ 60,353,810	\$ 128,360,627	\$ 164,789,973	\$ 157,968,781
Support services	50,749,141	89,472,121	121,518,950	102,435,828	105,543,540
Interest expense	14,936,796	14,928,382	14,504,158	14,040,614	11,292,800
Total governmental activities expenses	123,033,906	164,754,313	264,383,735	281,266,415	274,805,121
Program Revenues					
Governmental activities:					
Charges for services:					
Direct instruction	933,618	1,055,270	1,157,911	1,196,339	1,765,248
Support services	4,459,603	7,618,947	9,917,674	7,689,883	8,307,014
Operating and capital grants and contributions:					
Direct instruction	15,269,219	16,935,654	21,440,591	18,832,029	20,524,956
Support services	4,458,056	7,385,666	4,956,669	7,305,016	8,497,724
Total governmental activities program revenues	25,120,496	32,995,537	37,472,845	35,023,267	39,094,942
Net (Expenses) Revenue					
Total primary government net expense	\$ (97,913,410)	\$ (131,758,776)	\$ (226,910,890)	\$ (246,243,148)	\$ (235,710,179)

Arapahoe County School District Number Six
General Revenues and Total Change in Net Position
Last Ten Fiscal Years
June 30, 2025

	2016	2017	2018	2019	2020
Net (Expenses) Revenue					
Total primary government net expense	\$ (167,176,976)	\$ (260,205,188)	\$ (284,282,294)	\$ (141,419,159)	\$ (137,150,156)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes:					
Property taxes levied for general purposes	68,066,334	67,201,560	72,777,313	72,355,611	79,153,711
Property taxes levied for debt service	12,871,720	12,823,760	14,435,952	25,078,617	37,720,882
Specific ownership taxes	6,049,245	6,445,006	7,012,770	6,957,456	7,946,959
Intergovernmental revenue—unrestricted					
State equalization aid	62,961,971	63,606,020	62,030,988	67,076,082	67,591,718
Investment earnings	532,626	372,214	624,135	8,260,069	11,137,940
Other	2,307,380	3,135,276	3,003,408	3,255,506	1,842,048
Total governmental activities	152,789,276	153,583,836	159,884,566	182,983,341	205,393,258
Change in Net Position					
Total primary government change in net position (deficit)	\$ (14,387,700)	\$ (106,621,352)	\$ (124,397,728)	\$ 41,564,182	\$ 68,243,102

Arapahoe County School District Number Six

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

June 30, 2025

	2021	2022	2023	2024	2025
Net (Expenses) Revenue					
Total primary government net expense	\$ (97,913,410)	\$ (131,758,776)	\$ (226,910,890)	\$ (246,243,148)	\$ (235,710,179)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes:					
Property taxes levied for general purposes	78,691,778	84,946,631	84,362,872	96,303,976	96,085,001
Property taxes levied for debt service	46,854,188	50,000,918	52,648,214	58,891,172	63,668,321
Specific ownership taxes	8,974,120	8,718,252	9,016,385	9,056,027	9,125,301
Intergovernmental revenue—unrestricted					
State equalization aid	60,360,383	63,964,671	68,133,926	66,008,122	71,479,751
Investment earnings	889,064	(390,409)	5,878,253	5,916,763	4,708,022
Other	2,772,782	5,218,616	4,193,793	10,951,695	6,032,055
Total governmental activities	198,542,315	212,458,679	224,233,443	247,127,755	251,098,451
Change in Net Position					
Total primary government change in net position (deficit)	\$ 100,628,905	\$ 80,699,903	\$ (2,677,447)	\$ 884,607	\$ 15,388,272

Arapahoe County School District Number Six

Fund Balances - Governmental Funds

Last Ten Fiscal Years

June 30, 2025

	Fiscal Year				
	2016 (a)	2017	2018	2019 (b)	2020
General Fund					
Nonspendable	\$ 446,501	\$ 382,179	\$ 499,955	\$ 573,831	\$ 695,188
Restricted	4,490,000	4,520,000	4,630,000	4,950,000	5,070,000
Committed	1,278,391	1,544,826	1,637,643	1,085,875	1,377,301
Assigned	10,060,820	20,503,140	17,067,247	14,327,086	7,460,324
Unassigned—unrestricted	23,837,029	12,554,636	11,363,610	7,946,605	15,570,726
Total general fund	\$ 40,112,741	\$ 39,504,781	\$ 35,198,455	\$ 28,883,397	\$ 30,173,539
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	39,731,290	20,846,953	17,980,183	382,765,365	362,306,961
Committed	6,006,081	6,492,454	7,065,975	7,982,713	6,022,499
Assigned	45,772	38,448	44,442	688	959
Total all other governmental funds	\$ 45,783,143	\$ 27,377,855	\$ 25,090,600	\$ 390,748,766	\$ 368,330,419

	Fiscal Year				
	2021 (c)	2022	2023 (d)	2024	2025
General Fund					
Nonspendable	\$ 632,158	\$ 269,919	\$ 333,948	\$ 1,312,186	\$ 1,474,889
Restricted	4,660,000	5,110,000	5,440,000	5,720,000	5,850,000
Committed	2,528,456	4,963,946	2,599,056	5,385,501	3,751,819
Assigned	12,941,180	20,732,652	23,712,093	23,015,330	29,651,258
Unassigned—unrestricted	11,501,099	15,174,388	13,637,953	15,284,823	9,521,197
Total general fund	\$ 32,262,893	\$ 46,250,905	\$ 45,723,050	\$ 50,717,840	\$ 50,249,163
All Other Governmental Funds					
Nonspendable	\$ -	\$ 240,346	\$ 714,886	\$ 454,855	\$ 375,025
Restricted	264,509,596	195,761,224	98,818,067	68,812,555	68,876,689
Committed	5,683,297	5,835,220	4,656,311	7,197,405	8,471,977
Assigned	1,861	2,691	3,630	20,450	23,749
Total all other governmental funds	\$ 270,194,754	\$ 201,839,481	\$ 104,192,894	\$ 76,485,265	\$ 77,747,440

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

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

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

(d) Fiscal year 2023 Nutrition Services records inventory separate from the General Fund

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Arapahoe County School District Number Six

Governmental Funds, Revenues, Expenditures, and Debt Service Ratio

Last Ten Fiscal Years

June 30, 2025

	2016	2017	2018	2019	2020
Revenues					
Property taxes	\$ 80,262,499	\$ 80,365,923	\$ 85,532,502	\$ 98,536,032	\$ 115,828,921
Specific ownership taxes	6,049,245	6,445,006	7,012,770	6,957,456	7,946,959
Federal grants/sources	6,399,597	6,725,781	6,525,588	6,538,924	11,468,764
State equalization aid	62,961,971	63,606,020	62,030,988	67,076,082	67,591,718
State education of students with disabilities	2,584,084	2,540,651	2,665,689	2,836,346	3,383,803
Other state entitlements and state grants	2,484,178	2,417,971	3,187,712	3,131,816	4,979,414
Food Sales	2,013,244	2,116,018	2,295,622	2,443,505	1,954,564
Donated Commodities	246,190	265,199	255,520	257,196	249,062
Student Care	5,149,373	5,476,593	5,694,761	6,177,021	3,142,991
Pupil activities	2,178,587	2,160,240	2,248,088	2,332,383	2,309,779
Investment earnings	532,626	372,214	624,135	8,260,069	11,137,940
State contributions	-	-	-	2,616,432	2,574,546
Other	6,032,967	5,883,144	5,274,089	5,844,331	4,527,396
Total revenues	176,894,561	178,374,760	183,347,464	213,007,593	237,095,857
Expenditures					
Instruction	92,505,891	93,727,094	96,231,804	104,784,725	104,079,570
Support services	68,491,757	69,224,107	73,567,884	78,889,400	81,863,051
Capital outlay	39,776,526	22,835,777	8,540,912	10,793,740	44,973,989
Debt service:					
Principal	5,475,000	5,680,000	5,860,000	6,045,000	6,230,000
Interest and fiscal charges	5,922,169	5,921,030	5,740,445	11,195,343	21,378,211
Bond issuance costs	152,621	-	-	1,582,620	-
Total expenditures	212,323,964	197,388,008	189,941,045	213,290,828	258,524,821
Other Financing Sources (Uses)					
Bonds issued	15,626,195	-	-	298,870,000	-
Premium	2,262,339	-	-	60,756,343	-
Payment to escrow agent	-	-	-	-	-
Leases	-	-	-	-	-
Transfers in	4,446,532	4,434,529	4,572,462	4,145,905	4,597,339
Transfers out	(4,446,532)	(4,434,529)	(4,572,462)	(4,145,905)	(4,597,339)
Total other financing sources (uses)	17,888,534	-	-	359,626,343	-
Net change in fund balances	\$ (17,540,869)	\$ (19,013,248)	\$ (6,593,581)	\$ 359,343,108	\$ (21,428,964)
Debt service as a percentage of noncapital expenditures*	6.5%	6.5%	6.3%	8.3%	12.4%

* Fiscal Year 2022 percentage updated.

Note: GASB 84 was adopted effective July 1, 2019

Arapahoe County School District Number Six

Governmental Funds, Revenues, Expenditures, and Debt Service Ratio

Last Ten Fiscal Years

June 30, 2025

	2021	2022	2023	2024	2025
Revenues					
Property taxes	\$ 126,881,312	\$ 134,581,636	\$ 136,581,776	\$ 153,723,183	\$ 159,977,165
Specific ownership taxes	8,974,120	8,718,252	9,016,385	9,056,027	9,125,301
Federal grants/sources	11,860,428	11,955,122	10,222,909	8,912,040	8,507,131
State equalization aid	60,360,383	63,964,671	68,133,926	66,008,122	71,479,751
State education of students with disabilities	3,436,793	4,035,132	5,014,440	5,646,416	6,100,389
Other state entitlements and state grants	3,701,940	4,568,973	3,185,321	8,685,514	10,234,963
Food Sales	361,088	577,859	2,773,808	572,833	545,190
Donated Commodities	272,074	320,929	309,028	322,765	413,031
Student Care	2,073,619	3,761,138	3,888,362	3,639,600	3,797,886
Pupil activities	1,366,502	2,565,554	2,447,358	2,349,221	2,460,351
Investment earnings	889,064	(390,409)	5,878,253	5,916,763	2,151,950
State contributions	-	2,432,089	6,365,659	546,804	474,133
Other	4,820,834	7,997,357	7,459,753	15,174,779	13,173,662
Total revenues	224,998,157	245,088,303	261,276,978	280,554,067	288,440,903
Expenditures					
Instruction	105,946,132	109,472,537	123,032,991	124,135,303	129,662,412
Support services	72,139,864	81,992,805	93,518,790	96,867,614	99,037,859
Capital outlay	106,025,202	73,010,132	105,188,396	44,720,683	29,371,856
Debt service:					
Principal	10,310,000	15,146,150	18,561,566	19,347,252	12,437,366
Interest and fiscal charges	20,084,866	19,970,943	19,149,677	18,196,055	18,523,395
Bond issuance costs	232,172	-	-	-	-
Total expenditures	314,738,236	299,592,567	359,451,420	303,266,907	289,032,888
Other Financing Sources (Uses)					
Bonds issued	26,370,000	-	-	-	70,538,117
Premium	3,443,234	-	-	-	-
Payment to escrow agent	(36,119,466)	-	-	-	(69,152,634)
Leases	-	137,003	-	-	-
Transfers in	2,789,086	3,810,297	7,134,184	12,902,011	11,045,302
Transfers out	(2,789,086)	(3,810,297)	(7,134,184)	(12,902,011)	(11,045,302)
Total other financing sources (uses)	(6,306,232)	137,003	-	-	1,385,483
Net change in fund balances	\$ (96,046,311)	\$ (54,367,261)	\$ (98,174,442)	\$ (22,712,840)	\$ 793,498
Debt service as a percentage of noncapital expenditures*	14.3%	13.7%	12.6%	13.3%	11.0%

* Fiscal Year 2022 percentage updated.

Note: GASB 84 was adopted effective July 1, 2019

Arapahoe County School District Number Six

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Assessed Value (a)				Total Direct Tax Rate
	Residential Property	Commercial Property	Other Property (b)	Total Assessed Value	
2016	\$ 1,012,764,913	\$404,052,769	\$ 95,202,784	\$ 1,512,020,466	53.424
2017	1,017,276,107	406,455,233	96,243,256	1,519,974,596	53.030
2018	1,119,903,286	482,579,061	95,028,781	1,697,511,128	51.166
2019	1,128,771,195	501,536,998	93,577,496	1,723,885,689	56.945
2020	1,315,201,040	548,739,037	111,348,772	1,975,288,849	59.266
2021	1,325,886,090	543,951,238	93,622,542	1,963,459,870	64.744
2022	1,409,196,321	574,824,306	95,026,608	2,079,047,235	64.936
2023	1,381,029,515	571,726,118	94,661,013	2,047,416,646	67.061
2024	1,728,181,943	650,253,875	92,568,944	2,471,004,762	62.847
2025	1,734,453,448	642,831,672	110,969,812	2,488,254,932	64.793

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

Year	Residential	Commercial	Base Year
2016	7.96	29.00	2015
2017	7.96	29.00	2016
2018	7.20	29.00	2017
2019	7.20	29.00	2018
2020	7.15	29.00	2019
2021	7.15	29.00	2020
2022	7.15	29.00	2021
2023	6.95	29.00	2022
2024	6.95	29.00	2023
2025	7.05	27.90	2024

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

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

Source: Arapahoe County Assessor's Office

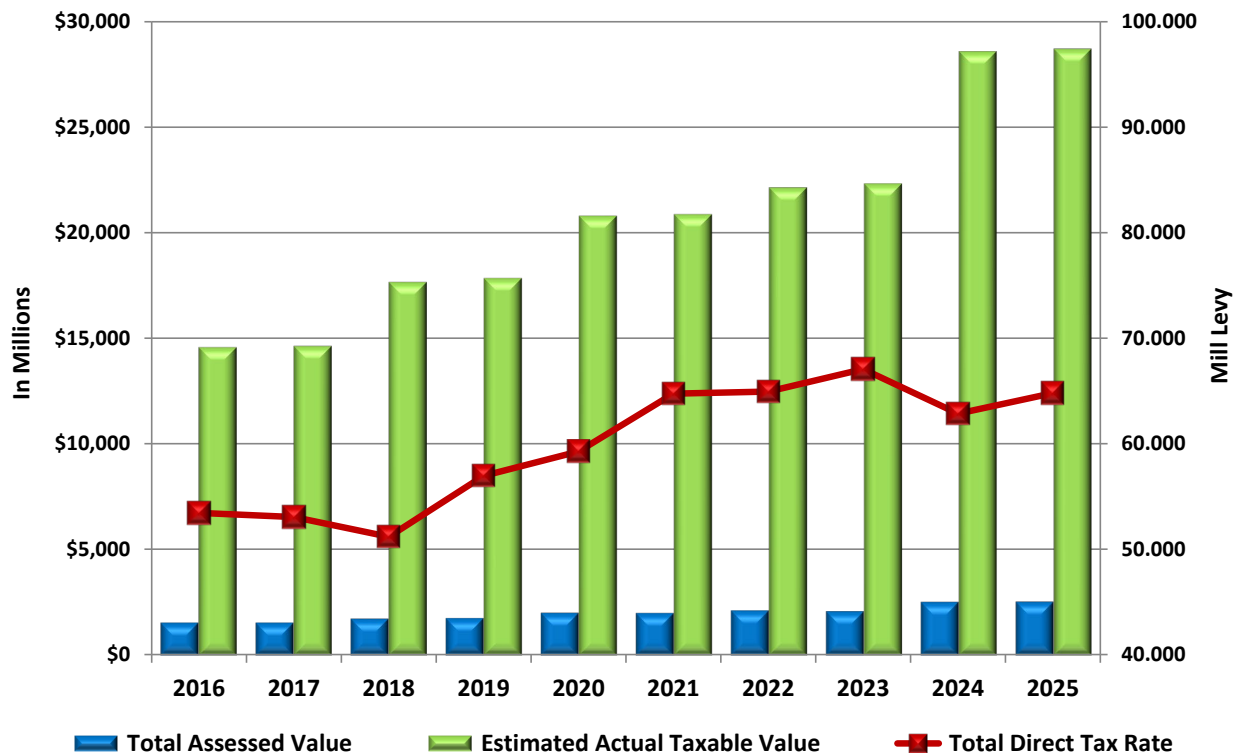
Arapahoe County School District Number Six

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Actual Taxable Value (a)	Assessed Value as a Percent of Actual Taxable Value
2016	\$ 14,582,623,716	10.37 %
2017	14,647,201,908	10.38
2018	17,668,425,091	9.61
2019	17,849,401,924	9.66
2020	20,802,560,159	9.50
2021	20,871,059,970	9.41
2022	22,136,009,050	9.39
2023	22,317,175,214	9.17
2024	28,576,574,426	8.65
2025	28,704,885,964	8.67

Historical Assessed Value and Estimated Actual Value of Taxable Property



- (a) Assessed and estimated actual taxable values are per the Arapahoe County Assessor's Office.
 (b) Other property includes vacant land, industrial, agricultural, state assessed, and oil and gas property.

Source: Arapahoe County Assessor's Office

Arapahoe County School District Number Six

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years
(Unaudited)

Collection Year	Arapahoe County School District Number Six				Overlapping Rates			Grand Totals (a)
	General Fund Millage	Bond Redemption Fund Millage	Operations & Technology Fund Millage	Total School District	Total Cities Millage	Total County Millage	Total Special Districts Millage	
2016	44.927	8.497	-	53.424	54.599	14.856	128.855	251.734
2017	44.533	8.497	-	53.030	59.590	15.039	128.112	255.771
2018	42.669	8.497	-	51.166	58.851	13.817	108.716	232.550
2019	42.303	14.642	(b)	56.945	59.200	14.301	108.115	238.561
2020	40.132	19.134	-	59.266	51.051	12.685	213.397	(c) 336.399
2021	40.618	18.126	6.000 (d)	64.744	53.511	13.013	215.340	346.608
2022	40.893	17.043	7.000	64.936	53.293	12.762	215.341	346.332
2023	41.292	17.769	8.000	67.061	53.954	13.750	218.739	353.504
2024	38.999	14.848	9.000	62.847	48.413	12.206	526.368	(e) 649.834
2025	38.947	15.846	10.000	64.793	52.450	16.885	540.984	675.112

(a) The grand total represents the gross millage of all taxing entities within the district boundaries. It is not representative of the mill levy assessed to an individual taxpayer.

(b) Increase in 2019 bond millage results from the 2018 election.

(c) Inclusion of Littleton Village MDs #2 & #3

(d) Passage of Debt-Free Schools Mill Levy in 2020 election resulted in creation of Operations & Technology Fund.

(e) Inclusion of River Park Metropolitan District, Santa Fe Park Metropolitan Districts #1 & #3, Southglenn Metropolitan District, Southglenn Metropolitan District #2, and Wild Plum Metropolitan District.

Source: Arapahoe County Assessor's Office

Arapahoe County School District Number Six**Principal Property Tax Payers****Current and Nine Years Ago****June 30, 2025**

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation of \$2,488,254,932
Public Service Co. of Colorado	\$ 36,420,830	1.46 %
Lumen Qwest Corporation	15,548,000	0.62
Comcast Cable Communications	14,519,284	0.58
Aspen GRF2 LLC	9,763,605	0.39
Cherry Hills Marketplace LLC	9,204,489	0.37
GKT Southbridge TC1 LLC	8,978,220	0.36
National Digital Television Tax Department	8,184,465	0.33
PPF AMLI Littleton Village LLC	7,956,576	0.32
Republic National Distributing Company	7,883,703	0.32
Lumen Centurylink Comm FKA Qwest Comm	7,871,670	0.32
Totals	\$ 126,330,842	5.08 %

2016

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation of \$1,512,020,466
Qwest Corp.	\$ 27,058,500	1.79 %
Public Service Co. of Colorado	18,332,820	1.21
Southglenn Property Holdings, LLC	17,280,520	1.14
National Digital Television	11,689,947	0.77
NBC Facilities, Inc.	8,335,448	0.55
Century Link Comm FKA Qwest Comm	6,985,650	0.46
Aspen Grove Lifestyle Center	6,609,390	0.44
Hillside Farms	6,172,360	0.41
Renco Southbridge, LLC	6,024,218	0.40
Cherry Creek Marketplace, LLC	5,821,460	0.39
Totals	\$ 114,310,313	7.56 %

Source: Arapahoe County Assessor's Office

Arapahoe County School District Number Six

Property Tax Levies and Collections

Last Ten Calendar Years
(Unaudited)

Calendar Year	Taxes Levied for the Calendar Year	Collected Within the Fiscal Year of the Levy		Collections Subsequent to Fiscal Year End (b)	Total Collections to Date	
		Amount (a)	Percentage of Levy		Amount	Percentage of Levy
2016	\$80,778,181	\$78,786,108	97.53	\$ 1,213,133	\$ 79,999,241	99.04 %
2017	80,604,253	78,743,438	97.69	1,159,582	79,903,020	99.13
2018	86,854,854	83,497,350	96.13	2,508,503	86,005,853	99.02
2019	98,166,671	95,578,192	97.36	1,495,025	97,073,217	98.89
2020	117,067,469	113,482,752	96.94	2,185,311	115,668,063	98.80
2021	127,157,810	124,431,962	97.86	1,584,004	126,015,966	99.10
2022	135,005,012	132,411,839	98.08	1,823,889	134,235,728	99.43
2023	137,301,808	134,355,626	97.85	2,060,055	136,415,681	99.35
2024	155,295,236	150,992,122	97.23	2,141,943	153,134,065	98.61
2025	161,221,502	156,687,890	97.19	2,876,911	159,564,801	98.97

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

Arapahoe Country School District Number Six

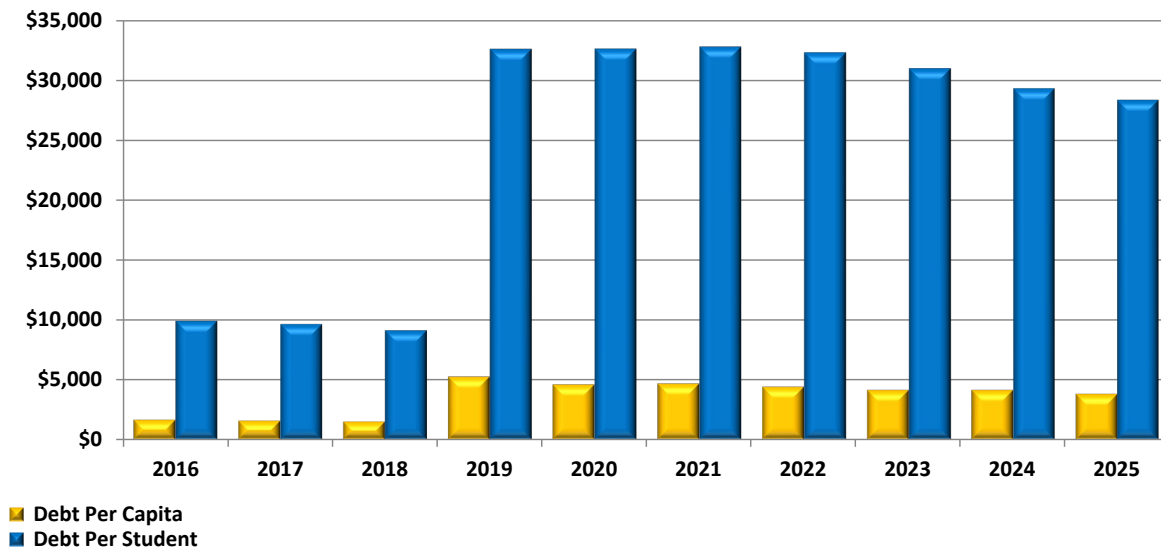
Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities		Total Primary Government	Ratio of Debt to Actual Value (a)	Percentage of Personal Income (b)	Debt Per Capita (c)	Per Student (d)
	General Obligation Bonds	Capital Leases					
2016	\$ 152,383,312 (e)	-	\$ 152,383,312	10.02	3.03	\$ 1,647	\$ 9,914
2017	145,955,327	-	145,955,327	8.60	2.78	1,575	9,646
2018	139,347,343	-	139,347,343	8.08	2.49	1,499	9,129
2019	490,693,458 (f)	-	490,693,458	24.84	8.16	5,263	32,628
2020	479,499,666	-	479,499,666	24.42	6.90	4,600	32,639
2021	456,584,508 (h)	-	456,584,508	21.96	6.28	4,667	32,819
2022	436,472,040	510,396 (i)	436,982,436	21.34	5.77	4,406	32,326
2023	411,373,787	353,830	411,727,617	20.11	- (g)	4,130	31,008
2024	387,568,217	324,842	387,893,059	15.70	- (g)	4,141	29,328
2025	371,514,977	-	371,514,977	14.93	- (g)	3,801	28,360

Historical Outstanding Debt by Type



- (a) See schedule on page 96–97 for assessed property value data.
- (b) See schedule on page 106 for personal income data.
- (c) See schedule on page 106 for estimated population data.
- (d) See schedule on page 106 for October 1 School Enrollment data.
- (e) Beginning in 2016, accreted interest on bond sales is included in the General Obligation Bond amounts.
- (f) Fiscal year 2019 the district sold \$298.9 million in G.O. bonds.
- (g) Personal income data for Arapahoe County is not yet available from Bureau of Economic Analysis (BEA).
- (h) Fiscal year 2021 the district refunded the majority of the G.O. bonds, Series 2010.
- (i) Fiscal year 2022 the district implemented GASB Statement No. 87.

Arapahoe County School District Number Six

Ratios of General Bonded Debt Outstanding

Fiscal Year	Governmental Activities		Less Debt Service Funds Available	Net Bonded Debt	Percentage of Estimated Actual Value of Taxable Property (a)	Percentage of Personal Income (b)	Last Ten Fiscal Years (Unaudited)	
	General Obligation Bonds	(e)					Debt Per Capita (c)	Per Student (d)
2016	\$ 152,383,312	(e)	\$ 5,680,000	\$146,703,312	1.00	2.91	\$ 1,587	\$ 9,555
2017	145,955,327		5,860,000	140,095,327	0.79	2.67	1,511	9,256
2018	139,347,343		6,045,000	133,302,343	0.75	2.38	1,434	8,733
2019	490,693,458	(f)	6,230,000	484,463,458	2.33	8.06	5,196	32,214
2020	479,499,666		10,310,000	469,189,666	2.25	6.75	4,501	31,937
2021	456,584,508	(h)	14,985,000	441,599,508	1.90	6.08	4,514	31,742
2022 (i)	436,472,040	(j)	18,405,000	418,067,040	1.76	5.53	4,220	30,964
2023 (i)	411,373,787		19,325,000	392,048,787	1.76	- (g)	3,936	29,553
2024 (i)	387,568,217		20,290,000	367,278,217	1.29	- (g)	3,921	27,769
2025 (i)	371,514,977		23,552,616	347,962,361	1.21	- (g)	3,560	26,562

(a) See schedule on page 96–97 for estimated actual taxable property value data.

(b) See schedule on page 106 for personal income data.

(c) See schedule on page 106 for estimated population data.

(d) See schedule on page 106 for October 1 School Enrollment data.

(e) Beginning in 2016, accreted interest on bond sales is included in the General Obligation Bond amounts.

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

(g) Personal income data for Arapahoe County is not yet available from Bureau of Economic Analysis (BEA).

(h) Fiscal year 2021 the district refunded the majority of the G.O. bonds, Series 2010

(i) Fiscal year 2022 the district implemented GASB Statement No. 87. Capital Leases were removed and not considered general bonded debt.

(j) The G.O. bonds for 2022 was corrected from \$411,373,787 to \$436,472,040 in 2025.

Arapahoe County School District Number Six**Direct and Overlapping Governmental Activities Debt****June 30, 2025****(Unaudited)**

Name of Governmental Entity	Debt Amount Outstanding	Percent Applicable to District	Amount Applicable to District
Overlapping Debt:			
Aspen Grove Business Improvement District	\$ 2,870,000	96.0 %	\$ 2,755,010
Centennial Downs Metropolitan District	1,030,000	98.3	1,012,267
City of Englewood	37,180,284	5.5	2,046,728
Heritage Greens Metropolitan District	1,740,000	100.0	1,740,000
Highline Crossing Metropolitan District	1,515,000	100.0	1,515,000
Wild Plum Metropolitan District	8,355,000	100.0	8,355,000
South Suburban Park and Recreation District	33,450,000	49.3	16,506,450
Southglenn Metropolitan District	56,990,000	94.1	53,610,634
Foxridge General Improvement District	1,600,000	38.2	611,511
Total overlapping debt	144,730,284		88,152,600
Direct Debt:			
Arapahoe County School District Number Six	371,514,977		371,514,977
Totals	<u>\$ 516,245,261</u>		<u>\$ 459,667,577</u>

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

- 1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the district, and
- 2) applying this percentage to the total general obligation debt of the overlapping jurisdiction, and
- 3) district debt includes the district's lease payable, and
- 4) district debt includes the district's accreted bond interest.

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

Arapahoe County School District Number Six

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

	2016	2017	2018	2019	2020
Debt limit	\$ 302,404,093	\$ 303,994,919	\$ 339,502,226	\$ 1,216,608,411	\$ 1,248,153,610
Total net debt applicable to limit	152,211,308	145,955,327	139,347,343	490,693,458	479,499,666
Legal debt margin	\$ 150,192,785	\$ 158,039,592	\$ 200,154,883	\$ 725,914,953	\$ 768,653,944
Total net debt applicable to the limit as a percentage of debt limit	50.33%	48.01%	41.04%	40.33%	38.42%

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

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

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

(a) Arapahoe County Assessor's Office 2025 Certification Report Actual

Arapahoe County School District Number Six

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

Legal Debt Margin

Calculation for Fiscal Year 2025

Actual value	\$ 28,704,885,964	(a)
Debt limit (6% of actual value)	1,722,293,158	
Debt applicable to limit	371,514,977	
Legal debt margin	\$ 1,350,778,181	

	2021	2022	2023	2024	2025
Debt limit	\$ 1,252,263,598	\$ 1,328,160,543	\$ 1,339,030,513	\$ 1,714,594,466	\$ 1,722,293,158
Total net debt applicable to limit	456,584,508	436,472,040	411,373,787	387,568,217	371,514,977
Legal debt margin	\$ 795,679,090	\$ 891,688,503	\$ 927,656,726	\$ 1,327,026,249	\$ 1,350,778,181
Total net debt applicable to the limit as a percentage of debt limit	36.46%	32.86%	30.72%	22.60%	21.57%

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

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

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

(a) Arapahoe County Assessor's Office 2025 Certification Report Actual

Arapahoe County School District Number Six

Demographic and Economic Statistics

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population (a)	Per Capita Personal Income (b)	Total Personal Income (thousands of \$)	October 1 School Enrollment	October 1 Official Pupil Count (c)	Unemployment Rate (d)
2016	92,432	\$ 54,452	\$ 5,033,107	15,353	14,785	3.0
2017	92,699	56,642	5,250,657	15,131	14,735	2.6
2018	92,967	60,180	5,594,754	15,264	14,704	3.0
2019	93,235	64,477	6,011,513	15,039	14,643	2.6
2020	104,247	66,691	6,952,337	14,691	14,673	6.9
2021	97,836 (f)	74,267	7,265,986	13,912	14,514	5.4
2022	99,190	76,304 (e)	7,472,603 (e)	13,518	14,278	3.4
2023	99,698	– (e)	– (e)	13,278	13,927	3.1
2024	93,670	– (e)	– (e)	13,226	13,754	4.0
2025	97,754	– (e)	– (e)	13,100	13,491	4.2

Sources:

- (a) 2015–2020 population data from Denver Regional Council of Governments (DRCOG).
- (b) Bureau of Economic Analysis (BEA), U.S. Department of Commerce, reporting Arapahoe County, CO.
- (c) Average funded pupil count is determined from the number of full-time equivalents of pupil enrollment averaged over the last five years through 2023 and four years in 2024.
- (d) Bureau of Labor Statistics (BLS) for Arapahoe County, Colorado.
- (e) Personal income data is not yet available from BEA.
- (f) DRCOG no longer provides population data; effective 2021, population data from U.S. Census Bureau.

Arapahoe County School District Number Six

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

	2025			2016		
	Rank	Employees (a)	Percentage of Employment (b)	Rank	Employees (a)	Percentage of Employment (b)
Arapahoe County	1	2,486	9.22 %	6	522	2.16 %
Littleton Public Schools	2	1,929	(c) 7.15	2	1,564	(c) 6.47
AdventHealth Littleton	3	1,248	4.63	4	1,243	5.14
Dish Network (EchoStar)	4	800	2.97	3	1,543	6.38
Arapahoe Community College	5	896	3.32	5	632	2.61
McDonald Automotive Group	6	794	2.94	9	396	1.64
All Health Network - Center Point	7	593	2.20	10	320	1.32
Republic National Distributing	8	536	1.99	7	481	1.99
City of Littleton	9	437	1.62	8	437	1.81
Life Care Center of Littleton	10	160	0.59		-	-
Lumen (Century Link)		-	-	1	1,663	6.88

Note: Total employment within the City of Littleton in June 2025 was 26,972 and for 2015 was 24,173 per the Bureau of Labor Statics Data.

Source:

- (a) City of Littleton Economic Development Department
- (b) Bureau of Labor statistics data
- (c) Littleton Public Schools-provided employee data

Arapahoe County School District Number Six

Full-Time Equivalent District General Fund Employees by Type										
Last Ten Fiscal Years										
(Unaudited)										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Teachers	900.6	894.3	889.5	905.4	920.4	903.6	876.7	878.7	875.9	876.7
Paraprofessionals	256.3	259.8	261.8	274.1	300.5	298.3	299.0	299.9	317.4	354.2
Total instruction	1,156.9	1,154.1	1,151.3	1,179.5	1,220.9	1,201.9	1,175.7	1,178.6	1,193.3	1,230.9
Administrators	61.7	62.3	63.7	68.3	69.7	63.3	71.7	70.5	74.4	77.0
Professional/Technical support	38.3	40.8	38.9	40.1	43.9	36.5	36.0	36.8	38.8	43.5
Bus drivers	53.0	54.0	54.0	54.0	81.7	82.7	77.0	77.0	86.1	84.5
Clerical/Other classified	125.9	126.9	125.5	128.4	121.9	115.4	115.7	114.3	119.9	119.2
Custodians	90.6	90.6	87.1	88.3	86.7	43.7	0.1	-	0.1	-
Maintenance	35.5	35.5	45.2	45.3	45.9	28.7	18.7	16.0	15.0	24.0
Total support services	405.0	410.1	414.4	424.4	449.8	370.3	319.2	314.6	334.3	348.2
Grand total	1,561.9	1,564.2	1,565.7	1,603.9	1,670.7	1,572.2	1,494.9	1,493.2	1,527.6	1,579.1

Source: Budget data

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2016	15,353	\$ 160,997,648	\$ 10,486	2.76	\$ 191,965,815	\$ 12,503	4.44 %	900.6	17	19.3 %
2017	15,131	162,951,201	10,769	2.70	284,655,509	18,813	50.46	894.3	17	19.2
2018	15,264	169,799,688	11,124	3.29	309,425,955	20,272	7.75	889.5	17	18.0
2019	15,039	183,674,125	12,213	9.79	167,951,491 (a)	11,168	(44.91)	905.4	17	16.4
2020	14,691	185,942,621	12,657	3.63	170,973,632	11,638	4.21	920.4	16	16.6
2021	13,912	178,085,996	12,801	1.14	123,033,906	8,844	(24.01)	903.6	15	19.0
2022	13,518	191,465,342	14,164	10.65	164,754,313	12,188	37.81	876.7	15	12.8
2023	13,278	216,551,781	16,309	15.15	264,383,735	19,911	63.37	878.7	15	15.5
2024	13,226	221,025,520	16,711	2.47	281,266,415	21,266	6.81	875.9	15	21.9
2025	13,100	228,700,271	17,458	4.47	274,805,121	20,977	-1.36	876.7	15	14.7

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

Source: District student records and payroll and budget data

Arapahoe County School District Number Six

Schedule of Insurance

June 30, 2025
(Unaudited)

Coverage Description	Carrier or Pool	Coverage Limit	Deductible
General liability and school leaders errors and omissions	Excess-of-Loss Self-Insurance Pool (ELSIP)	\$5,000,000 each occurrence \$5,000,000 aggregate limit	\$250,000
Excess liability	Excess-of-Loss Self-Insurance Pool (ELSIP)	\$5,000,000 each occurrence \$5,000,000 aggregate limit	*
Property:	Travelers		
buildings, property, and turf		\$666,366,222	\$100,000
boiler and machinery		\$50,000,000	\$100,000
flood and earthquake		\$25,000,000	\$100,000
Automobile physical damage	Excess-of-Loss Self-Insurance Pool (ELSIP)	\$2,000,000	\$100,000
Automobile liability	Excess-of-Loss Self-Insurance Pool (ELSIP)	\$5,000,000 each occurrence \$5,000,000 aggregate limit	\$250,000
Crime	Travelers	\$1,000,000	\$25,000
Fiduciary liability	Travelers	\$1,000,000	\$10,000
Worker's compensation	Joint School Districts' Worker's Compensation Pool (JSDWCP)	\$1,000,000	\$550,000
Cyber liability	AIG	\$1,000,000	\$50,000

* Deductible for excess liability insurance is the coverage limit for the general liability insurance.

Arapahoe County School District Number Six

Facilities Statistics

June 30, 2025

(Unaudited)

Schools

Elementary & Preschool

Buildings	11
Square feet	692,943
Capacity	6,699
Enrollment	4,906

Middle

Buildings	4
Square feet	547,009
Capacity	4,304
Enrollment	2,425

High

Buildings	4
Square feet	805,911
Capacity	5,957
Enrollment	4,749

Administration/Other

Buildings	7
Square feet	420,567

Transportation

Buildings	1
Square feet	23,385

Athletics

Athletics stadium	2
Football fields	5
Soccer fields	4
Running tracks	6
Swimming pools	3
Playgrounds	17

Note: Statistical section schedules normally present ten years of data. Only one year of statistics is presented here because the number of facilities, size and capacity are essentially unchanged over that period.

Source: Review of capacity and utilization conducted by Littleton Public Schools Operations/Maintenance Department and Finance Department, together with fiscal year 2024 actual enrollments and insurance square footage applicable to the school buildings listed. Charter schools' enrollment sums are excluded.

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

Independent Auditor's Report

To Management and the Board of Education
Arapahoe County School District Number Six

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County School District Number Six (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School 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*.

To Management and the Board of Education
Arapahoe County School District Number Six

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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 16, 2025



Colorado Department of Education
Auditors Integrity Report
 District: 0140 - Littleton 6
 Fiscal Year 2024-25
 Colorado School District/BOCES

Page: 1

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	45,257,672	178,691,884	177,526,879	46,422,677
18 Risk Mgmt Sub-Fund of General Fund	5,460,168	2,422,678	4,056,360	3,826,486
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	50,717,841	181,114,562	181,583,239	50,249,163
11 Charter School Fund	6,690,939	12,752,047	12,692,099	6,750,887
20,26-29 Special Revenue Fund	2,581,918	3,690,346	3,413,245	2,859,020
06 Supplemental Cap Const, Tech, Main. Fund	59,726	24,665,321	22,034,148	2,690,899
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	4,111,655	6,647,894	6,891,753	3,867,796
22 Govt Designated-Purpose Grants Fund	0	6,860,457	6,860,457	0
23 Pupil Activity Special Revenue Fund	691,520	4,435,165	4,715,518	411,167
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	31,266,804	110,887,459	100,113,396	42,040,867
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	33,829,225	1,293,922	14,470,995	20,652,152
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	3,944,419	9,321,828	8,040,708	5,225,539
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	133,894,047	361,669,001	360,815,558	134,747,490
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	1,495,830	1,906,678	1,714,849	1,687,659
Totals	1,495,830	1,906,678	1,714,849	1,687,659
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

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

10/20/25

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