



Annual Comprehensive Financial Report

for the Fiscal Year Ended June 30, 2022

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

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

Prepared by:
Finance Office

School District 27J, Colorado
Comprehensive Annual Financial Report
For The Year Ended June 30, 2022

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Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Introductory Section



SCHOOL DISTRICT 27J

List of Elected and Appointed Officials June 30, 2022

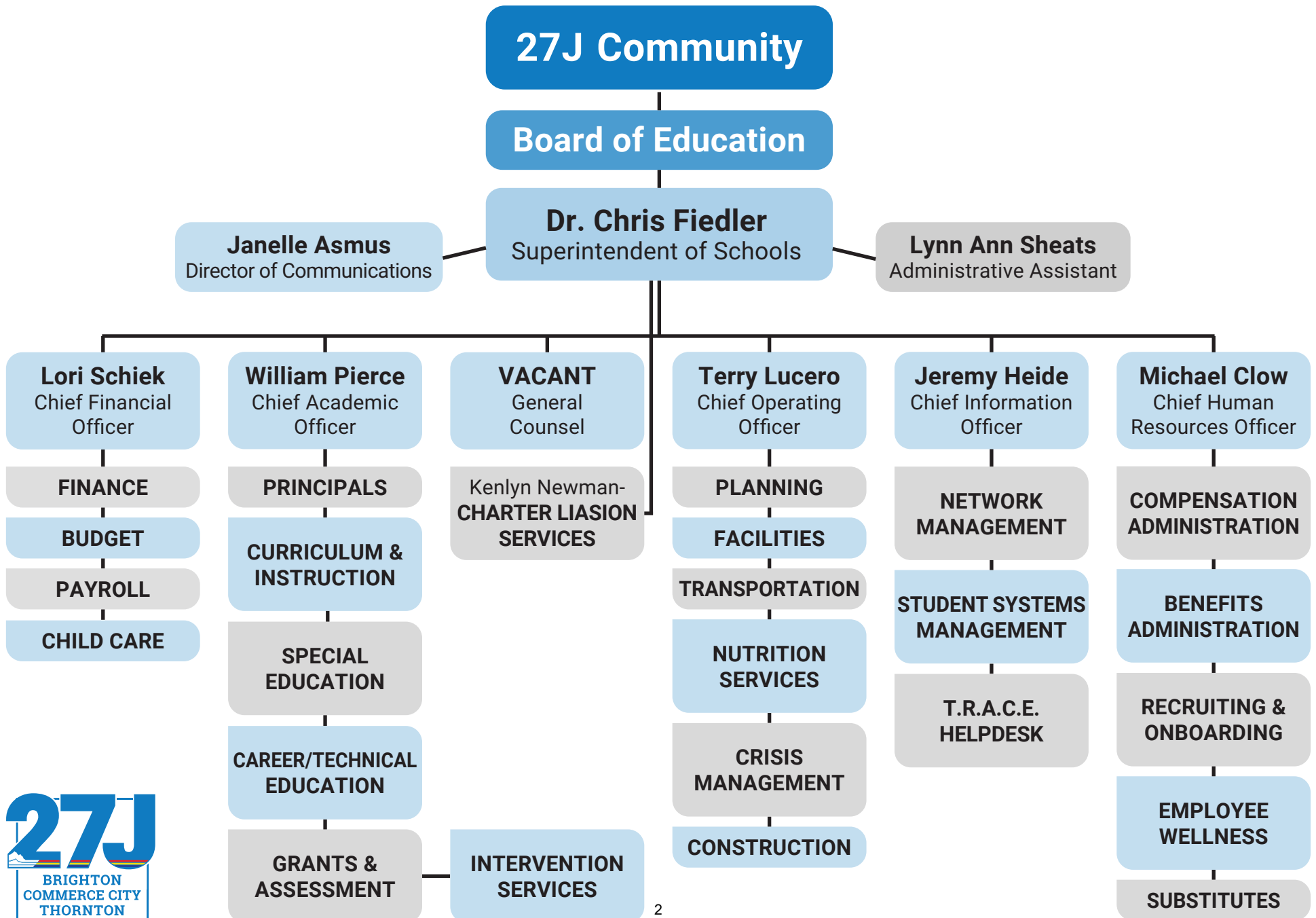
Board of Education

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Gregory Piotraschke	President	2023
Lloyd Worth	Vice-President	2023
Tom Green	Director	2023
Leon Thornton	Director	2025
Ashley Conn	Director	2025
Mandy Thomas	Director	2025
Mary Vigil	Director	2023

Executive Administrative Staff

Chris Fiedler	Superintendent
Lori Schiek	Chief Financial Officer
William Pierce	Chief Academic Officer
Terry Lucero	Chief Operations Officer
Michael Clow	Chief Human Resources Officer
Jeremy Heide	Chief Information Officer

27J SCHOOLS • ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**School District 27J
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



27J Schools

Superintendent Dr. Chris Fiedler, Ed.D
18551 E. 160th Avenue, Brighton, CO 80601

27J Schools Board of Education

Greg Piotraschke, President
Lloyd Worth, Vice President
Ashley Conn, Director
Tom Green, Director
Mandy Thomas, Director
Leon Thornton, Director
Mary Vigil, Director

January 19, 2023

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

The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements and publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This Annual Comprehensive Financial Report (ACFR) is published to fulfill that requirement for the fiscal year ended June 30, 2022.

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

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

- The introductory section includes this letter of transmittal, the District's organizational chart, a list of principal officials and a reproduction of the 2021 GFOA Certificate of Achievement.
- The financial section includes the report of the independent auditor, management's discussion and analysis (MD&A), basic financial statements, required supplementary information and notes, combining statements, and individual fund statements and schedules.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

RubinBrown LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the School District 27J's financial statements for the year ended June 30, 2022. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of School District 27J

Counties of Adams and Weld School District 27J, commonly referred to as School District 27J, formed in 1959 upon the reorganization and consolidation of several former school districts. School District 27J is located northeast of the Denver, Colorado metropolitan area and encompasses approximately 212.4 square miles in northwest Adams County, northeast Broomfield County and southwest Weld County and serves a population of 109,800. The District is the only school district serving the City of Brighton and also serves segments of the cities of Thornton and Commerce City, in addition to the surrounding unincorporated and generally rural areas.

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

The District provides a full range of educational programs and services authorized by Colorado State Statutes to over 20,000 enrolled students. Included are basic kindergarten through twelfth-grade (K-12) education as well as preschool, vocational, special education, gifted and talented, bilingual education and numerous services and programs. The District's K-12 curriculum is delivered in its neighborhood school system of 12 elementary schools, 5 middle schools, 4 high schools (3 comprehensives and 1 alternative), 1 blended learning school, and 6 charter schools.

School District 27J is financially accountable for six charter schools and one capital foundation that are legally separate entities; all financial activity of the seven component units is discretely presented in the District's financial statements for the year ended June 30, 2022. The District's seven component units, are Belle Creek Charter School, Bromley East Charter School, Eagle Ridge Academy, Foundations Academy and Landmark Academy (charter schools operated by National Heritage Academies), The STEAD School, and the School District 27J Capital Facility Fee Foundation (CFFF). Additional information on all of these legally separate entities can be found in the notes to the financial statements (see note 1-A).

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

Local economy

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

The labor market in Colorado remains strong, with overall employment well exceeding pre-pandemic levels. While Colorado continues to outpace the nation on most labor market measures, there are some indications of softening. Elevated job openings continue to indicate that there is room to reign in inflationary pressures without decreasing employment. Employment levels in Colorado reached pre-pandemic levels in February 2022, and will reach pre-COVID trend levels in late 2023. Jobs are abundant, and ample household savings have helped to shrink the gap between rising incomes and even more quickly rising prices, but inflation has taken its toll. Rapid price hikes from energy and housing to food and vehicles have eroded real gains in earnings and income. Imposing and persistent inflationary pressures have prompted the Federal Reserve to raise interest rates and reduce asset purchases. The coming months will illuminate the inflation response to monetary policy treatment, as well as any persistent impacts for households and businesses.

Metro Denver has a limited supply of residential real estate and above-average population growth, so home prices and appreciation are rising, and construction activity is robust. School District 27J is one of the few remaining areas in Metro Denver with large amounts of land for development. The population in Brighton increased by 390 from 2020 to 2021 for a total population of 40,693. The population in Thornton increased by 492 from 2020 to 2021 for a total population of 142,610. The population in Commerce City increased by 1,618 from 2020 to 2021 for a total population of 64,287.

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

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

Long-term financial planning and major initiative

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 10.8 percent of the total general fund revenues.

Student enrollment increased annually through fiscal year 2021-2022. Enrollment in fiscal year 2021-2022 will increase again due to projected growth at all grade levels. The District has worked through budget policy and practice of a structurally balanced budget in order to maintain stability, despite the inclusion of the budget stabilization factor in the Colorado School Finance Act which has limited growth on a per pupil basis.

The District was successful in passing a \$515 million bond in the November 2021 election supporting building four new schools, including a fourth district high school, a sixth district middle school, the second phase of the fourteenth district elementary and a K-8 school. In addition, STEMCTE expansions at the three high schools, a new transportation terminal, additional technology, increased safety and security and continued deferred maintenance at the existing District buildings will all be supported by the bond. Southlawn Elementary was opened in the fall of fiscal year 2023 and Discovery Magnet (K-8) is projected to open in the fall of 2024.

Achievement

- Students in 27J are approaching the state average on Colorado Measures of Academic Success (CMAS).

- Students in 27J are scoring below the state average in nearly every assessment.
- These proficiency gaps widen as students approach graduation.
- There is a significant gap in performance with ELA students, Hispanic students, and free and reduced lunch students within 27J.

Growth

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

Gaps

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

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

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

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

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

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

Relevant financial policies

The District's accounting system is designed to provide reasonable assurance that its assets are adequately safeguarded and that transactions are accurately recorded and have proper authorization. The District's budgetary and accounting controls provide reasonable assurance that errors or irregularities of a material nature are prevented or are detected in a reasonable period of time. The District is required by state law to adopt an annual budget that represents a complete financial plan for the ensuing fiscal year. A detailed programmatic budget is used as a guideline for expenditures, and monthly financial variance reports are prepared and distributed to the Superintendent and District leadership. The monthly reports contain information for all funds regarding revenue and expenditures as compared to the approved budget and prior fiscal year. While minor deviations from budget at the line-item level are allowed, control of expenditures is maintained at the fund level to ensure that all budget areas stay within their total budgeted appropriations. School principals and department managers use the reports to monitor budgetary variances and significant differences are discussed with the appropriate supervisory staff as they occur. The Board of Education also receives monitoring reports throughout the fiscal year providing further detailed financial information on all funds as well as charter school operational and financial activity.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to School District 27J for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This is the thirty-first consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Dr. Chris Fiedler
Superintendent of Schools



Lori Schiek
Chief Financial Officer

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Financial Section



Independent Auditors' Report

Board of Education
School District 27J
Brighton, Colorado

Report On The Audit Of The Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information for School District 27J (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis For Opinions

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis Of Matter

As discussed in Note 1-E-10 to the financial statements, the District implemented the provisions of Governmental Accounting Standards Board Number 87, *Leases*. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities For The Audit Of The Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 25 and budgetary comparison information, schedule of the District's proportionate share of the net pension liability, schedule of the District's contributions to the pension plan, schedule of the District's proportionate share of the net other postemployment benefit (OPEB) liability and the schedule of the District's contributions to the OPEB plan on pages 95 through 101 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget's Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures, the combining and individual fund financial statements and schedules and the combining component unit financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditors, the schedule of expenditures of federal awards, the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures, the combining and individual fund financial statements and schedules and the combining component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

RubinBrown LLP

January 19, 2023

School District 27J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2022

As management of School District 27J, counties of Adams, Weld and Broomfield, Colorado (the School District), we offer readers of the School District's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal; which can be found on pages 4-8 of this report, and the School District's financial statements, which follow this section.

Financial Highlights

- Effective July 1, 2014, the District is required to apply the Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions (GASB 68). GASB 68 revises and establishes new financial reporting requirements for governments that provide their employees with pension benefits. The School District provides its employees with pension benefits through a multiple employer cost sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).
- Due to the (\$181.5) million effect of GASB 68, the liabilities and deferred inflows of resources of the School District exceeded its assets and deferred outflows of resources at June 30, 2022, by \$25.0 million (net position).
- During the November 2020 election, the School District voters successfully passed an authorization for issuance of \$515 million of bonds. The bonds are funding building a STEM/CTE centers at all three of the current high schools, a new comprehensive high school, two new middle schools, a K-8 school; Discovery Magnet opening in fall of 2023, and the second phase of a new elementary; Southlawn Elementary, which opened in fall of 2022. In addition, the School District will increase safety and security measures district-wide and lengthen the life of existing educational facilities through repairs, maintenance and renovations.
- The net position of the School District governmental activities includes \$77.7 million net investment in capital assets; net position of \$73.1 million restricted for debt service payments, \$5.0 million required emergency reserves; and an unrestricted net position balance of negative \$(186.3) million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$18.5 million or 10.8% of General Fund Expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 26-27 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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

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

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

The basic governmental fund financial statements can be found on pages 28-31 of this report.

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

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

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

The basic private purpose trust fund financial statements can be found on pages 35-36 of this report.

Notes to the Basic Financial Statements

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

Other Information

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

As discussed, the School District reports major funds in the basic financial statements. Combining and individual fund statements and schedules for non-major funds can be found beginning on page 105 of this report.

Government-wide Overall Financial Analysis

Government-wide Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. Due to the effect of GASB 68, the liabilities and deferred inflows of the School District exceeded its assets and deferred outflows of resources at June 30, 2022, by \$25.0 million.

The assets of the School District are classified as current assets, capital assets, net of depreciation and other non-current assets. Cash, investments, deposit with insurance pool, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. Cash and investments account for 86.9% of the current assets. Receivables are due in large part as a result of the property tax collection process. The School District receives close to 95% of the annual property tax assessment between March and June. The School District reports deferred outflows of resources related to pensions and the loss on refunding.

Current and noncurrent liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, accrued interest payable, unearned revenue, early retirement payable, compensated absences payable, leases payable, estimates for claims and premiums, and current debt obligations. The liquidation of current liabilities is anticipated to be from current available resources, current assets or new resources that become available during fiscal year 2022-2023. Noncurrent liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2022-2023.

The School District's net position includes a \$77.7 million investment in capital assets net of accumulated depreciation and any related outstanding debt that was used to acquire those assets. The School District uses these capital assets to provide educational services to its students. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of \$73.1 million, accumulated due to voter approved bonded debt mill levy assessments, have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments.

Unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to GASB 68 and 75 along with the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The \$1.44 million long-term portion of compensated absences is recorded as a liability on the government-wide statements, but not on the governmental fund statements because they are not payable with current funds. The GASB 68 net pension liability and GASB 75 net other post employment benefit liability are reported in the same manner as compensated absences and are \$181.5 million and \$8.8 million, respectively.

Comparative Summary of Net Position As of June 30, 2022			
	Governmental Activities		Total % Change
	2022	2021	2021 to 2022
<u>Assets:</u>			
Total Current Assets	\$ 137,649,310	\$ 105,450,565	30.5%
Capital Assets net of Depreciation	428,923,684	410,775,802	4.4%
Other Non-Current Assets	<u>302,251,699</u>	<u>27,350,426</u>	<u>1,005.1%</u>
Total Assets	868,824,693	543,576,793	59.8%
Deferred Outflows of Resources	64,196,167	103,636,682	-38.1%
<u>Liabilities:</u>			
Total Current	53,572,022	26,579,499	101.6%
Total Non-Current	<u>814,359,700</u>	<u>622,142,952</u>	<u>30.9%</u>
Total Liabilities	867,931,720	648,722,401	33.8%
Deferred Inflows of Resources	90,089,314	107,879,395	-16.5%
<u>Net Position:</u>			
Net Investment in Capital Assets	77,703,890	78,243,721	-0.7
Restricted for:			
TABOR	4,986,655	3,902,784	27.8%
Debt Service	73,816,187	56,402,466	30.9%
Government Designated Purpose Grants	1,012,717	1,104,050	-8.3%
Colorado Preschool Program	311,091	294,479	5.6%
Nutrition Service	2,027,441	1,723,058	17.7%
Other Program Purposes	1,420,465	1,069,784	32.8%
Unrestricted	<u>(186,278,623)</u>	<u>(252,128,663)</u>	<u>-26.1%</u>
Total Net Position	\$ (25,000,177)	\$ (109,388,321)	-77.1%

The School District's overall net position increased \$84.4 million from the prior fiscal year. Further detail for this overall increase is provided in the following sections for governmental activities. Prior year's totals are not restated when comparing to current year.

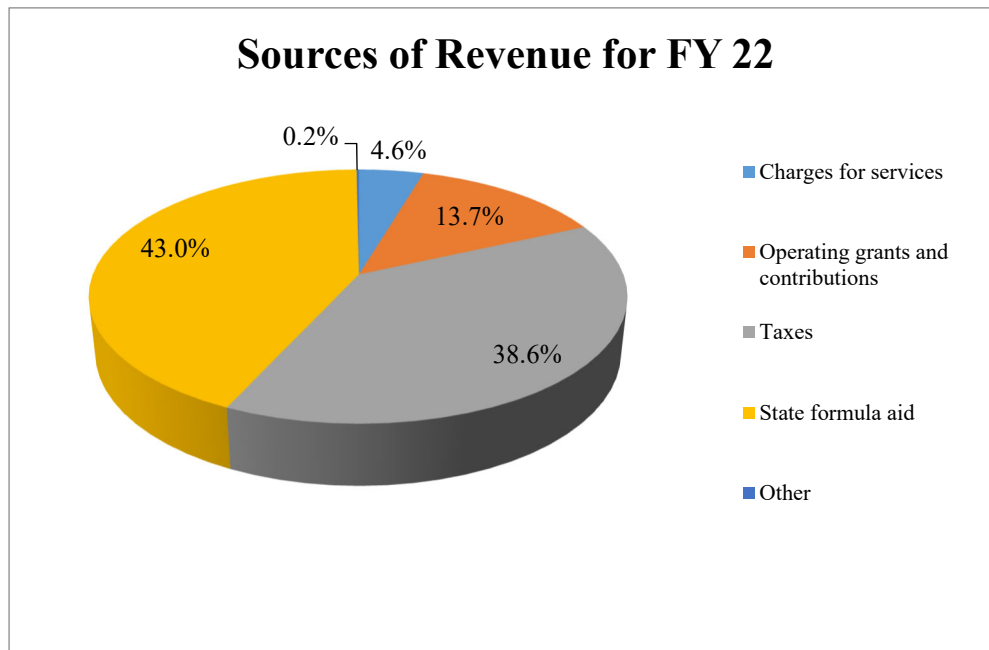
Governmental Activities

Governmental activities increased the net position of the School District by \$84.4 million.

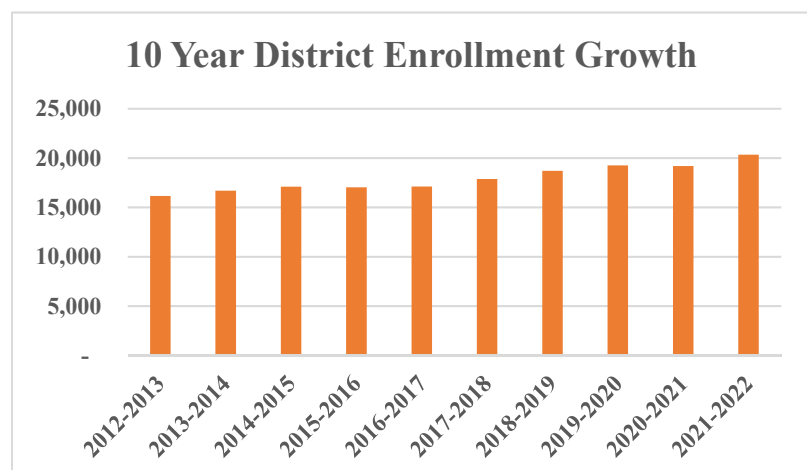
Comparative Schedule of Changes in Net Position For the Year Ended June 30, 2022			
	Governmental Activities		Total % Change
	2022	2021	2021 to 2022
<u>Program Revenues:</u>			
Charges for Services	\$ 12,349,201	\$ 5,686,822	117.2%
Operating Grants and Contributions	36,868,778	35,320,171	4.4%
<u>General Revenues:</u>			
Local Property Taxes	100,479,897	98,170,904	2.4%
Specific Ownership Taxes	3,746,716	4,362,289	-14.1%
Equalization	115,982,915	90,588,760	28.0%
Other	492,239	2,370,538	-79.2%
Total Revenues	269,919,746	236,499,484	14.1%
<u>Expenses:</u>			
Instruction	73,518,228	69,644,215	5.6%
Supporting Services			
Pupil Services	9,172,689	11,258,089	-18.5%
Instructional Staff	4,837,835	5,172,885	-6.5%
General Administration	1,436,129	1,177,267	22.0%
School Administration	8,437,353	8,075,765	4.5%
Operations and Maintenance	9,634,340	9,304,277	3.5%
Pupil Transportation	5,671,130	5,317,371	6.7%
Business Supporting Services	2,707,160	2,108,268	28.4%
Central Supporting Services	12,285,378	12,362,521	-0.6%
Community Services	957,434	1,052,839	-9.1%
Pupil Activities	2,340,212	1,199,900	95.0%
Charter Schools	34,760,360	30,401,586	14.3%
Debt Service - Interest	14,768,577	12,990,507	13.7%
Nutrition Service	5,004,776	3,776,266	32.5%
Total Expenses	185,531,602	173,841,756	6.7%
Change in Net Position	83,388,144	62,657,728	34.7%
Beginning Net Position	(109,388,321)	(172,046,049)	-36.4%
Ending Net Position	\$ (25,000,177)	\$ (109,388,321)	-77.1%

While the continued loss in funding due to the inclusion of the negative factor in the Colorado Public School Finance Act (SFA) has certainly had an impact on the School District, management has been able to limit expenses to minimize the impact on governmental activities over the long term. The SFA provides for the majority of the funding of local school districts based on a funded pupil count formula and a maximum property tax mill levy

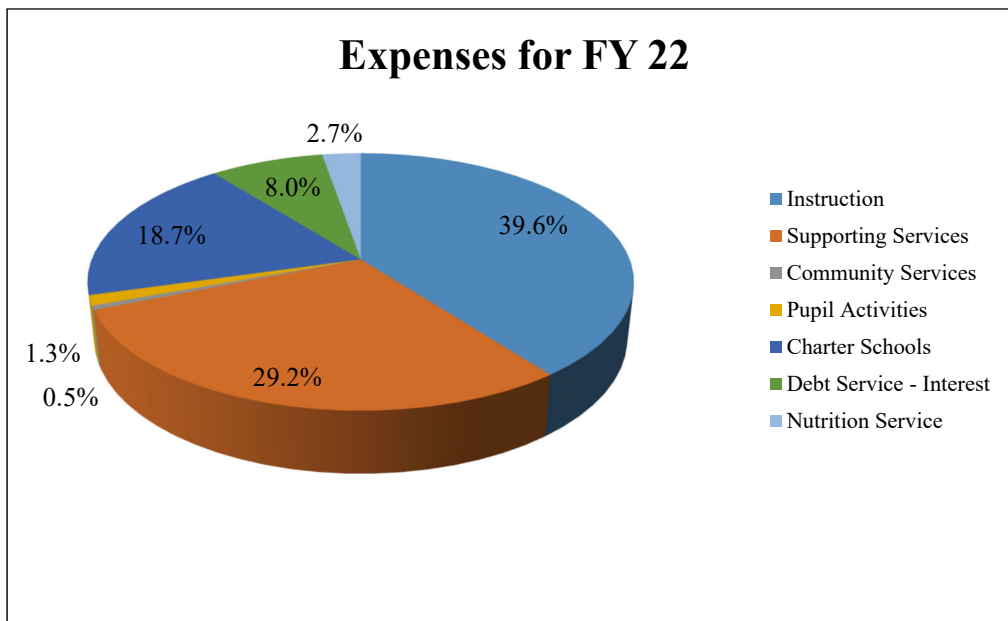
determined for each school district. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. State equalization provided 43.0% of the School District's total governmental revenues, which is an increase of 4.7% over the prior fiscal year. Local taxes provided 38.6% of governmental revenue. The \$2.3 million increase in local property taxes from the prior fiscal year is associated with the increase in levies for mills. The School District levies 27.797 mills annually for the SFA, an increase of 1.12 from the prior year. The \$25.4 million increase in equalization is due to a combination of an increase in per pupil funding in 2021-22 and a 6.0% increase in enrollment.



Year	Student Count	% Change
2012-2013	16,163	3.3%
2013-2014	16,698	3.3%
2014-2015	17,103	2.4%
2015-2016	17,042	-0.4%
2016-2017	17,115	0.4%
2017-2018	17,883	4.5%
2018-2019	18,711	4.6%
2019-2020	19,248	2.9%
2020-2021	19,188	-0.3%
2021-2022	20,338	6.0%



Government-wide expenses increased \$11.7 million from the prior year. Direct governmental instructional expenses make up 39.6% of the total governmental expenses. This category includes direct instruction to students. Support services, which includes but is not limited to operations and maintenance, transportation, pupil services, and other general support services is 29.2% of the total governmental expenses. Charter schools' governmental expenses constitute 18.7% of the total governmental expenses in fiscal year 2022. The remaining 12.5% of the total governmental expenses include community services, pupil activities, and debt service interest payments.



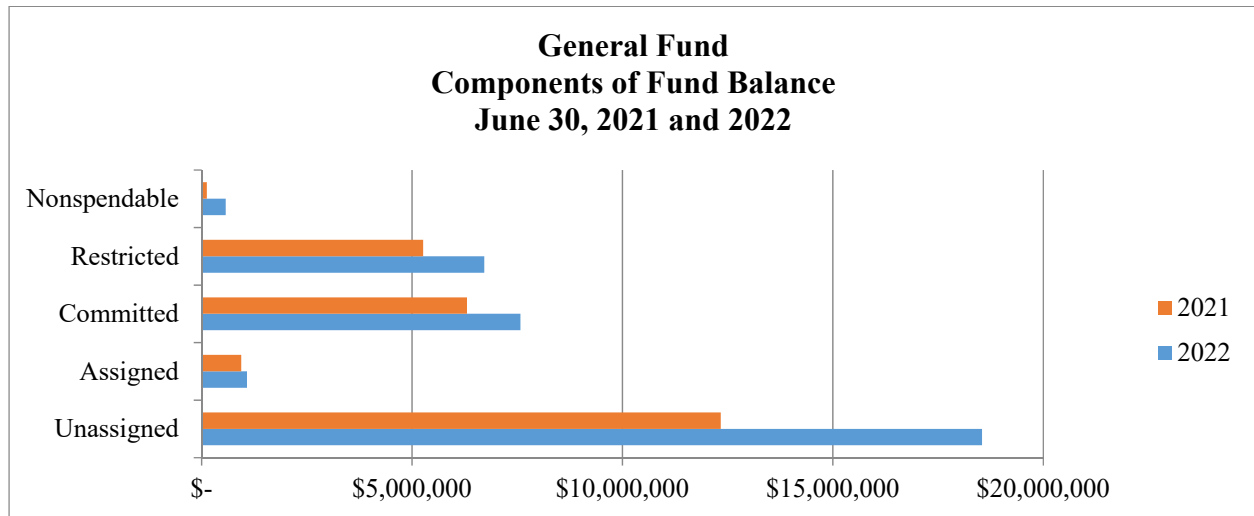
Financial Analysis of Governmental Funds

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

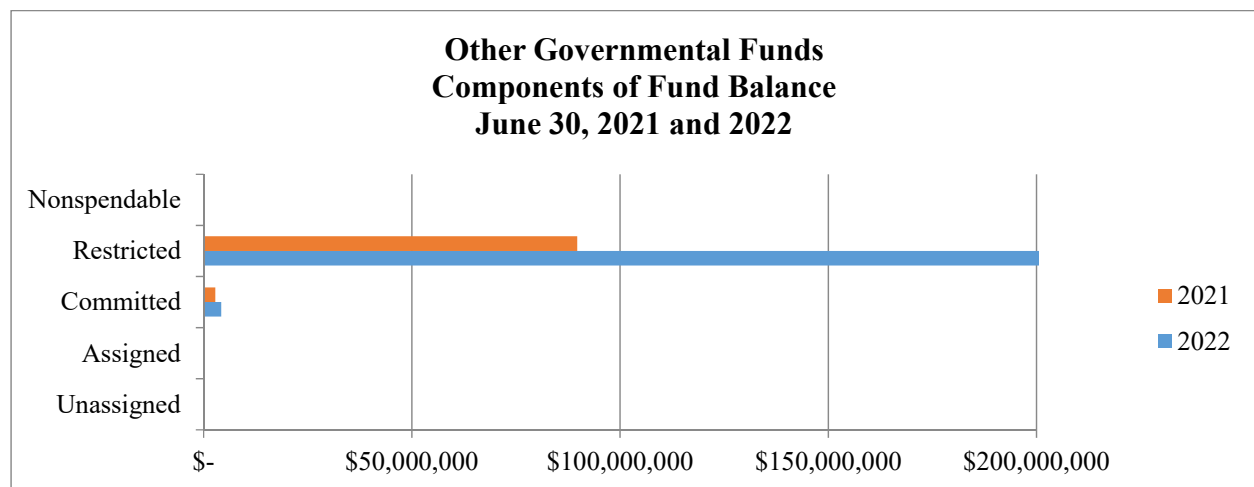
Governmental Funds

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

Of this year-end total, \$17.7 million is unassigned, indicating availability for continuing School District service requirements. Legally restricted fund balances include \$73.8 million for debt service, \$298.0 million for capital projects and \$5.0 million restricted pursuant to the TABOR Amendment. Article X 20(5) of the Colorado State Constitution (TABOR Amendment), requires that an amount equal to 3% or more of its fiscal year spending excluding debt service be set aside. Committed fund balances include \$2.8 million for special revenue funds, \$5.0 million for Board contingencies, \$0.8 million for capital reserve projects, \$3.0 million for risk management insurance and contracted services.



The General Fund is the School District's primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, unassigned fund balance in the general fund was \$17.7 million, while total fund balance increased \$9.5 million to \$34.5 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 10.3% of total general fund expenditures net of intergovernmental – charter schools, while total fund balance represents approximately 20.0% of that same amount.



Proprietary Funds

The School District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In fiscal year 2022 the School District accounted for the School District's self-insured dental plan and print shop as part of the proprietary funds.

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

General Fund Budgetary Highlights

Revenue - Actual revenues were \$12.1 million more than the final approved budget. This is primarily due to state equalization projections being lower than what was received as well as the on-behalf PERA payment revenue of \$2 million. During the year, the School District also received additional At-Risk Mitigation funds for \$2.2 million.

General Fund Revenue	Budget	Actual	Difference
Taxes	\$ 60,337,282	\$ 60,145,852	\$ (191,430)
Intergovernmental Revenue	114,130,124	125,243,013	11,112,889
Charges for Services	884,770	910,264	25,494
Investment Earnings	80,000	714,704	634,704
Miscellaneous	430,150	885,418	455,268
Total	\$ 175,862,326	\$ 187,899,251	\$ 12,036,925

Expenditures – General fund expenditures were \$12.0 million less than budgeted. The fiscal year 2022 budget includes reserves to account and prepare for the new school opening of Elaine Padilla Elementary School in fiscal year 2022. In addition, the District negotiated an increase to compensation that was budgeted in fiscal year 2022 to go into effect in fiscal year 2023 and fiscal year 2024, since this is a recurring cost to the District.

Capital Assets and Debt Administration

Capital assets

The School District's investment in capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2022, was \$428.9million. The overall increase in this net investment was \$18.1 million. This increase is due to the increase in construction in progress as well as the increase to capitalized buildings from the prior year. See Note 2-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity

Capital Assets As of June 30, 2022		
	Governmental Activities	
	2022	2021
Non-depreciable assets:		
Land	\$ 13,131,691	\$ 13,131,691
Water Shares	1,496,673	1,496,673
Construction in progress	28,856,166	5,496,076
Total non-depreciable	43,484,530	20,124,440
Depreciable assets:		
Buildings	487,854,626	481,152,402
Equipment	23,610,921	23,453,547
Right-to-use lease equipment	574,994	-
Total depreciable assets	512,040,541	504,650,949
Less accumulated depreciation and amortization	126,601,387	113,954,589
Book Value – depreciable assets	385,439,154	390,651,360
Percentage depreciated	<u>24.7%</u>	<u>22.6%</u>
Book Value – all assets	\$ 428,923,684	\$ 410,775,801

Long-term debt

At the end of the fiscal year, the School District had outstanding general obligation bonds of \$581.4 million.

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

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

Long Term Debt As of June 30, 2022		
	Governmental Activities	
	2022	2021
<u>Type of Debt:</u>		
General Obligation Bonds	\$ 581,355,000	\$ 318,490,000
Certificates of Participation	3,772,272	4,070,152
Leases Payable	180,708	-
Bond Premium	66,413,074	42,285,888
Total	651,721,054	364,846,040
Early Retirement of Obligation	245,266	329,631
Compensated Absences	3,613,490	3,977,320
Total	\$ 3,858,756	\$ 4,306,951

The School District maintains an "A+" rating from Standard & Poor's and an "Aa3" from Moody's Investors Service for general obligation debt.

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

Economic Factors and Budget Highlights

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

The State economy heading into the 2022-2023 fiscal year reflects an optimistic outlook for revenue stated in the Governor's budget published November 2022. The effects of the 2022 Election have yet to be analyzed as it pertains to the budget and fiscal year 2023 expenditures.

The Board of Education established a course of action for 2022-2023 fiscal year planning and budgeting. The direction from the Board is "Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's Goals priorities, risk financial jeopardy, or fail to be derived from a multi-year plan." The Board's Global Goals are:

- The graduation/completer rate will increase by 2% per year until 95% is attained at which it will not drop lower.

- The School District's average composite ACT score will increase by .5 points per year until the score reaches 22 at which it will not drop lower.
- Students with continuous enrollment during an academic year will achieve at least one year's academic growth grades 1-10 in reading, writing, math and science. The core content areas of social studies and world language will have this same academic growth expectations beginning one year after the state's assessment for these areas have been developed.

The key principles of the budget development process are:

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

Contacting the School District's Financial Management

The intent of this financial report is to provide a general overview of the School District's finances, comply with finance-related laws and regulations, and demonstrate the School District's commitment to public accountability. If there are questions about this report or you would like to request additional information, contact the School District's Finance Office at the Educational Services Center located at 1850 E. Egbert Street in Brighton, CO 80601. You can also visit the School District's website at www.sd27j.org for additional information about its schools, departments, and finances.

School District 27J, Colorado
Statement of Net Position
June 30, 2022

	Governmental Activities	Component Units
Assets		
Current Assets		
Cash and Investments	\$ 119,600,596	\$ 12,362,704
Investment in Insurance Pool	3,001,277	-
Inventory	228,133	-
Receivables		
Accounts	5,785,563	639,705
Property Taxes	3,130,310	-
Intergovernmental	4,164,437	69,719
Grants	369,065	1,341,328
Leases	737,747	-
Interest on Investments	28,016	-
Deposits and Prepays	604,166	286,432
Total Current Assets	<u>137,649,310</u>	<u>14,699,888</u>
Noncurrent Assets		
Restricted Cash and Investments	302,251,699	7,914,541
Non Depreciable Capital Assets	43,484,530	13,812,082
Depreciable Capital Assets, Net	385,439,154	29,211,065
Total Noncurrent Assets	<u>731,175,383</u>	<u>50,937,688</u>
Total Assets	<u>868,824,693</u>	<u>65,637,576</u>
Deferred Outflows of Resources		
Loss on Refunding	2,650,976	430,634
Related to OPEB	1,947,504	159,320
Related to Pensions	59,597,685	5,238,361
	<u>64,196,165</u>	<u>5,828,315</u>
Liabilities		
Current Liabilities		
Accounts Payable	7,063,819	4,585,119
Accrued Salary and Benefits	9,118,339	890,006
Accrued Interest Payable	1,271,235	155,019
Loan Payable	-	653,843
Building Loan	-	610,660
Unearned Revenue	4,600,052	311,745
Compensated Absences Payable	2,168,094	-
Early Retirement Payable	245,266	-
Claims Payable	36,432	765,381
Leases Payable	153,963	7,295
Certificates of Participation	304,820	-
General Obligation Bonds Payable	28,610,000	-
Total Current Liabilities	<u>53,572,020</u>	<u>7,979,068</u>
Noncurrent Liabilities		
Compensated Absences Payable (net of current portion)	1,445,396	-
Leases Payable (net of current portion)	26,746	-
COPS (net of current portion)	3,467,452	-
General Obligation Bonds Payable (net of current portion)	619,158,074	38,251,272
Net OPEB Liability	8,780,157	926,541
Net Pension Liability	181,481,876	19,151,203
Total Noncurrent Liabilities	<u>814,359,701</u>	<u>58,329,016</u>
Total Liabilities	<u>867,931,721</u>	<u>66,308,084</u>
Deferred Inflows of Resources		
Related to Leases	727,203	-
Related to OPEB	3,008,479	335,417
Related to Pensions	86,353,632	9,670,592
	<u>90,089,314</u>	<u>10,006,009</u>
Net Position		
Net Investment in Capital Assets	77,703,890	3,930,711
Restricted for		
TABOR	4,986,655	1,162,032
Debt Service	73,816,187	2,034,926
Government Designated Purpose Grants	1,012,717	-
Colorado Preschool Program	311,091	-
Other Program Purposes	1,420,465	254,000
Nutrition Service	2,027,441	-
Building Maintenance	-	995,962
Operations and Maintenance	-	592,622
Capital Projects	-	4,004,686
Unrestricted	<u>(186,278,623)</u>	<u>(17,823,141)</u>
Total Net Position	<u>\$ (25,000,177)</u>	<u>\$ (4,848,202)</u>

See accompanying notes to the basic financial statements.

School District 27J, Colorado
Statement of Activities
For The Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities	Component Units
Primary Government					
Governmental Activities					
Instructional Services	\$ 73,518,228	\$ -	\$ 28,211,262	\$ (45,306,966)	\$ -
Supporting Services					
Pupil Services	9,172,689	-	-	(9,172,689)	-
Instructional Staff	4,837,835	-	-	(4,837,835)	-
General Administration	1,436,129	-	-	(1,436,129)	-
School Administration	8,437,353	-	-	(8,437,353)	-
Operations and Maintenance	9,634,340	-	-	(9,634,340)	-
Pupil Transportation	5,671,130	317,676	1,578,356	(3,775,098)	-
Business Supporting Services	2,707,160	-	-	(2,707,160)	-
Central Supporting Services	12,285,378	-	-	(12,285,378)	-
Community Services	957,434	8,677,213	-	7,719,779	-
Pupil Activities	2,340,212	2,990,897	-	650,685	-
Charter School Funding	34,760,360	-	-	(34,760,360)	-
Interest on Long-Term Debt	14,768,577	-	-	(14,768,577)	-
Nutrition Services	5,004,776	363,415	7,079,160	2,437,799	-
Total Governmental Activities	\$ 185,531,602	\$ 12,349,201	\$ 36,868,778	(136,313,623)	-
Component Units					
Eagle Ridge Academy	\$ 3,275,638	\$ 112,096	\$ 323,493	-	(2,840,049)
Bromley East Charter School	9,481,208	1,342,962	480,785	-	(7,657,461)
Belle Creek Charter School	5,440,296	584,653	392,831	-	(4,462,812)
Foundations Academy Charter School	7,359,272	-	548,655	-	(6,810,617)
Landmark Academy Charter School	7,608,231	-	697,127	-	(6,911,104)
The STEAD School	2,624,245	55,202	2,338,032	-	(231,011)
Capital Facility Fee Foundation	2,418,253	1,411,451	35,629	-	(971,173)
Total Component Units	\$ 38,207,143	\$ 3,506,364	\$ 4,816,552	\$ -	\$ (29,884,227)
General Revenues					
Local Property Taxes				100,479,897	-
Specific Ownership Taxes				3,746,716	-
Equalization				115,982,915	-
Equalization - Charter Schools				-	34,733,466
Mill Levy Override				-	151,858
Capital Construction				-	1,518,718
Investment Earnings (loss)				(532,274)	(151,119)
Other				1,024,513	1,100,137
Total General Revenues				220,701,767	37,353,060
Change in Net Position				84,388,144	7,468,833
Net Position Beginning of Year, as previously stated				(109,388,321)	(12,487,561)
Restatement				-	170,526
Net Position Beginning of Year, as restated				(109,388,321)	(12,317,035)
Net Position End of Year				\$ (25,000,177)	\$ (4,848,202)

See accompanying notes to the basic financial statements.

School District 27J, Colorado
Balance Sheet
Governmental Funds
June 30, 2022

	General	Capital Projects	Government Designated Purpose Grants	Debt Service	Nutrition Services	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Investments	\$ 41,297,076	\$ -	\$ -	\$ 72,353,239	\$ 3,835,520	\$ 2,114,761	\$ 119,600,596
Restricted Cash and Investments	-	302,251,699	-	-	-	-	302,251,699
Deposit with Insurance Pool	3,001,277	-	-	-	-	-	3,001,277
Inventory	-	-	-	-	228,133	-	228,133
Receivables							
Accounts	5,169,555	379,299	-	-	-	219,799	5,768,653
Property Taxes	1,734,246	-	-	1,396,064	-	-	3,130,310
Intergovernmental	-	-	3,130,575	-	1,033,862	-	4,164,437
Leases	-	-	-	-	-	737,747	737,747
Interfund Receivable	2,716,090	-	1,173,013	38,866	-	7,874,941	11,802,910
Interest on Investment	-	-	-	28,016	-	-	28,016
Prepaid Items	574,430	-	-	-	15,595	14,141	604,166
Grant Fund Advance	-	-	369,065	-	-	-	369,065
Total Assets	\$ 54,492,670	\$ 302,630,999	\$ 4,672,643	\$ 73,816,187	\$ 5,113,101	\$ 10,961,389	\$ 451,687,009
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts and Other Current Payables	\$ 691,323	\$ 3,450,512	\$ 440,086	\$ -	\$ 8,811	\$ 2,473,087	\$ 7,063,819
Accrued Salary and Benefits	8,041,823	25,352	507,908	-	88,187	455,069	9,118,339
Unearned Revenue	-	-	2,711,932	-	1,888,101	-	4,600,053
Interfund Payable	10,413,624	1,172,122	-	-	856,833	61,241	12,503,820
Total Liabilities	19,146,770	4,647,986	3,659,926	-	2,841,932	2,989,397	33,286,031
Deferred Inflows of Resources							
Unavailable Property Tax Revenue	849,288	-	-	693,404	-	-	1,542,692
Unavailable Lease Receivable	-	-	-	-	-	727,203	727,203
Total Deferred Inflows of Resources	849,288	-	-	693,404	-	727,203	2,269,895
Fund Balances							
Nonspendable Items	574,430	-	-	-	243,728	14,141	832,299
Restricted for Debt Service	-	-	-	73,122,783	-	-	73,122,783
Restricted for Capital Projects	-	297,983,013	-	-	-	-	297,983,013
Restricted for TABOR	4,986,655	-	-	-	-	-	4,986,655
Restricted for Cash-in-Lieu of Land	1,420,465	-	-	-	-	-	1,420,465
Restricted for Government Designated Purpose Grants	-	-	1,012,717	-	-	-	1,012,717
Restricted for Nutrition Services	-	-	-	-	2,027,441	-	2,027,441
Restricted for Colorado Preschool	311,091	-	-	-	-	-	311,091
Restricted for Pupil Activity	-	-	-	-	-	2,959,462	2,959,462
Committed for Risk Management Insurance	3,001,277	-	-	-	-	-	3,001,277
Committed, Reported in Special Revenue Funds	-	-	-	-	-	4,271,186	4,271,186
Committed for Board Contingencies	4,577,150	-	-	-	-	-	4,577,150
Assigned for Capital Reserve Projects	779,379	-	-	-	-	-	779,379
Assigned for Career and Technical Education	298,320	-	-	-	-	-	298,320
Unassigned, Reported in General Fund	18,547,845	-	-	-	-	-	18,547,845
Total Fund Balances	34,496,612	297,983,013	1,012,717	73,122,783	2,271,169	7,244,789	416,131,083
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 54,492,670	\$ 302,630,999	\$ 4,672,643	\$ 73,816,187	\$ 5,113,101	\$ 10,961,389	\$ 451,687,009

See accompanying notes to the basic financial statements

School District 27J, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

Total Governmental Fund Balances		\$ 416,131,083
Amounts reported for governmental activities in the Statement of Activities are different due to:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds but are reported on the Statement of Activities:		
Cost	\$ 555,525,071	
Less Accumulated Depreciation and Amortization	<u>(126,601,387)</u>	428,923,684
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds:		
Unavailable Property Tax Revenue		1,542,692
An Internal Service Fund is used by management to charge the costs of dental insurance premiums to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities on the Statement of Net Position.		681,388
Accrued interest on long-term debt is not reported at the fund financial reporting level, but is reported on the Statement of Net Position.		(1,271,235)
Liabilities not due and payable in the current period are not reported in the funds but are reported on the Statement of Net Position:		
COPS Payable	\$ (3,772,272)	
Bonds Payable	(581,355,000)	
Leases Payable	(180,708)	
Compensated Absences Payable	(3,613,490)	
Early Retirement Payable	<u>(245,266)</u>	(589,166,736)
Premiums, discounts and refunding differences are reported as expenditures in the funds when the debt is issued but capitalized on the Statement of Net Position:		
Premium	\$ (66,413,074)	
Deferred Outflow: Loss on Refunding	<u>2,650,976</u>	(63,762,098)
Net pension liability not due and payable in the current period are not reported in the funds but are reported on the Statement of Net Position:		
Deferred Outflow	\$ 59,597,685	
Deferred Inflow	(86,353,632)	
Net Pension Liability	<u>(181,481,876)</u>	(208,237,823)
Net OPEB liability not due and payable in the current period are not reported in the funds but are reported on the Statement of Net Position:		
Deferred Outflow	\$ 1,947,504	
Deferred Inflow	(3,008,479)	
Net OPEB Liability	<u>(8,780,157)</u>	(9,841,132)
Net Position of Governmental Activities		<u><u>\$ (25,000,177)</u></u>

See accompanying notes to the basic financial statements

School District 27J, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2022

	General	Capital Projects	Government Designated Purpose Grants	Debt Service	Nutrition Services	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 60,145,852	\$ -	\$ -	\$ 44,792,244	\$ -	\$ -	\$ 104,938,096
Intergovernmental Revenue							
Vocational Education	620,756	-	-	-	-	-	620,756
Special Education	4,364,531	-	-	-	-	-	4,364,531
At-Risk Mitigation	2,240,861	-	-	-	-	-	2,240,861
State On Behalf	2,033,950	-	187,204	-	-	-	2,221,154
Transportation	-	-	-	-	-	1,578,356	1,578,356
Federal Grants	-	-	14,534,726	-	7,026,429	-	21,561,155
State Grants	-	-	4,229,234	-	52,731	-	4,281,965
Equalization	115,982,915	-	-	-	-	-	115,982,915
Pupil Activities	-	-	-	-	-	2,990,897	2,990,897
Charges for Services	910,264	-	-	-	363,415	8,084,625	9,358,304
Investment Earnings (loss)	714,704	(1,309,525)	-	58,168	3,531	848	(532,274)
Miscellaneous	885,418	-	89,982	-	-	10,544	985,944
Total Revenues	187,899,251	(1,309,525)	19,041,146	44,850,412	7,446,106	12,665,270	270,592,660
Expenditures							
Current							
Instructional Services	85,440,855	-	7,578,526	-	-	669,883	93,689,264
Supporting Services							
Pupil Services	9,134,608	-	3,778,356	-	-	-	12,912,964
Instructional Staff	4,060,040	-	2,664,617	-	-	39,887	6,764,544
General Administration	1,934,777	-	-	-	-	-	1,934,777
School Administration	11,342,121	-	66,130	-	-	-	11,408,251
Operations and Maintenance	13,013,416	-	-	-	-	-	13,013,416
Pupil Transportation	26,033	-	33,519	-	-	7,179,848	7,239,400
Business Supporting Services	95,832	-	3,033,708	-	-	40,428	3,169,968
Central Supporting Services	11,369,010	-	1,932,269	-	-	2,755,745	16,057,024
Community Services	477,609	-	18,625	-	-	851,605	1,347,839
Nutrition Services	-	-	-	-	6,986,217	-	6,986,217
Pupil Activities	-	-	-	-	-	3,294,462	3,294,462
Capital Outlay	147,398	29,790,501	26,729	-	40,217	1,992,427	31,997,272
Intergovernmental - Charter Schools	34,760,360	-	-	-	-	-	34,760,360
Debt Service							
Principal Retirement	297,880	-	-	10,050,000	-	-	10,347,880
Interest	94,835	-	-	17,051,612	-	-	17,146,447
Bond Issuance Costs	-	1,278,818	-	-	-	-	1,278,818
Fiscal Charges	2,000	-	-	7,500	-	-	9,500
Total Expenditures	172,196,774	31,069,319	19,132,479	27,109,112	7,026,434	16,824,285	273,358,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,702,477	(32,378,844)	(91,333)	17,741,300	419,672	(4,159,015)	(2,765,743)
Other Financing Sources (Uses)							
Issuance of Bonds	-	272,915,000	-	-	-	-	272,915,000
Premium on Bonds	-	28,368,117	-	-	-	-	28,368,117
Issuance of Leases	38,569	-	-	-	-	-	38,569
Transfers Out	(6,221,770)	-	-	-	-	-	(6,221,770)
Transfers In	-	-	-	-	-	6,136,337	6,136,337
Total Other Financing Sources (Uses)	(6,183,201)	301,283,117	-	-	-	6,136,337	301,236,253
Net Change in Fund Balances	9,519,276	268,904,273	(91,333)	17,741,300	419,672	1,977,322	298,470,510
Fund Balance Beginning of Year	24,977,336	29,078,740	1,104,050	55,381,483	1,851,497	5,267,467	117,660,573
Fund Balances End of Year	\$ 34,496,612	\$ 297,983,013	\$ 1,012,717	\$ 73,122,783	\$ 2,271,169	\$ 7,244,789	\$ 416,131,083

See accompanying notes to the basic financial statements.

School District 27J, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2022

Net Changes In Fund Balances - Total Governmental Funds		\$ 298,470,510
<p>Amounts reported for governmental activities in the Statement of Activities are different because governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and loss on disposal of capital assets in the current period.</p>		
	Depreciation and Amortization	\$ (12,646,800)
	Capital Outlay	<u>30,258,256</u>
		17,611,456
Property tax and grant revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(711,483)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
	Bond Principal	\$ 10,050,000
	Lease Payable	394,286
	COPs Principal	<u>297,880</u>
		10,742,166
<p>Governmental funds report the effect of premiums and discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.</p>		
	Amortization:	
	Premium	\$ 4,240,931
	Bond Refunding	<u>(584,243)</u>
		3,656,688
<p>The issuance of long-term debt (e.g. bonds, leases, certificates of participation) provides current financial resources of governmental funds. Neither transaction has any effect on net position.</p>		
	Bond Proceeds	\$ (272,915,000)
	Issuance of Bond Premium	(28,368,117)
	Issuance of Lease	<u>(38,569)</u>
		(301,321,686)
Pension benefit reported in the Statement of Activities, does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.		54,757,959
OPEB benefit reported in the Statement of Activities, does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.		694,882
<p>Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The change in the current year's accruals are as follows:</p>		
	Compensated Absences	
	Liability 2020	\$ 3,977,320
	Liability 2021	<u>(3,613,490)</u>
		363,830
	Early Retirement	
	Liability 2020	\$ 329,631
	Liability 2021	<u>(245,266)</u>
		84,365
Internal Service Fund activity related to third parties is not reported in governmental funds but is reported as governmental activities in the Statement of Activities.		39,457
Change In Net Position Of Governmental Activities		<u><u>\$ 84,388,144</u></u>
See accompanying notes to the basic financial statements		

School District 27J, Colorado
Statement of Net Position
Proprietary Funds
June 30, 2022

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Receivables:	
Accounts	\$ 636
Interfund Receivable	<u>717,184</u>
Total Assets	<u>717,820</u>
Liabilities	
Current Liabilities:	
Accounts Payable	<u>36,432</u>
Total Liabilities	<u>36,432</u>
Total Net Position	<u><u>\$ 681,388</u></u>

See accompanying notes to the basic financial statements.

School District 27J, Colorado
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For The Year Ended June 30, 2022

	Governmental Activities - Internal Service Funds
Operating Revenues	
Interfund Services Provided:	
Dental Insurance Premiums	\$ 912,960
Print Shop	37,611
Total Operating Revenues	<u>950,571</u>
Operating Expenses	
Salaries and Benefits	89,528
Purchased Services	11,374
Materials and Supplies	18,188
Indirect Costs	3,954
Dental Claims	873,503
Total Operating Expenses	<u>996,547</u>
Income (Loss) from Operations	(45,976)
Other Financing Sources	
Transfers In (Out)	<u>85,433</u>
Change in Net Position	39,457
Net Position Beginning of Year	<u>641,931</u>
Net Position End of Year	<u><u>\$ 681,388</u></u>

See accompanying notes to the basic financial statements.

School District 27J, Colorado
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2022

	Governmental Activities - Internal Service Funds
Cash Flows From (Used for) Operating Activities	
Cash Received from Interfund Services Provided	\$ 919,156
Cash Payments for Goods and Services	(123,044)
Cash Payments for Insurance Premiums and Expenses	(881,545)
Net Cash From (Used for) Operating Activities	(85,433)
Cash Flows From (Used for) Noncapital Financing Activities	
Transfers In (Out)	85,433
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents Beginning of Year	-
Cash and Cash Equivalents End of Year	\$ -
Reconciliation of Operating Income (Loss) to Net Cash From (Used for) Operating Activities	\$ (45,977)
Adjustments:	
(Increase) Decrease in Assets:	
Accounts Receivable	(636)
Interfund Receivable	(30,778)
Increase (Decrease) in Liabilities:	
Accounts Payable	(8,042)
Net Cash From (Used for) Operating Activities	\$ (85,433)

See accompanying notes to the basic financial statements.

School District 27J, Colorado
Statement of Fiduciary Net Position
Private Purpose Trust Fund
June 30, 2022

	Private Purpose Trust Fund
Assets	
Cash and Investments	\$ 43,073
Total Assets	<u>43,073</u>
Liabilities	
Due to Other Groups	<u>16,274</u>
Total Liabilities	<u>16,274</u>
Net Position	
Restricted for Scholarships	<u>26,799</u>
Total Net Position	<u><u>\$ 26,799</u></u>

See accompanying notes to the basic financial statements

School District 27J, Colorado
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For The Year Ended June 30, 2022

	Private Purpose Trust Fund
Additions	
Investment Earnings	\$ 109
Change in Net Position	109
Net Position Beginning of Year	26,690
Net Position End of Year	\$ 26,799

See accompanying notes to the basic financial statements.

School District 27J, Colorado
Notes to the Basic Financial Statements
For The Year Ended June 30, 2022

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School District 27J, Colorado
Notes to the Basic Financial Statements
For The Year Ended June 30, 2022

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

Note 1 - Summary of Significant Accounting Policies

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

1-A. Reporting Entity

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

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

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

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

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

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

School District 27J, Colorado
Notes to the Basic Financial Statements
For The Year Ended June 30, 2022

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

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

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

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

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

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

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

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

Eagle Ridge Academy
3551 Southern Street
Brighton, CO 80601

Belle Creek Charter School
9290 E 107th Ave
Henderson, CO 80640

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

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

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

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

The STEAD School
18251 Homestead Trail
Commerce City, CO 80022

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

1-B. Basis of Presentation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Additionally, the School District reports the following fund types:

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

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

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

1-C. Measurement Focus

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

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

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

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

1-D. Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1-E-2. Receivables

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

1-E-3. Interfund Balances

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

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

1-E-4. Consumable Inventories

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

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

1-E-5. Prepaid Items

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

1-E-6. Capital Assets

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

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

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

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

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

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

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

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

1-E-8. Compensated Absences

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

In fiscal year 2014, the District offered Early Separation Plans and Long Term Service Benefits to its employees. Only those employees who have completed fifteen or more years of service in the District as of July 1, 2009 are eligible after completing twenty years of service. These plans ended on June 30, 2014. Classified employees may receive 90% of their current year's salary at either July 31st or January 31st of the year following their retirement. Eligible certified employees who voluntarily resign or retire shall receive a payout that equals the difference between the certified employee's actual salary for the 2008-2009 school years and the \$45,129 average salary of full-time teachers hired by the District during that school year. Administrators may receive the average paid out to certified employees during the year of their retirement. Four employees received their early separation plan/long term service payment in fiscal year 2022. As of June 30, 2022, there were five certified employees who were eligible for future payments at a total remaining cost of \$245,266.

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

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

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

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

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

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1-E-10. Leases

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

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

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

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

RTU assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

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

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

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

1-E-12. Fund Balance/Net Position

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

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

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

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

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

Committed fund balance – amounts that can be used only for specific purposes determined by a formal action of the Board of Education, the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Education.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board of Education's adopted policy, only the Superintendent or his/her designee may assign amounts for specific purposes.

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

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

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

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

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

1-E-13. Operating Revenues and Expenses

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

1-E-14. Contributions of Capital

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

1-E-15. Interfund Activity

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

School District 27J, Colorado
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revenues/expenses section in proprietary funds. The effect of interfund activity has been eliminated from the government-wide financial statements. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

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

1-E-16. Estimates

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

1-E-17. Budgets

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

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

Note 2 – Detailed Notes on All Funds

2-A. Cash and Investments

At June 30, 2022, the School District had the following cash and investments:

	District	Private Purpose Trust	Component Units
Cash on Hand	\$ 461	\$ -	\$ -
Deposits	26,469,223	-	8,247,314
Investments	395,382,611	43,073	12,029,931
Total	<u>\$ 421,852,295</u>	<u>\$ 43,073</u>	<u>\$ 20,277,245</u>
Governmental Activities	\$ 119,600,596	\$ -	\$ 12,362,704
Restricted Cash and Investments	302,251,699	-	7,914,541
Subtotal	\$ 421,852,295	\$ -	\$ 20,277,245
Fiduciary Activities	-	43,073	-
Total	<u>\$ 421,852,295</u>	<u>\$ 43,073</u>	<u>\$ 20,277,245</u>

Restricted Cash and Investments – As of June 30, 2022, the School District has restricted cash and investments of \$302,251,699 recorded in the School District’s capital projects fund for that purpose.

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Cash Held in Trust – As of June 30, 2022, the School District has \$1,736,543 held in trust. Adams County and Weld County collected property taxes for the School District and holds the funds in trust until sent to the School District on a monthly basis. Cash held in trust is grouped in deposits in the Cash and Investments Note 2-A.

Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2022, the State regulatory commissioners had indicated that all financial institutions holding deposits for the School District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102 percent of the uninsured deposits. As of June 30, 2022, the School District had bank deposits of \$29,508,151 collateralized, with securities held by the financial institution's agency not in the School District's name.

At June 30, 2022, component unit Eagle Ridge Academy had deposits with financial institutions with a carrying amount of \$3,373,074. At June 30, 2022, Bromley East Charter School had deposits with financial institutions with a carrying amount of \$2,115,876. Of the bank balances, \$250,000 was covered by federal deposit insurance and the remaining balance was uninsured but collateralized in accordance with the provisions of PDPA. At June 30, 2022, Belle Creek Charter School had bank deposits of \$924,194. Of the bank balances, \$250,000 was covered by federal deposit insurance and the remaining balance was uninsured but collateralized in accordance with the provisions of PDPA.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure the School District's deposits may not be returned to it. The School District and the discretely presented component units do not have a formal deposit policy for custodial credit risk, but are following PDPA. At June 30, 2022 the School District had no deposits exposed to custodial credit risk.

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

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

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

The District's Colorado Government Liquid Asset Trust (ColoTrust) external investment pool of \$17,159,476 at June 30, 2022 is valued using the NAV per share (or its equivalent) of the investments. The District's Colorado Statewide Investment Program (CSIP) external investment pool of \$52,035,567 at June 30, 2022 is valued using the NAV per share (or its equivalent) of the investments. The District's Colorado Surplus Asset Fund Trust (CSAFE) external investment pool of \$1,347,783 is measured at amortized cost, with a rating of AAAM. The component units' external investment pools of \$6,245,830 at June 30, 2022, are valued using the NAV per share (or its equivalent) and amortized cost of the investments. The investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. The component units have investments in Money Market Funds, Mutual Funds, Fixed Income, and Certificates of Deposit in the amount of \$569,342, \$252,536, \$410,845 and \$3,879,752, respectively, with maturity dates of less than one and two years. The Money Market investments are valued with Level 1 inputs and the Certificates of Deposit are valued with Level 2 inputs.

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

		Fair Value Measurements Using		
Investments by Fair Value Level	June 30, 2022	Level 1	Level 2	Level 3
Money Market Mutual Fund	\$ 65,472,692	\$ 65,472,692	\$ -	\$ -
Federal Agency Bond/Note	1,968,260	-	1,968,260	-
Certificates of Deposit	23,723,656	-	23,723,656	-
Commercial Paper	64,086,756	-	64,086,756	-
U.S. Treasury Obligation	169,631,494	-	169,631,494	-
Total Investments by Fair Value Level	<u>\$ 324,882,858</u>	<u>\$ 65,472,692</u>	<u>\$ 259,410,166</u>	<u>\$ -</u>
Investments at Net Asset Value (NAV)	June 30, 2022			
ColoTrust Investment Pool	\$ 17,159,476			
CSIP Investment Pool	52,035,567			
Total Investments held at Net Asset Value (NAV)	<u>\$ 69,195,043</u>			
Investments at Amortized Cost	June 30, 2022			
CSAFE Investment Pool	<u>\$ 1,347,783</u>			
Total Investments held at Amortized Cost	<u>\$ 1,347,783</u>			
Total Investments	<u>\$ 395,425,684</u>			

As of June 30, 2022, the School District had the following investments. Deposits and investments are internally pooled to maximize investment safety, liquidity and interest yield:

Type of Security	Value	Concentration	S&P Rating	Maturity		
				12 Months or Less	1-3 Years	3-5 Years
ColoTrust (external investment pool)	\$ 17,159,476	4.34%	AAAm	\$ 17,159,476	\$ -	\$ -
CSAFE (external investment pool)	1,347,783	0.34%	AAAm	1,347,783	-	-
Federal Agency Bond/Note	1,968,260	0.50%	AA+	-	1,968,260	-
Certificates of Deposit	23,723,656	6.00%	A-1	23,723,656	-	-
Commercial Paper	64,086,756	16.21%	A-1	64,086,756	-	-
CSIP (external investment pool)	52,035,567	13.16%	AAAm	52,035,567	-	-
U.S. Treasury Obligation Fund	169,631,494	42.90%	AAAm	74,989,048	94,642,446	-
Money Market Mutual Fund	65,472,692	16.56%	AAAm	65,472,692	-	-
	<u>\$ 395,425,684</u>	<u>100.00%</u>		<u>\$ 298,814,978</u>	<u>\$ 96,610,706</u>	<u>\$ -</u>

School District 27J, Colorado
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At June 30, 2022, the School District's discretely presented component units' investments are as follows:

Eagle Ridge Academy	
CSAFE	\$ 1,147,193
Bromley East Charter School	
Colotrust	\$ 1,261,982
CSAFE	1,320,842
Money Market Funds	569,206
Fixed Income	410,845
Mutual Funds	252,536
Total	<u>\$ 3,815,411</u>
Belle Creek Charter School	
CSAFE	\$ 2,461,713
Colotrust	54,100
Total	<u>\$ 2,515,813</u>
Capital Facility Fee Foundation	
Money Market Funds	\$ 136
Certificate of Deposits	3,879,752
Total	<u>\$ 3,879,888</u>
Total Component Units	<u>\$ 11,358,305</u>

Local Government Investment Pool - The School District has invested in the ColoTrust, CSAFE and CSIP. At June 30, 2022, the School District had \$17,159,476 invested in ColoTrust, \$1,347,783 invested in CSAFE, and \$52,035,567 invested in CSIP. These are investment trusts established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. These pools operate similarly to a money market fund and each share is equal in value to \$1. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by pools in connection with the direct investment and withdrawal functions of the pools. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial banks. The custodian's internal records identify the investments owned by the School District. Due to their high liquidity, these funds are classified as investments for reporting purposes. The Trusts are rated AAAM by Standard and Poor's.

Interest Rate Risk – The School District and the component units do not have formal investment policies that limit investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado Revised Statute 24-75-601 limits investment maturities to five years or less without governing board approval. Based on the current rate environment, the School District and the component units assume that investments will be held to maturity. As of June 30, 2022, no coupon and discount securities had investment maturities greater than five years. The weighted average maturity of the local government entity investment pools investments shall not exceed 60 days for ColoTrust and CSAFE at June 30, 2022.

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

Concentration of Credit Risk – State statutes do not limit the amount the School District may invest in one issuer. The School District has adopted a policy which is more restrictive and limits investments to: not more than 25% of the School District's portfolio invested in the securities in any "one" government agency with the exception of United States Treasury securities; not more than 25% of the School District's portfolio invested in deposit accounts; money market mutual funds shall be diversified so that no fund shall hold more than 50% of the School District's portfolio; combined fund investments not to exceed 75% of the total portfolio and not exceeding 25% of the School District's total portfolio in repurchase agreements.

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All of the Charter Schools and the Capital Facility Fee Foundation have adopted an investment policy that does not vary significantly from Colorado State Statutes.

Belle Creek Charter had \$54,100 and \$2,461,713 respectively, invested in ColoTrust and CSAFE at June 30, 2022. The investment pools were rated AAAM by Standard & Poor's. Belle Creek Charter held restricted cash and cash equivalents of \$526,543 for the Education Center Fund.

Bromley East Charter had \$1,261,982 and \$1,320,842 respectively, invested in ColoTrust and CSAFE respectively, at June 30, 2022. The investment pools were rated AAAM by Standard & Poor's. Bromley East Charter held restricted cash and cash equivalents of \$2,093,962 for the Building Corp Fund.

Eagle Ridge Academy had \$1,147,193 invested in CSAFE at June 30, 2022. The pool is rated AAAM by Standard and Poor's. Investments in the amount of \$1,147,193 are restricted in the special revenue fund for debt service requirements, as a result of the Series 2016 Bond issuance.

Foundation Academy Charter School, Landmark Academy Charter School, and The STEAD School did not have investments in marketable securities or ColoTrust and CSAFE investment pools at June 30, 2022.

2-B. Receivables

Receivables at June 30, 2022, consisted of taxes, interest, accounts (billings for user charges) and School District receivables arising from grants, fiduciary activity and lease payments.

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

Leased Asset Receivable

As a result of the implementation of GASB 87, Leases, the School District, serving in a lessor capacity, is required to recognize a lease receivable and a deferred inflow of resources for certain lease transactions. Therefore, \$764,419 in right-to-use assets receivable has been added to the beginning balance presented below. These right-to-use assets receivable are offset by a deferred inflows of resources as well as accrued interest earned. For the period, principal lease revenue of \$38,640 was collected and interest revenue of \$2,660.

	Balance 7/1/2021	Additions	Deductions	Balance 6/30/2022	Current Portion
Leased Asset Receivable	764,419	11,968	38,640	737,747	39,765
Total Leased Asset Receivable	<u>\$ 764,419</u>	<u>\$ 11,968</u>	<u>\$ 38,640</u>	<u>\$ 737,747</u>	<u>\$ 39,765</u>

AT&T – In February of 2019, the District entered into a lease agreement with New Cingular Wireless PCS, LLC to lease approximately six hundred (600) square feet of land, including the air space above such ground space, owned by the District and located at S. 8th avenue and E. Southern Street in the City of Brighton, Adams County, Colorado. New Cingular Wireless will use a portion of the Property in connection with its federally licensed communications business. The initial term of the lease will be five (5) years, commencing on February 2019. The lease will automatically renew for four (4) additional five (5) year terms unless the tenant notifies the landlord in writing of its intention not to renew the lease agreement. The lease requires monthly lease payments to the District of \$1,217 with rent payments increasing fifteen percent (15.0%) on an annual basis. The outstanding lease receivable on June 30, 2022, is \$420,947.

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Verizon - In November of 2019, the District entered into a lease agreement with Verizon Wireless, LLC to lease approximately two thousand nine hundred (2,900) square feet of land, including the air space above such ground space, owned by the District and located at Brighton Gardens in the City of Brighton, Adams County, Colorado. Verizon Wireless will use a portion of the Property in connection with its federally licensed communications business. The initial term of the lease will be five (5) years, commencing on November 2019. The lease will automatically renew for two (2) additional five (5) year terms unless the tenant notifies the landlord in writing of its intention not to renew the lease agreement. The lease requires monthly lease payments to the District of \$1,808 with rent payments increasing fifteen percent (15.0%) on an annual basis. The outstanding lease receivable on June 30, 2022, is \$309,812.

Greystar Development - In August of 2021, the District entered into a license agreement with Greystar Development and Construction, LP to grant it and its authorized contractors and representatives a non-exclusive license to enter upon and use the premises for the purposes associated with the temporary construction occurring on the adjacent property. The location of the property is 18551 E. 160th Avenue in Adams County, Colorado. Greystar agrees to pay the District \$500 per month with an initial security deposit of \$1,000. The license is a temporary license taking effect on September 1, 2021 and shall automatically expire on August 31, 2023. The outstanding receivable on June 30, 2022, is \$6,988.

2-C. Property Taxes

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

School District 27J, Colorado
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2-D. Capital Assets – Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance 7/1/2021	Additions	Deductions	Balance 6/30/2022
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 13,131,691	\$ -	\$ -	\$ 13,131,691
Water Shares	1,496,673	-	-	1,496,673
Construction in Progress	5,496,076	30,062,313	6,702,223	28,856,166
Total Capital Assets not being depreciated	20,124,440	30,062,313	6,702,223	43,484,530
Other Capital Assets being depreciated:				
Buildings and Improvements	481,152,403	6,702,223	-	487,854,626
Equipment	23,453,547	157,374	-	23,610,921
Total Other Capital Assets	504,605,950	6,859,597	-	511,465,547
Lease Right-to-Use Assets				
Equipment	536,425	38,569	-	574,994
Total Lease Assets	536,425	38,569	-	574,994
Total Capital Assets	525,266,815	36,960,479	6,702,223	555,525,071
Accumulated Depreciation and Amortization:				
Buildings and Improvements	99,677,540	10,466,576	-	110,144,116
Equipment	14,277,048	1,923,783	-	16,200,831
Lease Right-of-Use Asset Equipment	-	256,441	-	256,441
Total Accumulated Depreciation and Amortization	113,954,588	12,646,800	-	126,601,388
Total Capital Assets being depreciated and Lease Right-of-Use Assets, net	391,187,787	(5,748,634)	-	385,439,153
Governmental Activities Capital Assets, net	<u>\$ 411,312,227</u>	<u>\$ 24,313,679</u>	<u>\$ 6,702,223</u>	<u>\$ 428,923,683</u>

As a result of implementation of GASB 87, *Leases*, \$536,425 in right-to-use lease assets for leases of equipment has been added to the beginning balance presented above. These right-to-use lease assets are offset by a lease liability in the same amount, \$536,425.

Governmental Activities Depreciation/Amortization Expense

Instructional Services	\$ 9,745,095
Business Supporting Services	271,198
Operation and Maintenance	744,202
Pupil Transportation	589,126
Central Supporting Services	1,237,863
Nutrition Services	59,316
	<u>\$ 12,646,800</u>

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Component Units Capital Assets	Balance 7/1/2021	Additions	Deductions	Balance 6/30/2022
Eagle Ridge Academy				
Capital Assets not being depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Construction in Progress	-	48,960	-	48,960
Total capital assets not being depreciated	50,000	48,960	-	98,960
Capital Assets being depreciated:				
Building	9,978,905	32,695	-	10,011,600
Land Improvements	385,019	-	-	385,019
Equipment	6,842	26,914	-	33,756
Total capital assets being depreciated	10,370,766	59,609	-	10,430,375
Less Accumulated Depreciation	(2,707,368)	(260,614)	-	(2,967,982)
Total - Depreciable Capital Assets	7,663,398	(201,005)	-	7,462,393
Net Eagle Ridge Academy	\$ 7,713,398	\$ (152,045)	\$ -	\$ 7,561,353
Bromley East Charter School:				
Capital Assets not being depreciated:				
Land	\$ 144,120	\$ -	\$ -	\$ 144,120
Construction in Progress	473,259	-	(473,259)	-
Total Capital Assets not being depreciated	617,379	-	(473,259)	144,120
Capital Assets being depreciated:				
Buildings and Improvements	22,067,851	812,124	-	22,879,975
Vehicles and Equipment	298,549	42,946	-	341,495
Total Capital Assets being depreciated	22,366,400	855,070	-	23,221,470
Less Accumulated Depreciation	(5,290,644)	(485,676)	-	(5,776,320)
Total - Depreciable Capital Assets	17,075,756	369,394	-	17,445,150
Lease Assets being Amortized:				
Vehicles and Equipment	34,280	-	(34,280)	-
Total Lease Assets being Amortized	34,280	-	(34,280)	-
Less Accumulated Amortization	-	(34,280)	34,280	-
Total - Amortized Lease Assets	34,280	(34,280)	-	-
Assets	17,110,036	335,114	-	17,445,150
Net Bromley East Charter School	\$ 17,727,415	\$ 335,114	\$ (473,259)	\$ 17,589,270
Belle Creek Charter School:				
Capital Assets being depreciated:				
Buildings and Improvements	\$ 7,621,645	\$ 17,590	\$ -	\$ 7,639,235
Furniture & Equipment	42,204	-	-	42,204
Vehicles	101,481	-	-	101,481
Total Capital Assets being depreciated	7,765,330	17,590	-	7,782,920
Less Accumulated Depreciation	(3,327,459)	(210,766)	-	(3,538,225)
Total - Depreciable Capital Assets	4,437,871	(193,176)	-	4,244,695
Lease Assets being Amortized:				
Furniture and Equipment	-	40,555	-	40,555
Total Lease Assets being Amortized	-	40,555	-	40,555
Less Accumulated Amortization	-	(8,111)	-	(8,111)
Total - Amortized Lease Assets	-	32,444	-	32,444
Total- Depreciable and Amortizable Capital	4,437,871	(160,732)	-	4,277,139
Net Belle Creek Charter School	\$ 4,437,871	\$ (160,732)	\$ -	\$ 4,277,139
Foundations Academy Charter School:				
Capital Assets being depreciated:				
Equipment	\$ 46,098	\$ -	\$ -	\$ 46,098
Less Accumulated Depreciation	(40,064)	(4,610)	-	(44,674)
Net Foundations Academy Charter School	\$ 6,034	\$ (4,610)	\$ -	\$ 1,424
The STEAD School:				
Capital Assets not being depreciated:				
Construction in Progress	\$ 5,522,904	\$ 8,046,098	\$ -	\$ 13,569,002
Total Capital Assets not being depreciated	5,522,904	8,046,098	-	13,569,002
Capital Assets being depreciated:				
Furniture and Equipment	-	28,026	-	28,026
Less Accumulated Depreciation	-	(3,068)	-	(3,068)
Total Capital Assets being depreciated	-	24,958	-	24,958
Net The STEAD School	\$ 5,522,904	\$ 8,071,056	\$ -	\$ 13,593,960
Total Component Unit Capital Assets, Net	\$ 35,407,622	\$ 8,088,783	\$ (473,259)	\$ 43,023,146

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Belle Creek has entered into lease agreements for equipment. The total costs of these right-to-use lease assets are recorded as \$40,555, less amortization of \$8,111.

2-E. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at June 30, 2022, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The School District expects to repay all interfund balances within one year.

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Government Designated Purpose Grant Fund	\$ 1,173,013	Government Designated Purpose Grant Fund	\$ -
Nonmajor Governmental Funds	7,874,941	Nonmajor Governmental Funds	61,241
General Fund	2,716,090	General Fund	10,413,624
Nutrition Services Fund	-	Nutrition Services Fund	856,833
Capital Projects Fund	-	Capital Projects Fund	1,172,122
Internal Service Fund	717,184	Internal Service Fund	-
Debt Service Fund	38,866	Debt Service Fund	-
Private Purpose Trust Fund	-	Private Purpose Trust Fund	16,274
Total	<u>\$ 12,520,094</u>		<u>\$ 12,520,094</u>

Interfund transfers for the year ended June 30, 2022, consisted of the following:

	<u>Transfers In</u>				<u>Total</u>
	<u>Pupil</u>	<u>Other Special</u>	<u>Transportation</u>	<u>Print Shop</u>	
	<u>Activity</u>	<u>Programs</u>	<u>Fund</u>	<u>Fund</u>	
<u>Transfers Out</u>					
General Fund	\$ 705,704	\$ 146,817	\$ 5,283,816	\$ 85,433	\$ 6,221,770

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

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

2-F. Compensated Absences

School District policy limits the accumulation of earned employee vacation to the equivalent of 2 years earned vacation. Also, the School District grants temporary (sick, personal & bereavement, etc.) leave to all classes of employees. Unused leave balances are paid at termination. Upon termination and/or retirement, Administrative, Professional, Technical (APT) personnel are paid at a flat rate of \$79.54 a day. Certified personnel are paid at a flat rate of \$79.54 for all temporary leave days

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accumulated before July 1, 2018 and \$87.11 for all temporary leave days accumulated after July 1, 2018. Classified personnel are paid at a rate of \$5.95 per hour for the first 75 days; after 75 days they are paid \$7.08 per hour. Classified employees with 75 or more days of accrued temporary leave and certified employees with 45 or more days of accrued temporary leave have the option of being paid for the excess days each June. In addition, eligible employees may elect to contract with the School District for early retirement upon terms and conditions specified by School District policy. Eligible employees may contract for early retirement benefits after twenty years of service to the School District.

2-G. Long-Term Liabilities

Long-term Debt

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

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	304,820	87,894	392,714
2024	311,923	80,792	392,715
2025	319,191	73,524	392,715
2026	326,628	66,087	392,715
2027	334,238	58,476	392,714
2028-2030	1,050,171	127,972	1,178,143
2031-2033	1,125,301	52,842	1,178,143
Total	<u>\$ 3,772,272</u>	<u>\$ 547,587</u>	<u>\$ 4,319,859</u>

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	2,780,000	524,750	3,304,750
2024	2,915,000	382,375	3,297,375
2025	6,190,000	154,750	6,344,750
Total	<u>\$ 11,885,000</u>	<u>\$ 1,061,875</u>	<u>\$ 12,946,875</u>

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	3,675,000	1,753,375	5,428,375
2024	3,860,000	1,565,000	5,425,000
2025	4,050,000	1,367,250	5,417,250
2026	12,350,000	957,250	13,307,250
2027	12,970,000	324,250	13,294,250
Total	<u>\$ 36,905,000</u>	<u>\$ 5,967,125</u>	<u>\$ 42,872,125</u>

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	-	7,275,700	7,275,700
2024	-	7,275,700	7,275,700
2025	-	7,275,700	7,275,700
2026	-	7,275,700	7,275,700
2027	-	7,275,700	7,275,700
2028-2032	47,015,000	32,994,050	45,786,050
2033-2037	59,225,000	21,363,625	77,996,075
2038-2041	43,125,000	5,786,375	77,545,625
Total	\$ 149,365,000	\$ 96,522,550	\$ 237,706,250

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	3,925,000	592,175	4,517,175
2024	4,070,000	416,675	4,486,675
2025	1,155,000	286,050	1,441,050
2026	290,000	254,275	544,275
2027	295,000	247,688	542,688
2028	9,760,000	122,000	9,882,000
Total	\$ 19,495,000	\$ 1,918,863	\$ 21,413,863

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

Interest at a rate of 4.00% –5.25% is payable at each June 1 and December 1. Principal payments are payable on December 1, 2017 and each calendar year thereafter to 2028. The bonds are general obligations of the School District and shall be payable from general ad valorem taxes required to be levied, without limitations as to rate and in amounts sufficient to pay for the

School District 27J, Colorado
Notes to the Basic Financial Statements
For The Year Ended June 30, 2022

principal of and interest on the bonds, on all taxable property of the School District, except to the extent other legally available funds are applied for such purpose.

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	60,000	80,903	140,903
2024	60,000	79,373	139,373
2025	60,000	77,738	137,738
2026	65,000	75,971	140,971
2027	65,000	74,103	139,103
2028	2,480,000	36,580	2,516,580
Total	<u>\$ 2,790,000</u>	<u>\$ 424,668</u>	<u>\$ 3,214,668</u>

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	-	4,400,000	4,400,000
2024	-	4,400,000	4,400,000
2025	-	4,400,000	4,400,000
2026	-	4,400,000	4,400,000
2027	-	4,400,000	4,400,000
2028-2030	5,275,000	12,939,375	18,214,375
2031-2035	15,675,000	18,798,625	34,473,625
2036-2040	20,010,000	14,358,000	34,368,000
2041-2043	47,040,000	4,383,000	51,423,000
Total	<u>\$ 88,000,000</u>	<u>\$ 72,479,000</u>	<u>\$ 160,479,000</u>

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

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

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	18,170,000	11,306,650	29,476,650
2024	15,200,000	10,472,400	25,672,400
2025	1,750,000	10,048,650	11,798,650
2026	1,160,000	9,975,900	11,135,900
2027	1,215,000	9,916,525	11,131,525
2028-2032	22,850,000	46,828,000	69,678,000
2033-2037	30,880,000	40,042,975	70,922,975
2038-2042	38,270,000	32,630,800	70,900,800
2043-2047	143,420,000	16,615,200	160,035,200
Total	\$ 272,915,000	\$ 187,837,100	\$ 460,752,100

A summary of the above bonds and certificates outstanding at June 30, 2022 follows:

Long Term Debt	Principal	Interest	Total
Certificates of Participation Series 2019	\$ 3,772,272	\$ 547,587	\$ 4,319,860
General Obligation Bonds Series 2012A	11,885,000	1,061,875	12,946,875
General Obligation Refunding Bonds Series 2014	36,905,000	5,967,125	42,872,125
General Obligation Bonds Series 2015	149,365,000	96,522,550	245,887,550
General Obligation Refunding Bonds Series 2016A	19,495,000	1,918,863	21,413,863
General Obligation Refunding Bonds Series 2016B	2,790,000	424,668	3,214,668
General Obligation Bonds Series 2017	88,000,000	72,479,000	160,479,000
General Obligation Bonds Series 2022	272,915,000	187,837,100	460,752,100
Total	\$ 585,127,272	\$ 366,758,768	\$ 951,886,041

School District 27J, Colorado
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For The Year Ended June 30, 2022

Component Unit Long-Term Debt

Belle Creek Charter School: Following is a summary of Belle Creek Charter School's long-term debt transactions for the year ended June 30, 2022:

	Beginning Balance, As Restated	Debt Issued and Additions	Reductions	Ending Balance	Due Within One Year
Building Loan	\$ 6,365,000	\$ 6,250,000	\$ (6,365,000)	\$ 6,250,000	\$ 75,000
Discount	(54,004)	(36,917)	54,004	(36,917)	-
Total	<u>\$ 6,310,996</u>	<u>\$ 6,213,083</u>	<u>\$ (6,310,996)</u>	<u>\$ 6,213,083</u>	<u>\$ 75,000</u>

2007 Building Loan – On June 14, 2007, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$9,200,000 Charter School Revenue Refunding Bonds, Series 2007A, and \$100,000 Taxable Charter School Revenue Bonds, Series 2007B, to advance refund CECFA's outstanding Series 2002 Bonds. All outstanding 2007 bonds were refunded on May 11, 2022.

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

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

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	75,000	273,257	348,257
2024	100,000	319,656	419,656
2025	105,000	314,406	419,406
2026	110,000	308,894	418,894
2027	115,000	303,281	418,281
2028-2032	665,000	1,424,406	2,089,406
2033-2037	850,000	1,238,381	2,088,381
2038-2042	1,085,000	998,275	2,083,275
2043-2047	1,400,000	686,438	2,086,438
2048-2052	1,745,000	277,725	2,022,725
Total	<u>\$ 6,250,000</u>	<u>\$ 6,144,719</u>	<u>\$ 12,394,719</u>

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Eagle Ridge Academy: Following is a summary of Eagle Ridge Academy's long-term debt transactions for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due In One Year
Bonds Payable -					
Series 2016	\$ 8,445,000	\$ -	\$ 350,000	\$ 8,095,000	\$ 360,000
Premium	142,252	-	9,227	133,025	9,227
Total	<u>\$ 8,587,252</u>	<u>\$ -</u>	<u>\$ 359,227</u>	<u>\$ 8,228,025</u>	<u>\$ 369,227</u>

Charter School Revenue Bond Series 2016 –In November 2016, the Colorado Educational Cultural Facilities Authority (CECFA) issued \$9,720,000 Charter School Revenue Bonds dated November 1, 2016. On November 1, 2016, the Corporation entered into a mortgage and lease agreement with the Eagle Ridge Academy to use the bond proceeds for: a) current refunding of Eagle Ridge Authority's Charter School Revenue Bonds Series 2006 in the original aggregate principal amount of \$10,195,000, which were outstanding in the principal amount of \$9,345,000; b) constructing improvements to existing educational facilities originally financed with proceeds of the Series 2006 Bonds; c) funding a bond reserve fund; and d) paying certain costs of issuance of the Bonds. The Bonds are subject to redemption prior to maturity, at the option of Eagle Ridge Authority, as a whole or in part in authorized denominations on November 1, 2021, and on any date thereafter, upon direction by the Corporation and upon payment of par plus accrued interest through the date of redemption. The bonds accrue interest at 4.62%. Interest payments are due semi-annually on May 1 and November 1. Principal payments are due November 1, through 2037.

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

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	360,000	371,619	731,619
2024	375,000	358,297	733,297
2025	385,000	344,522	729,522
2026	400,000	330,294	730,294
2027	415,000	315,522	730,522
2028-2032	2,385,000	1,253,625	3,638,625
2033-2037	<u>3,775,000</u>	<u>560,875</u>	<u>4,335,875</u>
Total	<u>\$ 8,095,000</u>	<u>\$ 3,534,754</u>	<u>\$ 11,629,754</u>

Bromley East Charter School: Following is a summary of Bromley East Charter School's long-term debt transactions for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due In One Year
Building Loan	16,530,850	-	(590,580)	15,940,270	610,660
Total	<u>\$ 16,530,850</u>	<u>\$ -</u>	<u>\$ (590,580)</u>	<u>\$ 15,940,270</u>	<u>\$ 610,660</u>

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

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

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	610,660	526,397	1,137,057
2024	631,420	505,106	1,136,526
2025	652,890	483,090	1,135,980
2026	14,045,300	159,180	14,204,480
Total	\$ 15,940,270	\$ 1,673,773	\$ 17,614,043

The STEAD School: Following is a summary of The STEAD School’s long-term debt transactions for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due In One Year
Building Loan	3,124,826	5,992,041	(10,945)	9,105,922	209,616
Total	\$ 3,124,826	\$ 5,992,041	\$ (10,945)	\$ 9,105,922	\$ 209,616

Vectra Construction Loan - On January 15, 2021, the Building Corp entered into a construction loan agreement with Zions Bancorporation, N.A. dba Vectra Bank Colorado in the amount of \$14,503,148. The construction loan consists collectively of the Phase 1 Loan and Phase 2 Loan. Proceeds were loaned to the Building Corp to provide funding to construct the School’ s educational facilities. As of June 30, 2022 all \$4,808,000 of Phase Loans 1 and \$74,355 of \$7,125,148 Phase 2 loans were issued. Interest accrues a rate of 3.50% for the Phase 1 Loans and 5.4% of Phase 2 Loans. Principal and Interest payments are due monthly with an initial maturity of January 15, 2026.

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

CCFS Construction Loan - On January 15, 2021, the Building Corp entered into a construction loan agreement with CCFS SPE 2, LLC in the amount of \$2,800,000. The construction loan consists collectively of the Phase 1 Loan, and Phase 2 Loan. Loans were loaned to the Building Corp to provide funding to construct the School’ s educational facilities. As of June 30, 2022 all \$1,021,700 Phase Loans 1 and \$969,055 of \$1,778,300 Phase 2 loans were issued. Interest accrues a rate of 3.50%. Principal and Interest payments are due monthly with an initial maturity of January 15, 2026.

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

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	209,616	264,488	474,104
2024	183,292	319,654	502,946
2025	190,328	312,402	502,730
2026	8,522,686	182,532	8,705,218
Total	\$ 9,105,922	\$ 1,079,076	\$ 10,184,998

Long-term Leases

Equipment Leases

CBS Copier Lease 500-0642700-002- In December of 2021, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 0.45%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	3,211	29	3,240
2024	3,226	14	3,240
Total	\$ 6,437	\$ 43	\$ 6,480

CBS Copier Lease 500-0642700-000 - In July of 2021, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 0.18%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	8,526	30	8,556
2024	8,540	15	8,555
Total	\$ 17,066	\$ 45	\$ 17,111

CBS Copier Lease 500-0640849 - In July of 2021, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 0.18%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	1,088	4	1,092
2024	1,090	2	1,092
Total	\$ 2,178	\$ 6	\$ 2,184

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CBS Copier Lease 500-0642700 - In June of 2021, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 0.29%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	87,646	251	87,897
Total	\$ 87,646	\$ 251	\$ 87,897

CBS Copier Lease 500-0632665 - In January of 2021, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 0.28%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	23,729	67	23,796
Total	\$ 23,729	\$ 67	\$ 23,796

CBS Copier Lease 500-0619942 - In September of 2020, the District entered into a 3 year agreement for the right to use copy machines. The incremental borrowing rate at the commencement of the agreement was 0.39%. The future minimum lease obligations and net present value of these minimum lease payments are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	29,593	117	29,710
Total	\$ 29,593	\$ 117	\$ 29,710

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

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	4,093	53	4,146
2024	4,111	35	4,146
2025	4,129	17	4,146
2026	1,726	2	1,728
Total	\$ 14,059	\$ 107	\$ 14,166

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Component Unit Long-Term Leases

Belle Creek Charter School: The School, as lessee, has entered into lease agreements for equipment with lease terms of five years. The total costs of these right-to-use lease assets are recorded as \$40,555, less accumulated amortization of \$8,111. The School has determined that as of June 30, 2022, there is no loss associated with an impairment of the right-to-use lease asset. The future lease payments under lease agreements as of June 30, 2022 are as follows:

Fiscal Year Ending 30-Jun	Principal	Interest	Total
2023	7,296	1,788	9,084
2024	7,660	1,424	9,084
2025	8,043	1,041	9,084
2026	8,445	639	9,084
2027	4,326	216	4,542
Total	\$ 35,770	\$ 5,108	\$ 40,878

Bromley East Charter School: The School, as a lessee, had entered into a lease agreement for equipment with a lease term of 3 years. The total costs of these right-to-use lease assets are recorded as \$0, less accumulated amortization of \$0. The School has determined that as a part of the lease payments made during the year ended June 30, 2022, \$100 was paid as variable payments not included in the measurement of the lease liability. The School has determined that as of June 30, 2022, there is no loss associated with an impairment of the right-to-use lease asset.

The lease agreement was completed as of June 30, 2022.

School District 27J, Colorado
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Changes in Long-term Liabilities - Changes in the School District's long-term obligations consisted of the following for the year ended June 30, 2022:

Governmental Activities:	Beginning Balance, As Restated	Debt Issued And Additions	Reductions	Ending Balance	Amounts Due in One Year
General Obligation Bonds	\$ 318,490,000	\$ 272,915,000	\$ 10,050,000	\$ 581,355,000	\$ 28,610,000
Certificates of Participation	4,070,152	-	297,880	3,772,272	304,820
Leases Payable	536,425	38,569	394,286	180,708	153,963
Bond Premium	42,285,888	28,368,117	4,240,931	66,413,074	-
Total	\$ 365,382,465	\$ 301,321,686	\$ 14,983,097	\$ 651,721,054	29,068,783
Early Retirement Obligation	\$ 329,631	\$ -	\$ 84,365	\$ 245,266	\$ 245,266
Compensated Absences Payable	3,977,320	2,069,739	2,433,569	3,613,490	2,168,094
Total	\$ 4,306,951	\$ 2,069,739	\$ 2,517,934	\$ 3,858,756	\$ 2,413,360

Changes in the Component Units' Long-Term Obligations consisted of the following for the year ended June 30, 2022:

Governmental Activities:	Beginning Balance, As Restated	Debt Issued And Additions	Reductions	Ending Balance	Amounts Due in One Year
Loans Payable	\$ 11,569,826	\$ 12,242,041	\$ 360,945	\$ 23,450,922	\$ 644,616
Building Loan	16,530,850	-	590,580	15,940,270	610,660
Premium/Discount	142,252	(36,917)	9,227	96,108	9,227
Leases Payable	34,280	40,555	39,065	35,770	7,295
Total	\$ 28,277,208	\$ 12,245,679	\$ 999,817	\$ 39,523,070	\$ 1,271,798
Business-Type Activities:					
Building Loan	\$ 6,365,000	\$ -	\$ 6,365,000	\$ -	\$ -
Discount	(54,004)	-	(54,004)	-	-
Total Business-Type Activities	\$ 6,310,996	\$ -	\$ 6,310,996	\$ -	\$ -
Total Component Units	\$ 34,588,204	\$ -	\$ 7,310,813	\$ 39,523,070	\$ 1,271,798

Other – Payment of principal and interest for general obligation bonds is made from the bond redemption debt service fund. The legal limit and debt margin as of June 30, 2022 are \$1,135,195,753 and \$553,840,753, respectively. Compensated absences, pension and OPEB obligations are generally liquidated in the General Fund.

2-H. Short-Term Debt

During the year ended June 30, 2022, the District borrowed \$3,966,505 from the State Treasurer's interest-free loan program. The borrowing was necessary to finance seasonal cash flow requirements of the District during the fiscal year ended June 30, 2022. The amount borrowed was paid in full by the maturity date of June 30, 2022.

2-I. Defined Benefit Pension Plan

The School District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information

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For The Year Ended June 30, 2022

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

General Information about the Pension Plan

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

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

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

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

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

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

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

	July 1, 2021 Through June 30, 2022
Employer contribution rate	10.90%
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	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School District were \$19,827,338 for the year ended June 30, 2022.

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

At June 30, 2022, the School District reported a liability of \$181,481,876 for its proportionate share of the net pension liability that reflected reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School District as its proportionate share for the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School District were as follows:

The School District's proportionate share of net pension liability	\$181,481,876
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School District	20,804,580
Total	\$202,286,456

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At December 31, 2021, the School District's proportion was 1.5594755871% which was a decrease of 0.1386642931% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School District recognized pension benefit of \$34,930,611 and revenue of \$2,221,154 for support from the State as a nonemployer contributing entity. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$6,947,888	\$ -
Changes of assumptions or other inputs	13,854,794	-
Net difference between projected and actual earnings on pension plan investments	-	68,231,742
Changes in proportion and differences between contributions recognized and proportionate share of contributions	28,998,117	18,121,890
Contributions subsequent to the measurement date	9,796,885	N/A
Total	\$59,597,685	\$86,353,632

The \$9,796,885 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2023	\$7,385,534
2024	(16,854,131)
2025	(18,802,360)
2026	(8,281,875)
Total	\$(36,552,832)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$267,126,488	\$181,481,876	\$110,014,656

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

Component Unit Defined Benefit Pension Plan

Bromley East Charter School

Contributions: Employer contributions recognized by the SCHDTF School were \$1,092,150 for the year ended June 30, 2022.

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

At June 30, 2022, the School reported a liability of \$10,194,070 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The School's proportion of the net pension liability was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the TPL to December 31, 2021. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2021, the School's proportion of the net pension liability was 0.0875977439%, which was a decrease of 0.0107776125% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized pension expense of \$2,714,573 and revenue of \$279,358 for support from the State as a nonemployer contributing entity. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$390,270	---
Changes of assumptions or other inputs	778,241	---
Net difference between projected and actual earnings on pension plan investments	---	3,832,666
Changes in proportion and differences between contributions recognized and proportionate share of contributions	710,791	1,408,515
Contributions subsequent to the measurement date	542,841	N/A
Total	\$2,422,143	\$5,241,181

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\$542,841 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2023	\$(122,122)
2024	(1,664,524)
2025	(1,110,029)
2026	(465,204)
Total	\$(3,361,879)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$15,004,837	\$10,194,070	\$6,179,664

Eagle Ridge Academy

Contributions: Employer contributions recognized by the SCHDTF School were \$380,574 for the year ended June 30, 2022.

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

At June 30, 2022, the School reported a liability of \$3,397,699 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The School's proportion of the net pension liability was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the TPL to December 31, 2021. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2021, the School's proportion of the net pension liability was 0.0292%, which was a decrease of 0.0038% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized pension expense of \$1,305,984 and revenue of \$93,110 for support from the State as a nonemployer contributing entity. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$130,078	\$ --
Changes of assumptions or other inputs	259,389	--
Net difference between projected and actual earnings on pension plan investments	--	1,277,433

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Changes in proportion and differences between contributions recognized and proportionate share of contributions	419,760	514,576
Contributions subsequent to the measurement date	191,695	-
Total	\$1,000,922	\$1,792,009

\$191,695 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2023	\$(42,036)
2024	(412,488)
2025	(373,206)
2026	(155,052)
Total	\$(982,782)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$5,001,135	\$3,397,699	\$2,059,692

Belle Creek Charter School

Contributions: Employer contributions recognized by the SCHDTF School were \$591,429 for the year ended June 30, 2022.

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

At June 30, 2022, the School reported a liability of \$5,559,434 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The School's proportion of the net pension liability was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the TPL to December 31, 2021. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2021, the School's proportion of the net pension liability was 0.0477722691%, which was a decrease of 0.0040729320% from its proportion measured as of December 31, 2020.

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For the year ended June 30, 2022, the School recognized pension expense of \$1,948,407 and revenue of \$152,350 for support from the State as a nonemployer contributing entity. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$212,837	\$ --
Changes of assumptions or other inputs	424,421	--
Net difference between projected and actual earnings on pension plan investments	--	2,090,181
Changes in proportion and differences between contributions recognized and proportionate share of contributions	891,209	547,221
Contributions subsequent to the measurement date	286,829	N/A
Total	\$1,815,296	\$2,637,402

\$286,829 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2023	\$ 199,949
2024	(482,394)
2025	(572,786)
2026	(253,704)
Total	\$(1,108,935)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$8,183,032	\$5,559,434	\$3,370,139

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2-J. Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. There is no employer match. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$551,240.

2-K. Other Post-Employment Benefits

Defined Benefit Other Post Employment Benefit (OPEB) Plan

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

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

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

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

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may

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enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

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

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School District were \$1,015,911 for the year ended June 30, 2022.

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

At June 30, 2022 the School District reported a liability of \$8,780,157 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The School District's proportion of the net OPEB liability was based on the School District contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the School District's proportion was 1.0182194633%, which was an increase of 0.0364136158% from its proportion measured as of December 31, 2020.

School District 27J, Colorado
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For the year ended June 30, 2022, the School District recognized OPEB expense of \$321,029. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$11,109	\$1,963,575
Changes of assumptions or other inputs	175,713	459,231
Net difference between projected and actual earnings on OPEB plan investments	-	532,944
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,328,169	52,729
Contributions subsequent to the measurement date	432,513	-
Total	\$1,947,504	\$3,008,479

The \$432,513 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$(414,619)
2024	(440,788)
2025	(467,425)
2026	(175,753)
2027	3,158
Thereafter	1,940
Total	\$(1,496,487)

School District 27J, Colorado
Notes to the Basic Financial Statements
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6Actuarial assumptions. The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan			7.25%	
investment expenses, including price inflation				
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029	
Medicare Part A premiums			3.75% in 2021, gradually increasing to 4.50% in 2029	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

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

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

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

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

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

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

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

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

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Alternatives ¹	6.00%	4.70%
Total	100.00%	

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$8,528,016	\$8,780,157	\$9,072,244

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use

School District 27J, Colorado
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the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$10,197,234	\$8,780,157	\$7,569,729

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

Component Unit Post-Employment Benefits

Bromley East Charter School

Contributions: Employer contributions recognized by the HCTF from the School were \$56,037 for the year ended June 30, 2022.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs: At June 30, 2022, the School reported a liability of \$493,192 for its proportionate share of the net OPEB liability. At December 31, 2021, the School's proportion was 0.0571945960%, which was an increase of 0.0003187911% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized an OPEB expense of \$45,116. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$752	\$116,942
Changes of assumptions or other inputs	10,211	26,753
Net difference between projected and actual earnings on OPEB plan investments	--	30,529
Changes in proportion and differences between contributions recognized and proportionate share of contributions	46,441	--
Contributions subsequent to the measurement date	27,852	N/A
Total	\$85,256	\$174,224

\$27,852 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year ended June 30:	
2023	\$(32,355)
2024	(36,434)
2025	(33,595)
2026	(10,200)
2027	(3,730)
Thereafter	(506)
Total	\$(116,820)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$479,029	\$493,192	\$509,599

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$572,791	\$493,192	\$425,201

Eagle Ridge Academy

Contributions. Employer contributions recognized by the HCTF from the School were \$19,526 for the year ended June 30, 2022.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2022, the School reported a liability of \$164,382 for its proportionate share of the net OPEB liability. At December 31, 2021, the School's proportion was 0.019063%, which was a decrease of 0.000004% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized OPEB income of \$16,272. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$250	\$38,977
Changes of assumptions or other inputs	3,403	8,917
Net difference between projected and actual earnings on OPEB plan investments	--	10,175

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Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,665	2,258
Contributions subsequent to the measurement date	9,835	--
Total	\$20,153	\$60,327

\$9,835 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$(12,020)
2024	(14,826)
2025	(14,989)
2026	(6,550)
2027	(1,416)
Thereafter	(208)
Total	\$(50,009)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$159,661	\$164,382	\$169,850

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$190,912	\$164,382	\$141,720

Belle Creek Charter School

Contributions: Employer contributions recognized by the HCTF from the School were \$30,346 for the year ended June 30, 2022.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs: At June 30, 2022, the School reported a liability of \$268,967 for its proportionate share of the net OPEB liability. At December

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31, 2021, the School's proportion was 0.0311916071%, which was an increase of 0.0012219169% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized OPEB expense of \$23,921. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$410	\$63,775
Changes of assumptions or other inputs	5,569	14,590
Net difference between projected and actual earnings on OPEB plan investments	--	16,649
Changes in proportion and differences between contributions recognized and proportionate share of contributions	33,215	5,852
Contributions subsequent to the measurement date	14,717	N/A
Total	\$53,911	\$100,866

\$14,717 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$(17,177)
2024	(21,905)
2025	(18,132)
2026	(4,935)
2027	375
Thereafter	102
Total	\$(61,672)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$261,243	\$268,967	\$277,914

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$312,377	\$268,967	\$231,887

2-L. Adoption of New Accounting Standards

The School District implemented GASB Statement No. 87, *Leases*, effective July 1, 2021. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-us lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Bromley East Charter School implemented GASB Statement No. 84, *Fiduciary Activities*, effective July 1, 2021. This statement establishes specific criteria for identifying activities that should be reported as fiduciary activities. As a result, net position of governmental activities and total fund balance of governmental funds at June 30, 2021, were restated to reflect the cumulative effect of adopting this standard.

Bromley East Charter School implemented GASB Statement No. 90, *Majority Equity Interests*, effective July 1, 2021. This statement establishes specific criteria for identifying and reporting legally separate entities that are included in the School's reporting entity. By implementing GASB Statement 90, and to better align with GASB Statements 14 and 61, the School is now presenting the Building Corp as a special revenue fund. As a result, net position of governmental activities and total fund balance of governmental funds at June 30, 2021, were restated to reflect the cumulative effect of adopting this standard.

Governmental Activities

Net Position, June 30, 2021, as originally stated	\$ (13,978,742)
Adoption of new accounting standard – GASB 84	170,526
Adoption of new accounting standard – GASB 90	3,878,936
Net Position, June 30, 2021, as restated	<u>\$ (9,929,280)</u>

Governmental Funds

Total fund balance, June 30, 2021, as originally stated	\$ 2,296,790
Adoption of new accounting standard – GASB 84	170,526
Adoption of new accounting standard – GASB 90	2,276,281
Fund Balance, June 30, 2021, as restated	<u>\$ 4,743,597</u>

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2-M. Net Position

Net investment in capital assets on the Government-wide Statement of Net Position as of June 30, 2022 is calculated as:

<u>Net investment in capital assets:</u>	<u>Governmental Activities</u>
Cost of Capital Assets	\$ 555,525,071
Less Accumulated Depreciation	(126,601,387)
Book Value	428,923,684
Less Capital Related Debt - Bonds	(581,355,000)
Less Capital Related Debt - Certificates of Participation	(3,772,272)
Less Capital Related Debt - Lease	(180,708)
Less Retainage Payable	(132,729)
Less Bond Premiums	(66,413,074)
Add Bond Deferred Outflows of Resources	2,650,976
Add Unspent Proceeds	297,983,013
	<u>\$ 77,703,890</u>

Note 3 - Other Notes

3-A. Risk Management

Self-Insurance Pool - The School District is exposed to various risks of loss related to torts, thefts or damage to, or destruction of assets; errors or omissions; workers' compensation; employee dental claims; and natural disasters. School District 27J has been a member of the Adams County BOCES Self Insurance Pool (the Pool) since its inception in 1979. The BOCES consists of 3 school districts in Adams County including Adams 1 – Mapleton, Adams 50 – Westminster and School District 27J. The Pool provides property and liability, workers' compensation, boiler and machinery, errors and omissions, and school board legal liability insurances for its member districts. Annually each district provides funding for the pool based on a pre-established amount that covers the cost of insurance, claims, operation of the Pool. Also, each district receives annual financial information on the equity interest and gains or losses. For the year ended June 30, 2022, the District recorded an investment of \$3,001,277. The District's ending surplus share of the Pool was a net gain of \$674,550.

Pool members and percentage shares are as follows:

<u>Adams County School Districts</u>	<u>% Shares in Pool</u>
No. 1	22.17
No. 27J	40.73
No. 50	37.10

Following is a summary of financial information for the Pool as of and for the year ended June 30, 2022:

	<u>Total</u>	<u>District's Share</u>
Assets	\$ 10,489,690	\$ 4,272,593
Liabilities	2,490,052	1,271,316
Equity	<u>\$ 7,999,638</u>	<u>\$ 3,001,277</u>
Revenues	\$ 3,812,458	\$ 1,552,866
Expenditures	2,156,364	878,316
Net Income	1,656,094	674,550
Surplus, Beginning	6,343,824	2,326,727
Surplus, Ending	<u>\$ 7,999,918</u>	<u>\$ 3,001,277</u>

School District 27J, Colorado
Notes to the Basic Financial Statements
For The Year Ended June 30, 2022

Percentage shares are as of June 30, 2022. Percentages will vary slightly from year-to-year depending upon premium allocation factors. The Pool's Board of Directors consists of one member appointed by the Board of Education of each participating school district. All members of the Pool's Board of Directors have an equal vote in the administration of the Pool's activities, are responsible for selection of management and have complete responsibility for all fiscal matters in the operation of the Pool. Separate financial statements for the Pool are available from the Adams County BOCES, 1400 W. 122nd Avenue, Suite 110, Westminster, Colorado 80234.

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

The following schedule shows the coverage for fiscal year 2022:

	School District Deductible	Pool's Self-Insured Retention (Per Occurrence)	Excess Insurance Per Occurrence
Liability	\$ -	\$ 150,000	\$ 4,850,000 (auto) 9,850,000 (general)
Property		100,000	900,000
Content	1,000		
Vehicles	5,000		
Workers' Compensation	-	550,000	550,000 Statutory
Errors and Omissions	10,000	150,000	9,850,000
Boiler and Machinery	5,000	N/A	100,000,000
Crime	25,000	N/A	1,000,000
Cyber	50,000	N/A	5,000,000

The School District is protected under the statutes of the Colorado Governmental Immunity Act to a maximum of \$150,000 per individual and \$600,000 per occurrence for liability exposure.

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

Dental Self-Insurance Plan - The School District maintains a dental self-insurance plan (the "Plan") for employees who elect to purchase dental insurance through the plan. The Plan is entirely funded from employee contributions. Monthly premiums are \$42.90 per month for the employee. Dependent coverage is also available. The Plan is designed to minimize the risk to the School District by designing the plan to be dependent upon employee-paid premiums for all plan expenditures. The Plan limits participant claims to \$1,500 per year and a lifetime \$2,000 per person orthodontic claim. The School District consults with Lockton Companies to annually evaluate the plan. Claims are paid by the third party administrator acting on behalf of the School District. Claims due and payable within one year equal \$36,432 and are reported in the proprietary fund Statement of Net Position under current liabilities in the governmental activities internal service fund.

School District 27J, Colorado
Notes to the Basic Financial Statements
For The Year Ended June 30, 2022

Date	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2021	24,855	938,510	918,891	44,474
2022	44,474	873,503	881,545	36,432

3-B. Tax, Spending and Debt Limitations

In November of 1992, Colorado voters approved a State Constitutional amendment, referred to as the Taxpayer’s Bill of Rights (TABOR), containing tax, spending and debt limitations on the state and local governments. TABOR limits increases in revenues and expenditures to the rate of inflation and local growth. TABOR also requires local governments to establish emergency reserves to be used only for declared emergencies. On November 3, 1998, School District 27J voters approved a ballot question “for Authorization of Collection, Retention and Expenditures of Revenue in Excess of the limitations set by Section 20 of Article X of the State Constitution”. This ballot issue authorized the School District to retain and expend all excess revenue in fiscal year 1997/98 and in each fiscal year thereafter. This ballot question was approved by a vote of 4,357 in favor of the question and 2,512 opposing the question. As required by the Amendment, the School District has established a reserve for emergencies of \$4,986,655 at June 30, 2022. This reserve is recorded as a restricted fund balance in the general fund.

Belle Creek Charter School reported an emergency reserve of \$174,000 at June 30, 2022 as a restricted fund balance in the general fund. Eagle Ridge Academy reported a reserve of \$149,007 at June 30, 2022 as a restricted fund balance in the general fund. Bromley East Charter School reported an emergency reserve of \$340,000 at June 30, 2022 as a restricted fund balance in the general fund. Landmark Academy Charter School reported an emergency reserve of \$228,247 at June 30, 2022 as a restricted fund balance in the general fund. Foundations Academy Charter School reported an emergency reserve of \$220,778 at June 30, 2022 as a restricted fund balance in the general fund. The STEAD School reported an emergency reserve of \$50,000 at June 30, 2022 as a restricted fund balance in the general fund.

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

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

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

Beginning balance as of July 1, 2021	\$ 1,069,784
Cash received through June 30, 2022	353,428
Cash utilized through June 30, 2022	(2,747)
Ending balance as of June 30, 2022	<u>\$ 1,420,465</u>

3-D. Contingent Liabilities

Grants – The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the funding agencies but the School District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School District.

School District 27J, Colorado
Notes to the Basic Financial Statements
For The Year Ended June 30, 2022

Short-Term Leases – For 2022 an operating lease agreement was extended through 2023 with Williams Scotsman for the use of the one modular unit. Under terms of the agreement, the School District makes monthly rental payments. Rent expense through June 30, 2022 was \$9,191.

Litigation – The School District is involved in significant or potential litigation for the year ended June 30, 2022. The School District believes the final resolution of these matters will not have a materially and adverse effect on the financial position of the District due to its defense to these matters, budgeted reserves and adequate insurance.

Stewardship, Compliance and Accountability

Construction – The School District had multiple construction contracts during fiscal year 2022. As of June 30, 2022 a total of \$94,643,369 was committed for construction. The breakdown is as follows:

<u>Location</u>	<u>Amount</u>
BLRC Renovations	\$ 1,456
Southeast Elementary	9,089
Technology Building Reonovations	9,384
CTE Schematic Design	13,913
Sakata Roof	131,313
Quist Modular #2	291,031
Technology	482,700
Deferred Maintenance Projects	1,845,996
Southlawn Elementary	4,254,259
PVHS CTE Center	15,369,424
RRHS CTE Center	15,540,795
Willow Bend K8	24,434,774
BHS CTE Center	32,259,235
	<u>\$ 94,643,369</u>

An investment loss of \$1,309,525 were incurred in fiscal year 2022. The total amount expended in fiscal year 2022 for capital projects was \$31,069,319.

3-E. Subsequent Events

In the November 2022 election, the voters in the District passed Ballot Issue 5B. The passing of this issue will increase tax revenue by \$17.74 million beginning in the tax collection year 2023. The additional tax revenue will be generated annually by the imposition of an additional mill levy of 8 Mill. These funds will be used for: safety of students, staff and community; compensation to attract and retain effective and experienced staff to serve and support students; and career and technical education/STEM center staffing.

Required Supplementary Information

School District 27J, Colorado
General Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 58,977,535	\$ 60,337,282	\$ 60,145,852	\$ (191,430)
Intergovernmental Revenue:				
Vocational Education	409,534	383,596	620,756	237,160
Special Education	3,900,170	4,196,250	4,364,531	168,281
At-Risk Mitigation	-	-	2,240,861	2,240,861
State On-Behalf	-	-	2,033,950	2,033,950
Equalization	107,463,081	109,550,278	115,982,915	6,432,637
Charges for Service	847,364	884,770	910,264	25,494
Investment Earnings	100,000	80,000	714,704	634,704
Miscellaneous	547,314	430,150	885,418	455,268
Total Revenues	172,244,998	175,862,326	187,899,251	12,036,925
Expenditures				
Instructional Services	80,674,223	83,845,908	85,440,855	(1,594,947)
Supporting Services				
Pupil Services	8,913,568	9,049,169	9,134,608	(85,439)
Instructional Staff	3,868,075	3,783,036	4,060,040	(277,004)
General Administration	2,067,159	2,038,563	1,934,777	103,786
School Administration	11,443,691	9,730,123	11,342,121	(1,611,998)
Operations and Maintenance	13,370,629	13,861,298	13,013,416	847,882
Pupil Transportation	-	-	26,033	(26,033)
Business Supporting Services	8,975,948	10,998,090	95,832	10,902,258
Central Supporting Services	11,205,529	11,228,186	11,369,010	(140,824)
Community Services	586,087	561,097	477,609	83,488
Contingency Reserves	2,197,687	3,647,570	-	3,647,570
Capital Outlay	19,000	19,000	147,398	(128,398)
Debt Service				
Principal Retirement	872,610	872,610	297,880	574,730
Interest	84,297	111,154	94,835	16,319
Fiscal Charges	-	2,000	2,000	-
Intergovernmental				
Charter Schools	35,080,652	34,281,522	34,760,360	(478,838)
Total Expenditures	179,359,155	184,029,326	172,196,774	11,832,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,114,157)	(8,167,000)	15,702,477	23,869,477
Other Financing Sources (Uses)				
Capital Outlay - Leases				
Issuance of Leases	-	-	38,569	38,569
Transfers Out	(6,953,584)	(7,553,496)	(6,221,770)	1,331,726
Net Change in Fund Balance	\$ (14,067,741)	\$ (15,720,496)	9,519,276	\$ 25,239,772
Fund Balance Beginning of Year			24,977,336	
Fund Balance End of Year			\$ 34,496,612	

See the independent auditors' report.

School District 27J, Colorado
Nutrition Services Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Student Lunches	\$ 2,413,893	\$ 2,413,893	\$ 363,415	\$ (2,050,478)
State Match	104,602	103,902	52,731	(51,171)
Federal Sources				
School Lunches	2,443,259	2,461,463	5,165,518	2,704,055
Breakfast Program	282,895	282,895	876,685	593,790
Fruit and Vegetable Program	10,000	-	-	-
Summer Program	134,000	124,000	138,017	14,017
Commodity Donations	400,000	400,000	549,030	149,030
Supply Chain Assistance	-	-	297,179	297,179
Investment Income	20,000	20,000	3,531	(16,469)
Total Revenues	5,808,649	5,806,153	7,446,106	1,639,953
Expenditures				
Pupil Services:				
Salaries	2,128,339	2,288,743	2,400,701	(111,958)
Benefits	719,563	745,374	774,701	(29,327)
Purchased Services	124,918	132,567	113,381	19,186
Food and Milk	1,921,783	1,921,783	2,747,530	(825,747)
General and Office Supplies	692,912	694,072	949,904	(255,832)
Capital Outlay	28,000	28,000	40,217	(12,217)
Contingency	1,593,134	1,847,120	-	1,847,120
Total Expenditures	7,208,649	7,657,659	7,026,434	631,225
Net Change in Fund Balance	\$ (1,400,000)	\$ (1,851,506)	419,672	\$ 2,271,178
Fund Balance Beginning of Year			1,851,497	
Fund Balance End of Year			\$ 2,271,169	

See the independent auditors' report.

School District 27J, Colorado
Government Designated Purpose Grants Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental				
Federal Grants	\$ 21,461,444	\$ 21,828,176	\$ 14,534,726	\$ (7,293,450)
State Grants	5,945,577	5,934,101	4,229,234	(1,704,867)
State On Behalf	-	-	187,204	187,204
Miscellaneous	82,163	90,050	89,982	(68)
Total Revenues	<u>27,489,184</u>	<u>27,852,327</u>	<u>19,041,146</u>	<u>(8,811,181)</u>
Expenditures				
Current				
Instructional Services	7,166,691	8,077,309	7,578,526	498,783
Supporting Services				
Pupil Services	5,572,641	5,368,620	3,778,356	1,590,264
Instructional Staff	3,976,208	4,227,650	2,664,617	1,563,033
School Administration	426,040	271,025	66,130	204,895
Pupil Transportation	255,664	20,842	33,519	(12,677)
Business Supporting Services	2,957,673	3,181,544	3,033,708	147,836
Central Supporting Services	2,961,886	2,988,160	1,932,269	1,055,891
Community Services	150,076	144,224	18,625	125,599
Contingency Reserves	5,102,305	4,743,933	-	4,743,933
Total Expenditures	<u>28,569,184</u>	<u>29,067,307</u>	<u>19,132,479</u>	<u>9,934,828</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,080,000)</u>	<u>(1,214,980)</u>	<u>(91,333)</u>	<u>1,123,647</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u><u>\$ (1,080,000)</u></u>	<u><u>\$ (1,214,980)</u></u>	<u>(91,333)</u>	<u><u>\$ 1,123,647</u></u>
Fund Balance Beginning of Year			<u>1,104,050</u>	
Fund Balance End of Year			<u><u>\$ 1,012,717</u></u>	

See the independent auditors' report.

School District 27J, Colorado
Schedule of the District's Proportionate Share of the

Last 10 Calendar Years*
(Dollar amounts in thousands)

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

* The amounts presented for each fiscal year were determined as of 12/31.
This schedule is presented to illustrate the requirement to show information for 10 years.
However, until a full 10-year trend is compiled, the School District is presenting information
for those years for which information is available.

See accompanying notes to the basic financial statements

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

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

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

See accompanying notes to the basic financial statements

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

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

* The amounts presented for each fiscal year were determined as of 12/31.
This schedule is presented to illustrate the requirement to show information for 10 years.
However, until a full 10-year trend is compiled, the School District is presenting information
for those years for which information is available.

See accompanying notes to the basic financial statements

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

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

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

See accompanying notes to the basic financial statements

School District 27J, Colorado
Notes to the Required Supplementary Information
For The Year Ended June 30, 2021

Stewardship, Compliance and Accountability

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

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

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

Supplementary Information

Combining and Individual Fund

Financial Statements and Schedules

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

Non-Major Governmental Funds

Special Revenue Funds

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

Growth Impact Fund - This fund accounts for the revenues received from the City and County of Denver, Colorado as the result of an annexation by Denver of land previously within the School District boundaries.

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

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

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

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

Major Governmental Funds

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

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

School District 27J, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Growth Impact	Pupil Activity	Transportation	Child Care / Extended Day Kindergarten	Other Special Programs	Non-Major Governmental Funds
Assets						
Cash and Investments	\$ 65,914	\$ 2,048,847	\$ -	\$ -	\$ -	\$ 2,114,761
Receivables						
Accounts	-	7,420	10,216	11,953	190,210	219,799
Leases	-	-	-	-	737,747	737,747
Interfund Receivable	-	945,212	318,409	902,562	5,708,758	7,874,941
Prepaid Items	-	14,141	-	-	-	14,141
Total Assets	<u>\$ 65,914</u>	<u>\$ 3,015,620</u>	<u>\$ 328,625</u>	<u>\$ 914,515</u>	<u>\$ 6,636,715</u>	<u>\$ 10,961,389</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ -	\$ 39,398	\$ 12,949	\$ 1,835	\$ 2,418,905	\$ 2,473,087
Accrued Salary and Benefits	-	2,619	315,676	67,930	68,844	455,069
Interfund Payable	61,241	-	-	-	-	61,241
Deferred Inflow Leases	-	-	-	-	727,203	727,203
Total Liabilities	<u>61,241</u>	<u>42,017</u>	<u>328,625</u>	<u>69,765</u>	<u>3,214,952</u>	<u>3,716,600</u>
Fund Balances						
Nonspendable Prepaid Items	-	14,141	-	-	-	14,141
Restricted for Pupil Activity	-	2,959,462	-	-	-	2,959,462
Committed, Reported In Nonmajor Governmental Funds (See Note 1-E-10)	<u>4,673</u>	<u>-</u>	<u>-</u>	<u>844,750</u>	<u>3,421,763</u>	<u>4,271,186</u>
Total Fund Balances	<u>4,673</u>	<u>2,973,603</u>	<u>-</u>	<u>844,750</u>	<u>3,421,763</u>	<u>7,244,789</u>
Total Liabilities and Fund Balances	<u>\$ 65,914</u>	<u>\$ 3,015,620</u>	<u>\$ 328,625</u>	<u>\$ 914,515</u>	<u>\$ 6,636,715</u>	<u>\$ 10,961,389</u>

See the independent auditors' report.

School District 27J, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2022

	Growth Impact	Pupil Activity	Transportation	Child Care / Extended Day Kindergarten	Other Special Programs	Nonmajor Governmental Funds
Revenues						
Transportation Services	\$ -	\$ -	\$ 1,578,356	\$ -	\$ -	\$ 1,578,356
Pupil Activities	-	2,990,897	-	-	-	2,990,897
Investment Earnings	164	684	-	-	-	848
Charges for Services	-	-	317,676	1,337,365	6,429,584	8,084,625
Leases	-	-	-	-	10,544	10,544
Total Revenues	<u>164</u>	<u>2,991,581</u>	<u>1,896,032</u>	<u>1,337,365</u>	<u>6,440,128</u>	<u>12,665,270</u>
Expenditures						
Instructional Services	-	-	-	23,959	645,924	669,883
Business Supporting Services	40,428	-	-	-	-	40,428
Transportation Services	-	-	7,179,848	-	-	7,179,848
Instructional Staff	-	-	-	-	39,887	39,887
Community Services	-	-	-	851,605	-	851,605
Central Supporting Services	-	-	-	-	2,755,745	2,755,745
Pupil Activities	-	3,138,377	-	-	156,085	3,294,462
Capital Outlay	-	14,001	-	-	1,978,426	1,992,427
Total Expenditures	<u>40,428</u>	<u>3,152,378</u>	<u>7,179,848</u>	<u>875,564</u>	<u>5,576,067</u>	<u>16,824,285</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,264)	(160,797)	(5,283,816)	461,801	864,061	(4,159,015)
Other Financing Sources (Uses)						
Transfers In (Out)	-	705,704	5,283,816	-	146,817	6,136,337
Net Change in Fund Balances	(40,264)	544,907	-	461,801	1,010,878	1,977,322
Fund Balances Beginning of Year	<u>44,937</u>	<u>2,428,696</u>	<u>-</u>	<u>382,949</u>	<u>2,410,885</u>	<u>5,267,467</u>
Fund Balances End of Year	<u>\$ 4,673</u>	<u>\$ 2,973,603</u>	<u>\$ -</u>	<u>\$ 844,750</u>	<u>\$ 3,421,763</u>	<u>\$ 7,244,789</u>

See the independent auditors' report.

School District 27J, Colorado
Growth Impact Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Investment Earnings	\$ 50	\$ -	\$ 164	\$ 164
Total Revenues	50	-	164	164
Expenditures				
Supporting Services	33,595	37,631	40,428	(2,797)
Contingency	10,455	7,306	-	7,306
Total Expenditures	44,050	44,937	40,428	4,509
Net Change in Fund Balance	<u>\$ (44,000)</u>	<u>\$ (44,937)</u>	(40,264)	<u>\$ 4,673</u>
Fund Balance Beginning of Year			<u>44,937</u>	
Fund Balance End of Year			<u>\$ 4,673</u>	

See the independent auditors' report.

School District 27J, Colorado
Pupil Activity Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Pupil Activities	\$ 3,232,843	\$ 2,671,683	\$ 2,990,897	\$ 319,214
Investment Earnings	260	75	684	609
Total Revenues	<u>3,233,103</u>	<u>2,671,758</u>	<u>2,991,581</u>	<u>319,823</u>
Expenditures				
Pupil Activities	5,717,096	5,806,140	3,138,377	2,667,763
Capital Outlay	-	-	14,001	(14,001)
Total Expenditures	<u>5,717,096</u>	<u>5,806,140</u>	<u>3,152,378</u>	<u>2,653,762</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,483,993)	(3,134,382)	(160,797)	2,973,585
Other Financing Sources (Uses)				
Transfers In (Out)	<u>705,704</u>	<u>705,704</u>	<u>705,704</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,778,289)</u>	<u>\$ (2,428,678)</u>	544,907	<u>\$ 2,973,585</u>
Fund Balance Beginning of Year			<u>2,428,696</u>	
Fund Balance End of Year			<u>\$ 2,973,603</u>	

See the independent auditors' report.

School District 27J, Colorado
Transportation Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Pupil Transportation	\$ 1,480,940	\$ 1,544,838	\$ 1,578,356	\$ 33,518
Charges for Services	170,398	240,398	317,676	77,278
Total Revenues	<u>1,651,338</u>	<u>1,785,236</u>	<u>1,896,032</u>	<u>110,796</u>
Expenditures				
Pupil Transportation	<u>7,661,749</u>	<u>8,395,559</u>	<u>7,179,848</u>	<u>1,215,711</u>
Total Expenditures	<u>7,661,749</u>	<u>8,395,559</u>	<u>7,179,848</u>	<u>1,215,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,010,411)	(6,610,323)	(5,283,816)	1,326,507
Other Financing Sources (Uses)				
Transfers In (Out)	<u>6,010,411</u>	<u>6,610,323</u>	<u>5,283,816</u>	<u>(1,326,507)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance Beginning of Year			<u>-</u>	
Fund Balance End of Year			<u>\$ -</u>	

See the independent auditors' report.

School District 27J, Colorado
Child Care/Extended Day Kindergarten Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$ 1,331,000	\$ 1,366,000	\$ 1,337,365	\$ (28,635)
Total Revenues	<u>1,331,000</u>	<u>1,366,000</u>	<u>1,337,365</u>	<u>(28,635)</u>
Expenditures				
Instructional Services	3,439	3,505	23,959	(20,454)
Community Services	<u>1,587,864</u>	<u>1,745,446</u>	<u>851,605</u>	<u>893,841</u>
Total Expenditures	<u>1,591,303</u>	<u>1,748,951</u>	<u>875,564</u>	<u>873,387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(260,303)	(382,951)	461,801	844,752
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (260,303)</u>	<u>\$ (382,951)</u>	461,801	<u>\$ 844,752</u>
Fund Balance Beginning of Year			<u>382,949</u>	
Fund Balance End of Year			<u>\$ 844,750</u>	

See the independent auditors' report.

School District 27J, Colorado
Other Special Programs Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$ 5,310,000	\$ 5,769,382	\$ 6,429,584	\$ 660,202
Lease Revenue	-	-	10,544	10,544
Total Revenues	<u>5,310,000</u>	<u>5,769,382</u>	<u>6,440,128</u>	<u>670,746</u>
Expenditures				
Instructional Services	809,367	727,989	645,924	82,065
Supporting Services				
Pupil Services	131,926	172,242	156,085	16,157
Instructional Staff	24,779	42,053	39,887	2,166
Central Supporting Services	4,113,625	4,168,996	2,755,745	1,413,251
Contingency Reserves	1,682,385	3,232,903	-	3,232,903
Total Expenditures	<u>6,762,082</u>	<u>8,344,183</u>	<u>5,576,067</u>	<u>2,768,116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,452,082)	(2,574,801)	864,061	3,438,862
Other Financing Sources (Uses)				
Transfers In (Out)	146,817	146,817	146,817	-
Net Change in Fund Balance	<u>\$ (1,305,265)</u>	<u>\$ (2,427,984)</u>	1,010,878	<u>\$ 3,438,862</u>
Fund Balance Beginning of Year			<u>2,410,885</u>	
Fund Balance End of Year			<u>\$ 3,421,763</u>	

See the independent auditors' report.

School District 27J, Colorado
Capital Projects Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Investment Earnings (loss)	\$ 30,000	\$ 55,100	\$ (1,309,525)	\$ (1,364,625)
Total Revenues	<u>30,000</u>	<u>55,100</u>	<u>(1,309,525)</u>	<u>(1,364,625)</u>
Expenditures				
Capital Outlay	-	341,346,420	29,790,501	311,555,919
Bond Issue Costs	-	-	1,278,818	(1,278,818)
Total Expenditures	<u>-</u>	<u>341,346,420</u>	<u>31,069,319</u>	<u>310,277,101</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>30,000</u>	<u>(341,291,320)</u>	<u>(32,378,844)</u>	<u>308,912,476</u>
Other Financing Sources (Uses)				
Issuance of Bonds	-	312,212,580	301,283,117	-
Net Change in Fund Balance	<u>\$ 30,000</u>	<u>\$ (29,078,740)</u>	<u>268,904,273</u>	<u>\$ 308,912,476</u>
Fund Balance Beginning of Year			<u>29,078,740</u>	
Fund Balance End of Year			<u>\$ 297,983,013</u>	

See the independent auditors' report.

School District 27J, Colorado
Debt Service Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ 46,639,454	\$ 44,663,969	\$ 44,792,244	\$ 128,275
Investment Earnings	15,000	5,000	58,168	53,168
Total Revenues	<u>46,654,454</u>	<u>44,668,969</u>	<u>44,850,412</u>	<u>181,443</u>
Expenditures				
Debt Service				
Principal Retirement	10,050,000	21,381,786	10,050,000	11,331,786
Interest	15,058,793	32,038,199	17,051,612	14,986,587
Fiscal Charges	10,000	11,300	7,500	3,800
Contingency Reserves	76,605,672	46,619,165	-	46,619,165
Total Expenditures	<u>101,724,465</u>	<u>100,050,450</u>	<u>27,109,112</u>	<u>72,941,338</u>
Net Change in Fund Balance	<u>\$ (55,070,011)</u>	<u>\$ (55,381,481)</u>	17,741,300	<u>\$ 73,122,781</u>
Fund Balance Beginning of Year			<u>55,381,483</u>	
Fund Balance End of Year			<u>\$ 73,122,783</u>	

See the independent auditors' report.

Proprietary Funds

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

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

Private Purpose Trust Fund

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

School District 27J, Colorado
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	<u>Print Shop</u>	<u>Risk Management</u>	<u>Governmental Activities - Internal Service Funds</u>
Assets			
Receivables			
Accounts	\$ -	\$ 636	\$ 636
Interfund Receivable	-	717,184	717,184
	<u>-</u>	<u>717,820</u>	<u>717,820</u>
Total Assets	<u>-</u>	<u>717,820</u>	<u>717,820</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	<u>-</u>	<u>36,432</u>	<u>36,432</u>
Total Liabilities	<u>-</u>	<u>36,432</u>	<u>36,432</u>
 Net Position	<u><u>\$ -</u></u>	<u><u>\$ 681,388</u></u>	<u><u>\$ 681,388</u></u>

See the independent auditors' report.

School District 27J, Colorado
Combining Statement of Revenues, Expenditures and Changes in Net Position
Internal Service Funds
For The Year Ended June 30, 2022

	Print Shop	Risk Management	Governmental Activities - Internal Service Funds
Operating Revenues			
Dental Insurance Premiums	\$ -	\$ 912,960	\$ 912,960
Print Shop	37,611	-	37,611
Total Operating Revenues	37,611	912,960	950,571
Operating Expenses			
Salaries and Benefits	89,528	-	89,528
Purchased Services	11,374	-	11,374
Materials and Supplies	18,188	-	18,188
Indirect Costs	3,954	-	3,954
Risk Management Dental	-	873,503	873,503
Total Operating Expenses	123,044	873,503	996,547
Income (Loss) from Operations	(85,433)	39,457	(45,976)
Transfers In (Out)	85,433	-	85,433
Change in Net Position	-	39,457	39,457
Net Position Beginning of Year	-	641,931	641,931
Net Position End of Year	\$ -	\$ 681,388	\$ 681,388

See the independent auditors' report.

School District 27J, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For The Year Ended June 30, 2022

	<u>Print Shop</u>	<u>Risk Management</u>	<u>Governmental Activities - Internal Service Funds</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows From (Used for) Operating Activities			
Cash Received from Customers	\$ 37,611	\$ 881,545	\$ 919,156
Cash Payments for Goods and Services	(123,044)	-	(123,044)
Cash Payments for Insurance Premiums and Expenses	<u>-</u>	<u>(881,545)</u>	<u>(881,545)</u>
Net Cash From (Used for) Operating Activities	(85,433)	-	(85,433)
Cash Flows From (Used for) Noncapital Financing Activities			
Transfers	<u>85,433</u>	<u>-</u>	<u>85,433</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities			
Operating Income (Loss)	\$ (85,433)	\$ 39,456	\$ (45,977)
(Increase) Decrease in Assets:			
Accounts Receivable	-	(636)	(636)
Interfund Receivable	-	(30,778)	(30,778)
Increase (Decrease) in Liabilities:			
Accounts Payable	<u>-</u>	<u>(8,042)</u>	<u>(8,042)</u>
Net Cash From (Used for) Operating Activities	<u><u>\$ (85,433)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (85,433)</u></u>

See the independent auditors' report.

School District 27J, Colorado
Print Shop Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	\$ 49,000	\$ 49,000	\$ 37,611	\$ (11,389)
Total Revenues	<u>49,000</u>	<u>49,000</u>	<u>37,611</u>	<u>(11,389)</u>
Expenses				
Current:				
Business Supporting Services	139,652	139,652	123,044	16,608
Total Expenses	<u>139,652</u>	<u>139,652</u>	<u>123,044</u>	<u>16,608</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	(90,652)	(90,652)	(85,433)	5,219
Other Financing Sources (Uses)				
Transfers In (Out)	90,652	90,652	85,433	(5,219)
Change in Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund Balances Beginning of Year			<u>-</u>	
Fund Balances End of Year			<u>\$ -</u>	

See the independent auditors' report.

School District 27J, Colorado
Risk Management Fund
Budgetary Comparison Schedule
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Dental Insurance Premiums	\$ 969,126	\$ 915,000	\$ 912,960	\$ (2,040)
Total Revenues	969,126	915,000	912,960	(2,040)
Expenses				
Dental Insurance Claims	1,000,097	983,400	873,503	109,897
Contingency	659,000	573,531	-	573,531
Total Expenses	1,659,097	1,556,931	873,503	683,428
Change in Net Position	<u>\$ (689,971)</u>	<u>\$ (641,931)</u>	39,457	<u>\$ 681,388</u>
Fund Balances Beginning of Year			<u>641,931</u>	
Fund Balances End of Year			<u>\$ 681,388</u>	

See the independent auditors' report.

School District 27J, Colorado
Schedule of Changes in Net Position - Budget to Actual
Private-Purpose Trust Fund
For The Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Additions				
Investment Earnings	\$ 250	\$ 5	\$ 109	\$ 104
Total Additions	250	5	109	104
Deductions				
Support Services	26,954	26,695	-	26,695
Total Deductions	26,954	26,695	-	26,695
Change in Net Position	<u>\$ (26,704)</u>	<u>\$ (26,690)</u>	109	<u>\$ 26,799</u>
Net Position Beginning of Year			<u>26,690</u>	
Net Position End of Year			<u>\$ 26,799</u>	

See the independent auditors' report.

Component Units

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

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

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

School District 27J, Colorado
Nonmajor Component Units
Combining Statement of Net Position
June 30, 2022

	Capital Facility Fee Foundation	Bromley East Charter School	Eagle Ridge Academy Charter School	Belle Creek Charter School	Foundation Academy Charter School	Landmark Academy Charter School	The STEAD School	Total Component Units
Assets								
Cash and Investments	\$ 118,014	\$ 3,837,325	\$ 3,373,074	\$ 2,913,464	\$ 838,684	\$ 877,472	\$ 404,671	\$ 12,362,704
Restricted Cash and Investments	3,879,752	2,093,962	1,147,193	526,543	-	-	267,091	7,914,541
Accounts Receivable	6,920	557,431	50,098	924	-	-	24,332	639,705
Grants Receivable	-	159,008	-	317,655	276,686	441,178	146,801	1,341,328
Intergovernmental Receivables	-	15,805	-	53,914	-	-	-	69,719
Prepaid Expenses	-	260,591	1,102	17,414	-	-	4,325	283,432
Deposits	-	2,000	-	1,000	-	-	-	3,000
Capital Assets, Not Being Depreciated	-	144,120	98,960	-	-	-	13,569,002	13,812,082
Capital Assets, Net of Accumulated Depreciation/Amortization	-	17,445,150	7,462,393	4,277,140	1,424	-	24,958	29,211,065
Total Assets	4,004,686	24,515,392	12,132,820	8,108,054	1,116,794	1,318,650	14,441,180	65,637,576
Deferred Outflows of Resources								
Related to Pensions	-	2,422,143	1,000,922	1,815,296	-	-	-	5,238,361
Related to OPEB	-	85,256	20,153	53,911	-	-	-	159,320
Deferred Charges	-	430,634	-	-	-	-	-	430,634
Total Deferred Outflows of Resources	-	2,938,033	1,021,075	1,869,207	-	-	-	5,828,315
Liabilities								
Accounts Payable	-	222,016	64,277	464,818	667,309	882,955	2,283,744	4,585,119
Accrued Salaries and Benefits	-	381,486	170,091	227,252	-	-	111,177	890,006
Claims Payable	-	756,642	8,739	-	-	-	-	765,381
Unearned Revenue	-	6,313	-	18,107	167,308	120,017	-	311,745
Accrued Interest Payable	-	45,164	63,024	43,882	-	-	2,949	155,019
Noncurrent Liabilities								
Due within one year	-	610,660	369,227	82,295	-	-	209,616	1,271,798
Due in more than one year	-	15,329,610	7,858,798	6,166,558	-	-	8,896,306	38,251,272
Net Pension Liability	-	10,194,070	3,397,699	5,559,434	-	-	-	19,151,203
Net OPEB Liability	-	493,192	164,382	268,967	-	-	-	926,541
Total Liabilities	-	28,039,153	12,096,237	12,831,313	834,617	1,002,972	11,503,792	66,308,084
Deferred Inflows of Resources								
Related to Pensions	-	5,241,181	1,792,009	2,637,402	-	-	-	9,670,592
Related to OPEB	-	174,224	60,327	100,866	-	-	-	335,417
Total Deferred Inflows of Resources	-	5,415,405	1,852,336	2,738,268	-	-	-	10,006,009
Net Position								
Net Investment in Capital Assets	-	2,079,634	(666,672)	(1,971,713)	1,424	-	4,488,038	3,930,711
Restricted for								
Capital Projects	4,004,686	-	-	-	-	-	-	4,004,686
Other Program Purposes	-	156,000	-	98,000	-	-	-	254,000
Building Maintenance	-	895,808	100,154	-	-	-	-	995,962
Operations and Maintenance	-	592,622	-	-	-	-	-	592,622
Emergencies	-	340,000	149,007	174,000	220,778	228,247	50,000	1,162,032
Debt Service	-	560,368	984,015	490,543	-	-	-	2,034,926
Unrestricted	-	(10,625,565)	(1,361,182)	(4,383,150)	59,975	87,431	(1,600,650)	(17,823,141)
Total Net Position	\$ 4,004,686	\$ (6,001,133)	\$ (794,678)	\$ (5,592,320)	\$ 282,177	\$ 315,678	\$ 2,937,388	\$ (4,848,202)

See the independent auditors' report.

School District 27J, Colorado
Nonmajor Component Units
Combining Statement of Activities
For The Year Ended June 30, 2022

	Capital Facility Fee Foundation	Bromley East Charter School	Eagle Ridge Academy Charter School	Belle Creek Charter School	Foundation Academy Charter School	Landmark Academy Charter School	The STEAD School	Total Component Units
Revenues								
Intergovernmental Revenue:								
Per Pupil Operating Revenue	\$ -	\$ 10,368,502	\$ 4,636,083	\$ 5,193,645	\$ 6,553,056	\$ 6,622,769	\$ 1,359,411	\$ 34,733,466
Mill Levy Override	-	44,934	20,115	22,945	28,796	29,102	5,966	151,858
Capital Construction	-	1,154,742	155,415	208,561	-	-	-	1,518,718
Investment Earnings	(141,805)	(18,506)	2,934	6,258	-	-	-	(151,119)
Charges for Services	1,411,451	1,342,962	112,096	584,653	-	-	55,202	3,506,364
Operating Grants and Contributions	35,629	480,785	323,493	392,831	548,655	697,127	2,291,586	4,770,106
Capital Grants and Contributions	-	-	-	-	-	-	46,446	46,446
Other	-	35,936	18,918	91,222	218,437	302,212	433,412	1,100,137
Total Revenues	1,305,275	13,409,355	5,269,054	6,500,115	7,348,944	7,651,210	4,192,023	45,675,976
Expenditures								
Current								
Instruction	-	4,048,625	1,658,354	2,210,581	3,105,623	3,208,655	1,146,120	15,377,958
School Construction	-	-	-	-	-	-	118,846	118,846
Support Services	2,418,253	4,749,555	1,244,138	1,823,889	4,247,839	4,399,576	1,095,751	19,979,001
Education Center	-	-	-	-	-	-	-	-
Interest on Long-term Debt	-	683,028	373,146	1,405,826	-	-	263,528	2,725,528
Depreciation	-	-	-	-	4,610	-	-	4,610
Business-Type Activities	-	-	-	-	1,200	-	-	1,200
Total Expenditures	2,418,253	9,481,208	3,275,638	5,440,296	7,359,272	7,608,231	2,624,245	38,207,143
Change in Net Position	(1,112,978)	3,928,147	1,993,416	1,059,819	(10,328)	42,979	1,567,778	7,468,833
Fund Balances Beginning of Year	5,117,664	(10,099,806)	(2,788,094)	(6,652,139)	292,505	272,699	1,369,610	(12,487,561)
Restatement	-	170,526	-	-	-	-	-	170,526
Fund Balance, Beginning of Year as Restated	5,117,664	(9,929,280)	(2,788,094)	(6,652,139)	292,505	272,699	1,369,610	(12,317,035)
Net Position End of Year	\$ 4,004,686	\$ (6,001,133)	\$ (794,678)	\$ (5,592,320)	\$ 282,177	\$ 315,678	\$ 2,937,388	\$ (4,848,202)

See the independent auditors' report.

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Statistical Section



School District 27J, Colorado
Statistical Section

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

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

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

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

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 51,929,200	\$ 54,911,193	\$ 58,348,901	\$ 77,351,838	\$ 159,173,513	\$ 71,833,108	\$ 73,633,965	\$ 75,869,175	\$ 78,243,721	\$ 77,703,890
Restricted	16,203,020	18,017,412	21,188,694	21,880,142	118,644,734	154,177,765	35,188,806	46,902,485	64,496,621	83,574,556
Unrestricted	16,435,788	14,138,367	(176,032,876)	(190,921,679)	(438,798,723)	(479,514,264)	(327,985,722)	(294,817,709)	(252,128,663)	(186,278,623)
Total Governmental Activities Net Position	\$ 84,568,008	\$ 87,066,972	\$ (96,495,281)	\$ (91,689,699)	\$ (160,980,476)	\$ (253,503,391)	\$ (219,162,951)	\$ (172,046,049)	\$ (109,388,321)	\$ (25,000,177)
Business-Type Activities										
Net Investment in Capital Assets	\$ 153,740	\$ 127,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	983,681	1,546,913	-	-	-	-	-	-	-	-
Total Business-Type Activities Net Position	\$ 1,137,421	\$ 1,674,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Governmental										
Net Investment in Capital Assets	\$ 52,082,940	\$ 55,038,442	\$ 58,348,901	\$ 77,351,838	\$ 159,173,513	\$ 71,833,108	\$ 73,633,965	\$ 75,869,175	\$ 78,243,721	\$ 77,703,890
Restricted	16,203,020	18,017,412	21,188,694	21,880,142	118,644,734	154,177,765	35,188,806	46,902,485	64,496,621	83,574,556
Unrestricted	17,419,469	15,685,280	(176,032,876)	(190,921,679)	(438,798,723)	(479,514,264)	(327,985,722)	(294,817,709)	(252,128,663)	(186,278,623)
Total Primary Governmental Net Position	\$ 85,705,429	\$ 88,741,134	\$ (96,495,281)	\$ (91,689,699)	\$ (160,980,476)	\$ (253,503,391)	\$ (219,162,951)	\$ (172,046,049)	\$ (109,388,321)	\$ (25,000,177)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenditures:										
Instruction	\$ 56,534,016	\$ 58,078,995	\$ 69,819,034	\$ 70,958,267	\$ 110,287,101	\$ 123,402,162	\$ 70,769,819	\$ 75,509,005	\$ 69,644,215	\$ 73,518,228
Supporting Services										
Pupil Services	5,695,910	6,040,052	7,160,322	7,598,750	11,089,858	12,171,523	8,179,522	8,827,926	11,258,089	9,172,689
Instructional Staff	2,702,021	3,188,517	4,195,210	4,388,290	6,674,199	6,519,988	3,534,065	4,371,411	5,172,885	4,837,835
General Administration	1,126,195	1,247,085	1,422,035	1,253,592	2,270,773	2,865,341	1,295,331	1,397,339	1,177,267	1,436,129
School Administration	6,768,955	7,529,507	8,656,067	7,420,284	14,657,259	17,859,057	8,684,276	9,538,323	8,075,765	8,437,353
Operations and Maintenance	8,608,872	9,358,202	10,210,360	9,186,136	15,854,736	17,406,459	9,690,171	9,531,231	9,304,277	9,634,340
Pupil Transportation	4,783,685	5,436,870	5,491,876	5,907,425	8,995,023	10,366,324	5,234,782	5,994,035	5,317,371	5,671,130
Business Supporting Services	1,707,378	1,463,254	2,058,803	2,077,563	3,870,464	5,217,770	1,919,116	2,067,030	2,108,268	2,707,160
Central Supporting Services	3,985,709	5,389,693	6,538,379	7,096,785	14,171,480	12,000,638	10,069,084	8,929,785	12,362,521	12,285,378
Community Services	2,802,651	1,919,695	1,196,170	1,372,391	2,311,704	2,780,297	1,682,676	1,614,144	1,052,839	957,434
Pupil Activities	3,146,673	3,604,522	3,497,619	3,449,901	5,057,738	5,315,104	2,782,059	2,346,061	1,199,900	2,340,212
Charter Schools	20,339,699	21,654,836	23,613,579	25,076,862	26,799,848	27,942,884	29,957,524	32,137,492	30,401,586	34,760,360
Debt Service - Interest	6,871,192	7,696,768	6,085,213	11,136,192	9,628,044	13,249,944	13,610,729	13,284,630	12,990,507	14,768,577
Nutrition Services	4,778,745	5,447,599	5,367,753	5,582,380	8,140,985	8,881,578	4,735,596	4,734,079	3,776,266	5,004,776
Total Governmental Activities	129,851,701	138,055,595	155,312,420	162,504,818	239,809,212	265,979,069	172,144,750	180,282,491	173,841,756	185,531,602
Business-Type Activities:										
Nutrition Services	4,778,745	5,447,599	-	-	-	-	-	-	-	-
Total - Primary Government	<u>\$ 134,630,446</u>	<u>\$ 143,503,194</u>	<u>\$ 155,312,420</u>	<u>\$ 162,504,818</u>	<u>\$ 239,809,212</u>	<u>\$ 265,979,069</u>	<u>\$ 172,144,750</u>	<u>\$ 180,282,491</u>	<u>\$ 173,841,756</u>	<u>\$ 185,531,602</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Community Services	\$ 2,589,011	\$ 1,508,692	\$ 3,144,026	\$ 3,035,051	\$ 3,234,404	\$ 4,174,475	\$ 3,774,561	\$ 2,874,061	\$ 4,081,728	\$ 8,677,213
Pupil Transportation	-	-	378,079	439,717	355,583	379,171	456,935	403,623	124,018	317,676
Nutrition Service	-	-	1,831,219	1,897,852	2,040,437	2,076,630	2,211,233	2,163,985	165,026	363,415
Pupil Activities	2,918,456	3,075,202	2,885,360	2,628,234	2,971,610	2,362,593	2,798,243	2,696,050	1,316,050	2,990,897
Operating Grants and Contributions:										
Instruction	8,270,645	7,707,759	10,633,518	10,920,832	11,821,675	12,294,332	12,757,822	14,131,274	28,519,173	28,211,262
Pupil Transportation	1,520,293	1,605,012	1,353,453	1,425,769	1,462,467	1,503,981	1,542,587	1,484,551	1,561,318	1,578,356
Nutrition Service	-	-	3,334,974	3,398,582	3,499,441	3,606,054	3,183,071	3,388,171	5,239,680	7,079,160
Capital Grants and Contributions:										
Instruction	340,039	123,881	3,000	135,498	137,020	180,446	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>15,638,444</u>	<u>14,020,546</u>	<u>23,563,629</u>	<u>23,881,535</u>	<u>25,522,637</u>	<u>26,577,682</u>	<u>26,724,452</u>	<u>27,141,715</u>	<u>41,006,993</u>	<u>49,217,979</u>
Business-Type Activities:										
Charges for Services:										
Nutrition Service	1,659,755	2,613,055	-	-	-	-	-	-	-	-
Operating Grants and Contributions:										
Nutrition Service	3,118,990	3,263,944	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
Nutrition Service	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>4,778,745</u>	<u>5,876,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - Primary Government	<u>\$ 20,417,189</u>	<u>\$ 19,897,545</u>	<u>\$ 23,563,629</u>	<u>\$ 23,881,535</u>	<u>\$ 25,522,637</u>	<u>\$ 26,577,682</u>	<u>\$ 26,724,452</u>	<u>\$ 27,141,715</u>	<u>\$ 41,006,993</u>	<u>\$ 49,217,979</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (109,434,512)	\$ 118,587,450	\$ (131,748,785)	\$ (138,623,283)	\$ (214,286,575)	\$ (239,401,387)	\$ (145,420,298)	\$ (153,140,776)	\$ (132,834,763)	\$ (136,313,623)
Business-Type Activities	66,120	(429,400)	-	-	-	-	-	-	-	-
Total - Primary Government	<u>\$ (109,368,392)</u>	<u>\$ 118,158,050</u>	<u>\$ (131,748,785)</u>	<u>\$ (138,623,283)</u>	<u>\$ (214,286,575)</u>	<u>\$ (239,401,387)</u>	<u>\$ (145,420,298)</u>	<u>\$ (153,140,776)</u>	<u>\$ (132,834,763)</u>	<u>\$ (136,313,623)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
General Purposes	\$ 24,220,246	\$ 25,634,454	\$ 25,763,791	\$ 32,062,244	\$ 31,838,574	\$ 36,520,581	\$ 40,320,930	\$ 52,102,918	\$ 59,836,034	\$ 60,145,852
Debt Service	15,608,518	15,189,593	17,450,842	22,468,773	21,894,389	25,988,094	28,753,885	36,010,599	45,888,814	44,792,244
Equalization	72,854,971	78,593,963	87,575,528	86,853,890	89,855,162	93,128,798	104,178,937	106,808,650	90,588,760	115,982,915
Earnings on Investments	171,515	22,949	(233,272)	839,319	774,056	1,302,123	3,571,016	2,429,328	1,200,120	(532,274)
Miscellaneous	1,549,792	2,191,310	674,989	1,204,638	633,617	826,637	2,935,969	4,206,550	1,170,418	313,029
Total Governmental Activities	<u>114,405,042</u>	<u>121,632,269</u>	<u>131,231,878</u>	<u>143,428,864</u>	<u>144,995,798</u>	<u>157,766,233</u>	<u>179,760,737</u>	<u>201,558,045</u>	<u>198,684,146</u>	<u>220,701,766</u>
Change in Net Position										
Governmental Activities	4,970,530	3,044,819	(516,907)	4,805,581	(69,290,777)	(81,635,154)	34,340,439	48,417,269	65,849,383	84,388,144
Business-Type Activities	(66,120)	429,400	-	-	-	-	-	-	-	-
Business-Type Transfers	-	-	-	-	-	-	-	-	-	-
Total - Primary Government	<u>\$ 4,904,410</u>	<u>\$ 3,474,219</u>	<u>\$ (516,907)</u>	<u>\$ 4,805,581</u>	<u>\$ (69,290,777)</u>	<u>\$ (81,635,154)</u>	<u>\$ 34,340,439</u>	<u>\$ 48,417,269</u>	<u>\$ 65,849,383</u>	<u>\$ 84,388,144</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 3,947,577	\$ 4,003,552	\$ 2,967,123	\$ 2,792,537	\$ 3,960,316	\$ 4,593,650	\$ 5,413,776	\$ 6,353,954	\$ 5,267,047	\$ 6,718,211
Nonspendable Prepaid Item	8,930	633,455	19,087	58,104	427,015	497,287	436,394	414,396	124,236	574,430
Committed	2,503,657	3,156,594	3,772,824	3,787,365	3,953,555	3,943,973	4,210,070	5,300,437	6,241,226	7,578,427
Assigned	5,581,111	3,781,597	3,977,837	7,290,445	9,770,708	15,540,555	15,501,439	13,224,545	943,001	1,077,699
Unassigned	6,927,619	5,567,028	6,519,050	7,096,553	4,083,556	3,010,933	4,905,458	6,430,678	12,401,826	18,547,845
Total General Fund	18,968,894	17,142,226	17,255,921	21,025,004	22,195,150	27,586,398	30,467,137	31,724,010	24,977,336	34,496,612
All Other Governmental Funds										
Restricted	12,485,506	13,865,957	17,166,032	189,122,487	113,626,251	148,422,371	100,745,725	71,206,535	88,611,976	376,092,699
Nonspendable Prepaid Item	-	-	-	175	88,413	-	109,177	218,632	136,389	257,869
Restricted for Government Designated Purpose Grants	639,549	623,264	1,055,539	1,289,831	1,058,167	1,468,450	2,688,938	2,480,967	1,104,052	1,012,717
Committed, reported in:										
Special Revenue Funds	2,317,270	1,924,689	3,854,314	4,106,885	3,163,794	-	1,692,667	1,228,378	2,830,824	4,271,186
Total All Other Governmental Funds	15,442,325	16,413,910	22,075,885	194,519,378	117,936,625	149,890,821	105,236,507	75,134,512	92,683,241	381,634,471
Total Fund Balances of Governmental Funds	<u>\$ 34,411,219</u>	<u>\$ 33,556,136</u>	<u>\$ 39,331,806</u>	<u>\$ 215,544,382</u>	<u>\$ 140,131,775</u>	<u>\$ 177,477,219</u>	<u>\$ 135,703,644</u>	<u>\$ 106,858,522</u>	<u>\$ 117,660,577</u>	<u>\$ 416,131,083</u>

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

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 39,370,670	\$ 40,830,227	\$ 43,389,958	\$ 54,164,431	\$ 53,688,850	\$ 62,481,629	\$ 68,892,560	\$ 84,441,804	\$ 105,724,848	\$ 104,938,096
Intergovernmental ¹	82,285,591	88,803,250	102,897,473	102,895,315	106,638,745	110,533,165	121,662,417	125,812,646	125,908,931	152,851,693
Local Grants	340,039	123,881	3,000	135,498	137,020	180,446	-	-	-	-
Pupil Activities	2,957,393	3,075,202	2,885,360	2,628,234	2,971,610	2,362,588	2,798,243	2,696,050	1,316,050	2,990,897
Charges for Services	2,949,329	2,183,005	5,353,324	5,372,621	5,630,424	6,630,276	6,442,729	5,441,669	4,370,772	9,358,304
Investment Earnings	171,515	22,949	(233,272)	839,319	774,056	1,302,123	3,571,016	2,429,328	1,200,120	(532,274)
Miscellaneous	1,549,792	620,482	696,571	1,204,638	633,617	826,637	2,935,969	4,206,550	1,170,418	985,944
Total Revenues	129,624,329	135,658,996	154,992,414	167,240,056	170,474,322	184,316,864	206,302,934	225,028,047	239,691,139	270,592,660
Expenditures:										
Instruction	51,651,793	55,385,700	60,542,859	62,319,644	62,958,047	65,894,018	72,439,013	81,780,588	85,793,811	93,689,264
Supporting services:										
Pupil Services	5,185,598	5,528,005	6,178,769	6,366,083	6,450,116	6,795,199	8,816,341	9,962,470	14,494,724	12,912,964
Instructional Staff	2,685,068	3,121,900	3,944,667	3,934,136	4,110,103	3,974,651	4,147,336	5,316,962	7,005,604	6,764,544
General Administration	1,076,842	1,182,540	1,232,049	1,241,070	1,183,243	1,349,171	1,484,702	1,619,770	1,684,357	1,934,777
School Administration	6,377,121	7,041,755	7,433,569	7,617,701	7,856,803	8,571,660	9,770,218	11,136,278	11,077,884	11,408,251
Operations and Maintenance	8,537,890	9,121,361	9,185,014	8,874,127	9,183,388	9,417,714	11,247,038	11,480,254	13,019,756	13,013,416
Pupil Transportation	4,326,254	4,972,783	5,061,879	5,272,481	5,575,251	6,188,685	6,317,769	7,002,457	6,741,819	7,239,400
Business Supporting Services	1,518,711	1,378,520	1,418,944	1,311,402	1,791,758	2,665,058	1,474,725	1,896,456	2,211,945	3,169,968
Central Supporting Services	3,825,928	5,177,907	5,938,717	6,239,025	8,802,844	7,357,378	11,689,567	10,769,422	16,757,007	16,057,024
Community Services	2,802,651	1,919,694	1,117,737	1,242,672	1,451,274	1,713,220	1,995,828	1,977,628	1,453,042	1,347,839
Pupil Activities	3,146,673	3,604,522	3,268,280	5,054,729	5,123,872	5,472,832	3,299,811	2,874,364	1,656,004	3,294,462
Nutrition Services	-	-	5,023,969	3,123,814	3,183,300	3,275,169	5,616,908	5,744,220	5,148,671	6,986,217
Capital Outlay	3,332,261	1,801,101	2,993,528	14,862,348	79,545,320	72,515,618	57,677,103	45,821,997	4,000,491	31,997,272
Charter Schools	20,339,699	21,654,836	23,613,578	25,076,862	26,799,848	27,942,884	29,957,524	32,137,492	30,401,586	34,760,360
School District 27J Debt Service ²										
Principal	14,914,690	8,132,392	8,819,026	12,359,049	10,227,368	10,499,663	8,995,528	11,832,284	11,832,610	10,347,880
Interest	7,242,931	6,812,108	6,470,104	10,456,280	10,772,996	15,255,996	16,171,318	15,847,101	15,512,470	17,146,447
Administrative Fees	8,195	5,734	6,975	92,136	27,036	8,150	8,800	49,404	8,265	9,500
Bond Issuance Costs	9,750	-	144,500	952,239	139,504	573,212	-	-	-	1,278,818
Total Expenditures	136,982,055	136,840,859	152,394,164	176,395,798	245,182,071	249,470,278	251,109,529	257,249,147	228,800,046	273,358,403
Percentage of Debt Service Expenditures to Non-Capital Expenditures	0.0%	16.5%	11.0%	10.3%	12.4%	13.9%	13.0%	13.1%	12.2%	11.4%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,357,726)	(1,181,863)	2,598,250	(9,155,742)	(74,707,749)	(65,153,414)	(44,806,595)	(32,221,100)	10,891,093	(2,765,743)
Other Financing Sources (Uses)										
Other Financing Sources (Uses)										
Issuance of Bonds	6,730,000	-	49,530,000	160,000,000	36,610,000	88,000,000	-	-	-	272,915,000
Premium on Bond Issuance	-	-	8,101,220	25,353,909	3,494,045	17,658,825	-	-	-	28,368,117
Payment to COPS Escrow	-	-	-	(2,250,000)	(40,734,842)	-	-	-	-	-
Payment to Bond Escrow	(7,367,463)	-	(57,265,849)	2,290,000	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	-	38,569
Capital Lease Proceeds	113,418	471,680	1,242,125	-	-	-	-	-	-	-
Refinancing COP's	-	-	-	-	-	-	-	4,768,184	-	-
Transfers In	3,609,603	3,928,521	3,562,338	3,629,212	4,374,453	4,864,120	5,096,765	5,619,394	6,015,195	6,136,337
Transfers Out	(3,609,603)	(4,004,177)	(3,569,572)	(3,654,804)	(4,448,515)	(4,911,787)	(5,176,050)	(5,711,234)	(6,104,235)	(6,221,770)
Total Other Financing Sources (Uses)	(524,045)	396,024	1,600,262	185,368,317	(704,859)	105,611,158	(79,285)	4,676,344	(89,040)	301,236,253
Net Change in Fund Balances	\$ (7,881,771)	\$ (785,839)	\$ 4,198,512	\$ 176,212,576	\$ (75,412,608)	\$ 40,457,744	\$ (44,885,880)	\$ (27,544,756)	\$ 10,802,053	\$ 298,470,510

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

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

Note 3 - Percentage of debt service expenditures to noncapital expenditures is calculated using capital outlay amount from the Reconciliation of the Statement of Revenues, Expenditures and Changes.

Principal and interest are divided by total expenditures less capital outlay plus reconciliation capital outlay less principal, interest, issue costs and fees.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Local Sources										
Taxes	\$ 39,370,670	\$ 40,830,227	\$ 43,389,958	\$ 54,164,431	\$ 53,688,850	\$ 62,481,629	68,892,560	84,441,804	105,724,848	104,938,096
Grants	340,039	123,881	3,000	135,498	137,020	180,446	-	-	-	-
Interest	171,515	22,949	(233,272)	839,319	774,056	1,302,123	3,571,016	2,429,328	1,200,120	(532,274)
Pupil Activities	2,957,393	3,075,202	2,885,360	2,628,234	2,971,610	2,362,588	2,798,243	2,696,050	1,316,050	2,990,897
Charges for Services	2,949,329	2,183,005	5,353,324	5,372,621	5,630,424	6,630,276	6,442,729	5,441,669	4,370,772	9,358,304
Miscellaneous	1,549,792	620,482	696,571	1,204,638	633,617	826,637	2,935,969	4,206,550	1,170,418	985,944
Total Local Sources	47,338,738	46,855,746	52,094,941	64,344,741	63,835,577	73,783,699	84,640,517	99,215,401	113,782,208	117,740,967
State Sources										
Equalization	72,854,971	78,593,963	87,575,528	86,853,890	89,855,162	93,128,798	104,178,937	106,808,650	90,588,760	120,444,930
Vocational Education	499,745	621,111	587,100	516,935	441,373	274,956	369,162	307,150	538,658	620,756
Transportation	1,159,975	1,225,752	1,353,453	1,425,769	1,462,467	1,503,981	1,542,587	1,484,551	1,561,318	1,578,356
Special Education	2,262,225	2,599,278	2,684,981	2,927,817	3,095,008	3,108,885	3,285,086	3,853,765	3,934,705	4,364,531
Grants	1,098,995	1,274,289	2,598,557	3,428,724	3,433,004	3,364,590	3,702,317	3,952,186	3,631,132	4,281,965
Total State Sources	77,875,911	84,314,393	94,799,619	95,153,135	98,287,014	101,381,210	113,078,089	116,406,302	100,254,573	131,290,538
Federal Sources										
Grants	4,409,680	4,488,857	8,097,854	7,742,179	8,351,731	9,151,955	8,584,328	9,406,344	25,654,358	21,561,155
Total Revenues by Source	<u>\$ 129,624,329</u>	<u>\$ 135,658,996</u>	<u>\$ 154,992,414</u>	<u>\$ 167,240,055</u>	<u>\$ 170,474,322</u>	<u>\$ 184,316,864</u>	<u>\$ 206,302,934</u>	<u>\$ 225,028,047</u>	<u>\$ 239,691,139</u>	<u>\$ 270,592,660</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction	\$ 51,651,793	\$ 55,385,700	\$ 60,542,859	\$ 62,319,644	\$ 62,958,047	\$ 65,894,018	\$ 72,439,013	\$ 81,780,588	\$ 85,793,811	\$ 93,689,264
Pupil Services	5,185,598	5,528,005	6,178,769	6,366,083	6,450,116	6,795,199	8,816,341	9,962,470	14,494,724	12,912,964
Instructional Staff	2,685,068	3,121,900	3,944,667	3,934,136	4,110,103	3,974,651	4,147,336	5,316,962	7,005,604	6,764,544
General Administration	1,076,842	1,182,540	1,232,049	1,241,070	1,183,243	1,349,171	1,484,702	1,619,770	1,684,357	1,934,777
School Administration	6,377,121	7,041,755	7,433,569	7,617,701	7,856,803	8,571,660	9,770,218	11,136,278	11,077,884	11,408,251
Operations and Maintenance	8,537,890	9,121,361	9,185,014	8,874,127	9,183,388	9,417,714	11,247,038	11,480,254	13,019,756	13,013,416
Pupil Transportation	4,326,254	4,972,783	5,061,879	5,272,481	5,575,251	6,188,685	6,317,769	7,002,457	6,741,819	7,239,400
Central Supporting Services	5,344,639	6,556,429	7,357,661	7,550,427	10,594,602	10,022,436	13,164,292	12,665,878	18,968,952	19,226,992
Community Services	2,802,651	1,919,694	1,117,737	1,242,672	1,451,274	1,713,220	1,995,828	1,977,628	1,453,042	1,347,839
Nutrition Services	-	-	5,023,969	5,054,729	5,123,872	5,472,832	5,616,908	5,744,220	5,148,671	6,986,217
Pupil Activities	3,146,673	3,604,522	3,268,280	3,123,814	3,183,300	3,275,169	3,299,811	2,874,364	1,656,004	3,294,462
Capital Outlay	3,332,261	1,801,100	2,993,528	14,862,348	79,545,320	72,515,618	57,677,103	45,821,997	4,000,491	31,997,272
Charter Schools	20,339,699	21,654,836	23,613,578	25,076,862	26,799,848	27,942,884	29,957,524	32,137,492	30,401,586	34,760,360
Debt Services:										
Principal	7,789,690	8,132,392	8,819,026	12,359,049	10,227,368	10,499,663	8,995,528	11,832,284	11,832,610	10,347,880
Interest and Fiscal Charges	7,008,663	6,812,108	6,477,079	10,456,280	10,772,996	15,255,996	16,171,318	15,896,505	15,520,735	17,155,947
Bond Issuance Costs	9,750	5,734	144,500	952,239	166,540	573,212	-	-	-	1,278,818
Advance Refunding	-	-	-	92,136	-	8,150	8,800	-	-	-
Total Expenditures by Function	<u>\$ 129,614,592</u>	<u>\$ 136,840,859</u>	<u>\$ 152,394,164</u>	<u>\$ 176,395,798</u>	<u>\$ 245,182,071</u>	<u>\$ 249,470,278</u>	<u>\$ 251,109,529</u>	<u>\$ 257,249,147</u>	<u>\$ 228,800,046</u>	<u>\$ 273,358,403</u>

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

Levy Year/ Collection Year	Residential Property	Personal Property ¹	Commercial Property	Oil and Gas	Agricultural Property	Vacant Land	Industrial Property	State Assessed	Natural Resources	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012/2013	455,113,890	106,671,110	126,708,040	48,820,850	4,961,130	44,776,456	8,877,650	8,910,956	2,817,280	807,657,362	45.629	6,981,766,411	11.57%
2013/2014	453,686,040	117,995,570	135,622,540	48,601,373	5,599,140	44,366,430	9,660,260	8,549,637	3,140,910	827,221,900	45.629	7,024,260,308	11.78%
2014/2015	469,081,120	118,090,820	141,839,460	43,523,260	5,582,360	39,368,110	9,823,820	8,799,279	3,333,690	839,441,919	47.628	7,208,531,447	11.65%
2015/2016	568,131,769	130,837,590	159,152,477	68,175,826	7,010,889	49,539,530	21,765,492	10,225,998	2,762,646	1,017,602,217	49.359	8,677,921,133	11.73%
2016/2017	592,972,023	128,428,570	159,682,681	28,539,190	6,942,122	42,430,770	21,768,493	9,730,721	2,738,492	993,233,062	49.317	8,926,146,307	11.13%
2017/2018	730,637,774	130,169,750	176,347,191	21,246,700	6,673,557	74,928,380	23,128,521	9,578,864	2,007,490	1,174,718,227	49.164	11,829,920,949	9.93%
2018/2019	771,283,150	141,240,320	183,725,641	75,895,378	7,447,780	77,092,613	22,845,859	9,976,347	1,678,474	1,291,185,562	49.092	12,908,291,458	10.00%
2019/2020	947,231,281	144,762,330	241,423,018	199,329,625	7,991,662	114,405,465	39,426,341	10,595,760	1,988,544	1,707,154,026	48.810	15,408,874,954	11.08%
2020/2021	995,743,788	164,029,250	273,147,378	474,697,886	8,298,695	105,241,710	26,725,394	13,127,544	2,361,230	2,063,372,875	48.745	16,513,588,786	12.49%
2021/2022	1,114,778,125	170,181,380	316,865,643	233,547,140	8,574,548	124,570,687	30,915,330	13,442,059	1,442,414	2,014,317,326	49.866	18,919,929,213	10.65%

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

Tax Rates by category				
Levy Year	Residential	Commercial	Oil & Gas	Collection Year
2012	7.96%	29.00%	87.50%	2013
2013	7.96%	29.00%	87.50%	2014
2014	7.96%	29.00%	87.50%	2015
2015	7.96%	29.00%	87.50%	2016
2016	7.96%	29.00%	87.50%	2017
2017	7.20%	29.00%	87.50%	2018
2018	7.20%	29.00%	87.50%	2019
2019	7.15%	29.00%	87.50%	2020
2020	7.15%	29.00%	87.50%	2021
2021	7.15%	29.00%	87.50%	2022

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

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

Levy/ Collection Year	Total Tax Levy	Current Tax Collection	Percentage of Levy Collection	Delinquent Tax Collection	Total Tax Collection	% of Total Tax Collection to Levy
2012/2013	36,852,598	36,761,713	99.75%	127,283	36,888,996	100.10%
2013/2014	37,745,309	37,714,321	99.92%	180,517	37,894,838	100.40%
2014/2015	39,980,940	39,073,895	97.73%	111,810	39,185,705	98.01%
2015/2016	50,227,828	48,883,815	97.32%	114,802	48,998,617	97.55%
2016/2017	48,983,275	47,777,952	97.54%	22,994	47,800,946	97.59%
2017/2018	57,753,847	57,845,688	100.16%	172,328	58,018,016	100.46%
2018/2019	63,386,880	68,762,963	108.48%	148,611	68,911,573	108.72%
2019/2020	83,326,188	81,328,553	97.60%	144,828	81,473,380	97.78%
2020/2021	100,579,111	106,648,039	106.03%	212,730	106,860,770	106.25%
2021/2022	100,445,945	104,860,842	104.40%	952,594	105,813,437	105.34%

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

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

Levy/ Collection Year	Assessed Valuation				Percent Increase
	Adams County	Broomfield County	Weld County	Total	
2012/2013	775,126,010	11,476	32,519,876	807,657,362	3.9%
2013/2014	780,933,390	16,827	46,271,683	827,221,900	2.4%
2014/2015	795,775,740	18,369	43,647,810	839,441,919	1.5%
2015/2016	937,492,120	5,517	80,104,580	1,017,602,217	21.2%
2016/2017	942,311,960	1,877	50,919,225	993,233,062	-2.4%
2017/2018	1,130,027,810	1,072	44,689,345	1,174,718,227	18.3%
2018/2019	1,202,126,530	783	89,058,249	1,291,185,562	9.9%
2019/2020	1,604,802,380	119	102,351,527	1,707,154,026	32.2%
2020/2021	1,869,815,880	33	193,556,962	2,063,372,875	20.9%
2021/2022	1,927,985,140	7,560	86,324,626	2,014,317,326	-2.4%

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

The assessment rates for residential property have been:

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

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

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

Levy/ Collection Year	General Fund				Bond Redemption Fund	Total Levy
	Finance Act	Credits and Abatements	Mill Levy Override	Total		
2012/2013	26.262	0.433	0.929	27.624	18.005	45.629
2013/2014	26.262	0.098	0.907	27.267	18.362	45.629
2014/2015	26.262	0.261	0.893	27.416	20.212	47.628
2015/2016	26.262	0.291	0.737	27.290	22.069	49.359
2016/2017	26.262	0.231	0.755	27.248	22.069	49.317
2017/2018	26.262	0.195	0.638	27.095	22.069	49.164
2018/2019	26.262	0.180	0.581	27.023	22.069	49.092
2019/2020	26.262	0.040	0.439	26.741	22.069	48.810
2020/2021	26.262	0.051	0.363	26.676	22.069	48.745
2021/2022	27.000	0.425	0.372	27.797	22.069	49.866

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

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

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

Taxpayer	2021		2012	
	Assessed Valuation	Percent of District's Assessed Valuation	Assessed Valuation	Percent of District's Assessed Valuation
Public Service Co of Colorado (Xcel)	\$ 341,540,700	16.96%	\$ 180,115,180	22.30%
Great Western Oil and Gas	155,595,680	7.72%	-	0.00%
Aurora Convention Center Hotel LLC	138,331,300	6.87%	-	0.00%
Suncor Energy USA Inc.	113,520,220	5.64%	120,102,710	14.87%
Amazon.com Services Inc.	57,477,370	2.85%	-	0.00%
Colorado Interstate Gas Co	51,872,400	2.58%	55,347,900	6.85%
Qwest Corporation FKA US West	37,088,600	1.84%	82,033,200	10.16%
Lit Gateway Portfolio LLC	35,110,050	1.74%	0	0.00%
Tri State Gen and Transm Assoc	34,817,700	1.73%	0	0.00%
Vestar Orchard Town Center LLC	29,029,960	1.44%	0	0.00%
Verison Wireless LLC	-	0.00%	23,449,900	2.90%
Kerr-McGee Gathering LLC	-	0.00%	22,305,620	2.76%
Tri-State Generation	-	0.00%	21,681,660	2.68%
Denver News/Rocky Mtn News	-	0.00%	21,079,020	2.61%
Walmart Real Estate Business Trust	-	0.00%	20,270,100	2.51%
United Power Inc Property	-	0.00%	17,769,200	2.20%
Total	<u>\$ 994,383,980</u>	<u>49.37%</u>	<u>\$ 564,154,490</u>	<u>69.85%</u>

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

SOURCE: Adams County Assessor's Office.

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

School District No. 27J	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund	27.624	27.267	27.416	27.290	27.248	27.095	27.023	26.741	26.676	27.797
Bond Redemption Fund	18.005	18.362	20.212	22.069	22.069	22.069	22.069	22.069	22.069	22.069
Total School District No. 27J	45.629	45.629	47.628	49.359	49.317	49.164	49.092	48.810	48.745	49.866
Adams County	26.903	26.815	27.042	26.817	27.055	26.929	26.864	26.917	26.897	27.069
City of Brighton	6.650	6.650	6.650	6.650	6.650	6.650	6.650	6.650	6.650	6.650
City of Commerce City	3.269	3.280	3.280	3.280	3.128	3.160	3.280	3.104	3.200	2.920
City of Thornton	10.597	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.210	10.210
Belle Creek Metro #1	74.900	74.900	74.900	74.900	74.900	62.500	64.500	61.000	61.000	61.000
Bennett Fire Protection District No. 7	8.907	8.907	8.907	8.907	9.063	13.041	13.012	13.062	13.062	13.122
Box Elder Water and Sanitation District	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000
Brighton Area Fire Protection District No. 6	11.795	11.795	11.795	11.795	11.795	11.795	11.795	11.795	11.795	11.795
Brighton Crossing #4 FKA Bromley Park #4	50.000	52.000	52.000	52.000	52.000	62.270	62.270	66.797	66.797	66.797
Bromley Park #2	86.025	86.025	86.025	86.025	86.025	86.025	86.025	73.074	64.662	59.088
Bromley Park #3	54.932	54.932	54.932	54.932	54.932	60.622	60.622	60.622	60.622	60.858
Bromley Park #5	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.056
Bromley Park #6	18.000	18.000	18.000	26.000	35.000	35.000	35.000	35.000	35.000	36.665
Buffalo Ridge	42.827	42.827	42.827	42.827	42.827	46.860	46.860	47.083	46.973	47.085
Central Colorado Water Conservation District	1.856	1.887	1.737	1.533	2.004	1.800	1.540	1.286	1.156	1.404
Central Colorado Ground Water Management	1.291	1.301	1.309	1.272	1.580	1.583	2.739	2.279	2.151	2.189
Commerce City Commercial GID	27.000	27.000	27.000	27.000	27.000	10.000	10.000	10.000	15.000	15.000
Fronterra Village	58.500	60.750	60.750	54.000	53.000	40.000	40.000	40.000	30.177	31.591
Fronterra Village #2	59.475	59.475	59.475	59.475	58.521	13.337	63.334	46.000	38.153	37.140
Great Rock Water and Sanitation District	45.500	46.840	46.840	46.840	46.840	51.417	51.532	47.000	47.000	47.000
Hazeltine Heights Water and Sanitation District	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
Hi-Land Acres Water and Sanitation District	3.171	3.360	3.360	2.852	2.852	2.852	2.852	2.852	2.852	2.852
Lost Creek Water Management District	0.897	0.935	0.918	0.787	0.862	0.813	0.945	0.945	0.945	0.945
North Metro Fire District	11.375	11.246	14.403	14.213	14.810	14.710	14.730	14.674	14.812	14.681
North Metro Fire District Bonds	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400
North Range Metro #1	73.400	77.400	79.870	79.870	79.875	88.305	88.305	88.305	88.306	88.306
Prairie Center Metro #1	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000
Prairie Center Metro #4	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000
Prairie Center Metro #5	50.000	50.000	50.000	50.000	50.000	55.277	55.277	55.663	55.663	55.663
Rangeview Library FKA Adams County Library	3.659	3.659	3.659	3.659	3.659	3.669	3.666	3.677	3.670	3.689
Riverdale Dunes #1	75.650	79.684	79.620	64.062	64.039	56.683	57.763	41.395	41.278	42.175
Sable-Altura Fire District No. 11	21.000	21.000	21.000	17.000	17.264	17.000	17.000	16.760	16.752	14.992
South Adams Fire District No. 4	4.300	9.900	9.900	9.900	9.900	9.900	14.750	14.750	14.750	14.750
S. Adams Water and Sanitation District	3.102	3.102	3.102	3.102	3.102	2.701	2.714	2.449	2.490	2.277
Southeast Weld County Fire District No. 5	5.764	5.764	5.880	7.896	1.765	7.775	10.265	10.277	10.270	10.957
Todd Creek Farms #2	11.000	11.000	11.000	11.000	8.800	-	0.000	0.000	0.000	0.000
Todd Creek Village Parks and Rec.	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Urban Drainage and Flood Control District	0.599	0.608	0.632	0.553	0.559	0.500	0.726	0.900	0.900	0.900
Urban Drainage and Flood Control District South Platte	0.058	0.064	0.068	0.058	0.061	0.057	0.094	0.097	0.100	0.100
Wright Farms Metropolitan District	20.000	20.000	20.000	18.000	18.000	16.000	15.000	13.000	13.000	12.500

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

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

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

Fiscal Year	Estimated District Population	Estimated Personal Income	Assessed Value	Actual Value	Governmental Activities					Debt Service Funds Available	Net Bonded Debt	Net Bonded Debt to Actual Value	Percentage of Personal Income	Total Outstanding Debt Per Capita
					Certificates of Participation	Promissory Note	Capital Leases	Bond Premium	Gross Bonded Debt					
2013	86,406	27,158	807,657,362	6,981,766,411	2,765,000	416,771	1,410,087	9,630,248	148,825,000	12,221,506	136,603,494	1.96%	6.54%	1,776
2014	89,302	26,431	827,221,900	7,024,260,308	2,600,000	333,417	1,157,729	8,826,767	141,665,000	13,575,545	128,089,455	1.82%	6.18%	1,632
2015	92,508	27,794	839,441,919	7,208,531,447	2,430,000	250,063	1,289,182	12,903,208	131,160,000	16,963,688	114,196,312	1.58%	5.26%	1,461
2016	96,878	29,362	1,017,602,217	8,677,921,133	2,290,000	166,709	414,014	36,510,671	279,945,000	17,797,774	262,147,226	3.02%	9.94%	2,919
2017	97,292	35,041	993,233,062	8,926,146,307	2,105,000	83,355	73	36,957,079	268,440,000	18,631,383	249,808,617	2.80%	7.94%	2,782
2018	100,890	35,291	1,174,718,227	11,829,920,949	1,915,000	-	-	51,627,738	346,520,000	19,614,505	326,905,495	2.76%	9.79%	3,454
2019	104,664	34,765	1,291,185,562	12,908,291,458	1,720,000	-	-	48,509,916	338,520,000	24,494,347	314,025,653	2.43%	9.35%	3,251
2020	107,223	37,360	1,707,154,026	15,408,874,954	4,394,603	-	-	45,387,908	329,450,000	35,876,609	293,573,391	1.91%	8.33%	3,114
2021	110,764	42,984	2,063,372,875	16,513,588,786	4,070,152	-	-	42,281,702	318,490,000	55,381,483	263,108,517	1.59%	6.77%	2,912
2022	110,227	41,539	2,014,317,326	18,919,929,213	3,772,272	-	-	66,408,888	581,355,000	73,122,783	508,232,217	2.69%	12.78%	5,308

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

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

Fiscal Year	Principal	Interest and Other Expenditures	Total Debt Service	Total General Fund Expenditures and Transfer	Ratio of Debt Service to Total General Fund Expenditures and Transfer
2013	7,040,000	6,886,042	13,926,042	101,473,624	13.72%
2014	7,160,000	6,675,554	13,835,554	109,830,764	12.60%
2015	7,455,000	6,131,072	16,963,688	115,713,520	14.66%
2016	11,215,000	10,419,688	21,634,688	122,179,349	17.71%
2017	9,545,000	10,884,982	20,429,982	125,312,457	16.30%
2018	9,920,000	15,198,018	25,118,018	129,271,562	19.43%
2019	8,000,000	16,130,148	24,130,148	149,081,168	16.19%
2020	9,070,000	15,788,541	24,858,541	164,394,083	15.12%
2021	10,960,000	15,434,438	26,394,438	164,732,702	16.02%
2022	10,050,000	17,059,112	27,109,112	178,457,113	15.19%

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

Computation of Maximum Debt Allowed:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Taxable Assessed Valuation	\$ 807,657,362	\$ 827,221,900	\$ 839,441,919	\$ 1,017,615,900	\$ 993,233,062	\$ 1,174,718,227	\$ 1,291,185,562	\$ 1,707,154,026	\$ 2,063,372,875	\$ 2,014,317,326
Plus: Tax Increment Financing Dist Property	40,281,444	37,923,233	35,105,261	34,208,083	34,440,858	48,916,453	157,720,886	252,834,167	257,115,465	203,254,884
Total Assessed Valuation	847,938,806	865,145,133	874,547,180	1,051,823,983	1,027,673,920	1,223,634,680	1,448,906,448	1,959,988,193	2,320,488,340	2,217,572,210
Legal Debt Limit Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Legal Debt Limit	\$ 211,984,702	\$ 216,286,283	\$ 218,636,795	\$ 262,955,996	\$ 256,918,480	\$ 305,908,670	\$ 362,226,612	\$ 489,997,048	\$ 580,122,085	\$ 554,393,053

Amount of Debt Outstanding

General Obligation Bonds Payable	\$ 148,825,000	\$ 141,665,000	\$ 131,160,000	\$ 279,945,000	\$ 268,440,000	\$ 346,520,000	\$ 338,520,000	\$ 329,450,000	\$ 318,490,000	\$ 581,355,000
Certificates of Participation	2,765,000	2,600,000	2,430,000	2,290,000	2,105,000	1,915,000	1,720,000	4,394,603	4,070,152	3,772,272
Capital Leases	1,410,087	1,157,729	1,289,182	414,087	73	-	-	-	-	-
Promissory Note	416,771	333,417	250,063	166,709	85,438	-	-	-	-	-
Bond Premium	9,630,248	8,826,767	12,903,208	36,510,671	36,957,079	51,627,738	48,509,916	45,392,094	42,281,702	66,408,888
Unused Legal Debt Margin	\$ 48,937,596	\$ 61,703,370	\$ 70,604,342	\$ (56,370,471)	\$ (50,669,110)	\$ (94,154,068)	\$ (26,523,304)	\$ 110,760,351	\$ 215,280,231	\$ (97,143,107)

Fiscal Year 2022 Calculation

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

	Assessed Value	Actual Value
Assessed or Estimated Actual Value	\$ 2,217,572,210	\$ 18,919,929,213
Debt Limit Percentage**	25%	6%
Legal debt limit	554,393,053	1,135,195,753
Amount of debt applicable to debt limit	651,536,160	581,355,000
Total bonded debt as of June 30, 2022		
Legal debt margin	\$ (97,143,107)	\$ 553,840,753

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

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

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

Overlapping Entity	Outstanding General Obligation Debt	Net Outstanding General Obligation Debt Chargeable to Properties within the District	
		Percent	Amount
Aspen Hills Metropolitan District	\$ 1,965,000	100.00	\$ 1,965,000
BNC Metropolitan District #1	10,971,238	100.00	10,971,238
BNC Metropolitan District #2	22,554,838	100.00	22,554,838
Brighton Crossing Metropolitan District #4	28,585,000	99.99	28,583,071
Brighthon Crossing Metropolitan District #6	43,570,000	100.00	43,570,000
Brighton Town Of	26,271,550	100.00	26,271,550
Brighton Urban Renewal (BURA)	5,780,000	100.00	5,780,000
Bromley Park Metropolitan District #2	48,071,217	70.79	34,031,499
Buffalo Run Mesa Metropolitan District	5,722,597	100.00	5,722,597
Central Colorado Groundwater Mgmnt	24,327,750	8.55	2,080,023
Central Colorado Water Conservation	47,038,300	22.73	10,691,806
Central Colorado Well Augmentation	20,293,477	14.14	2,869,498
Fronterra Village Metropolitan District	9,442,405	100.00	9,442,405
Greater Brighton Fire	5,640,903	69.66	3,929,405
Hazeltine Heights Water and Sanitation	259,546	100.00	259,546
Heritage Todd Creek Metro District	31,050,953	100.00	31,050,953
North Range Village Metropolitan District	6,542,430	100.00	6,542,430
Potomac Farms Metropolitan District	6,763,667	100.00	6,763,667
Riverdale Dunes Metropolitan District	2,317,050	100.00	2,317,050
Riverdale Peaks II Metropolitan District	3,065,000	100.00	3,065,000
RTD	3,222,791,000	8.13	261,944,585
West Adams Conservation	54,373,793	47.38	25,762,303
Subtotal Overlapping Debt	3,627,397,714		546,168,462
Direct Debt of School District 27J	651,536,160	100.00	651,536,160
Total Direct & Overlapping Debt	<u>\$ 4,278,933,874</u>		<u>\$ 1,197,704,622</u>

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

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

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

Employer	Industry	2021		2012	
		Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Adams County	Government	2,300	32%	1,821	29.84%
School District 27J	Education	1,936	27%	1,623	26.59%
Platte Valley Medical	Healthcare	793	11%	595	9.75%
Vestas	Manufacturing	400	6%	400	6.55%
King Soopers	Retail	462	6%	-	0.00%
City of Brighton	Government	327	5%	481	7.88%
Super Wal-Mart	Retail	320	4%	290	4.75%
Wells Precast	Manufacturing	250	3%	-	0.00%
Transwest	Semi Truck Sales	237	3%	-	0.00%
Super Target	Retail	220	3%	168	2.75%
BakerHughes AKA BJ Service USA	Gas & Oil	-	0%	350	5.73%
Sakata Farms	Agriculture	-	0%	157	2.57%
New Caps LLC		-	0%	218	3.57%
Total		7,245	100%	6,103	100.00%

NOTES: The principal employers current data is as of December 31, 2021, the latest date for which information is available.

SOURCE: City of Brighton 2021 CAFR

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

Fiscal Year	Free Meals	Reduced Meals	Total Free and Reduced	Total Meals	Percent of Free and Reduced Meals
2013	807,506	170,161	977,667	1,564,014	62.51%
2014	816,531	182,601	999,132	1,611,977	61.98%
2015	779,747	332,720	1,112,467	1,728,308	64.37%
2016	755,671	164,009	919,680	1,526,986	60.23%
2017	737,988	179,037	917,025	1,568,621	58.46%
2018	718,348	203,025	921,373	1,587,949	58.02%
2019	592,029	157,455	749,484	1,397,066	53.65%
2020	495,343	128,885	624,228	1,151,690	54.20%
2021	1,260,845	984	1,261,829	1,267,526	99.55%
2022	446,791	95,183	541,974	1,922,937	28.18% *

SOURCE: School District 27J Nutrition Services

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

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instructional	986.670	1,055.090	1,007.544	1,066.441	1,130.900	1,127.226	1,003.360	1,188.306	1,080.219	1,181.620
Support Services										
Pupil Services	79.278	76.985	73.639	86.650	118.830	129.398	120.400	126.383	133.900	142.850
Instructional Staff	25.930	30.400	33.066	33.135	33.430	45.957	39.630	42.980	56.675	52.975
General Administration	6.100	7.600	7.350	7.975	8.750	7.980	7.830	6.625	7.625	7.250
School Administration	116.000	111.835	99.027	100.475	118.190	114.630	117.960	124.948	128.955	128.453
Operations and Maintenance	98.470	88.800	100.550	96.450	105.500	119.800	126.300	134.150	132.550	139.950
Pupil Transportation	84.060	102.630	96.317	99.125	122.313	118.960	120.930	122.700	126.875	121.663
Business Supporting Services	11.250	11.770	15.070	15.900	13.625	20.743	14.500	15.000	15.000	15.500
Central Supporting Services	27.600	31.850	44.845	38.300	43.738	46.610	46.610	50.881	49.056	51.056
Nutrition Services	63.150	84.600	77.487	71.175	77.570	76.405	83.390	79.975	81.025	88.475
Enterprise Operations	20.560	20.000	48.250	18.838	28.031	38.600	41.270	31.750	29.300	31.319
Community Services	5.300	9.000	8.800	9.000	1.000	1.800	1.800	0.800	1.075	1.075
Facilities Acquisition/Construction	1.000	1.000	1.000	6.075	11.040	13.768	12.680	11.675	11.325	15.150
Pupil Activities	1.000	1.000	-	-	-	-	-	-	-	-
Total	1,526.368	1,632.560	1,612.945	1,649.539	1,812.916	1,861.877	1,736.660	1,936.172	1,853.580	1,977.336

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

SOURCE: School District records

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

<u>Fiscal Year</u>	<u>Pupil Membership</u>	<u>Teacher FTE</u>	<u>Pupil/Teacher Ratio</u>
2012/2013	16,163	743.40	21.74
2013/2014	16,698	792.43	21.07
2014/2015	17,103	827.35	20.67
2015/2016	17,042	815.39	20.90
2016/2017	17,116	817.62	20.93
2017/2018	17,883	785.78	22.76
2018/2019	18,712	828.93	22.57
2019/2020	19,248	895.10	21.50
2020/2021	19,188	970.00	19.78
2021/2022	20,338	1,027.00	19.80

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

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

Fiscal Year	Salary Ranges			# of Teachers in Each Range		
	Bachelor's Degree	Master's Degree	PHD	Bachelor's Degree	Master's Degree	PHD
2012/2013	\$33,519-\$67,356	\$37,882-\$80,666	\$45,668-\$82,881	242	427	32
2013/2014	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	231	446	30
2014/2015	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	238	468	37
2015/2016	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	238	468	37
2016/2017	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	242	475	43
2017/2018	\$33,686-\$67,692	\$38,072-\$81,067	\$45,896-\$83,293	241	511	43
2018/2019	\$37,500-\$70,142	\$40,767-\$83,762	\$49,278-\$86,026	244	499	46
2019/2020	\$40,400-\$73,383	\$43,700-\$87,275	\$52,294-\$89,584	306	504	20
2020/2021	\$40,525-\$73,610	\$43,835-\$87,544	\$52,456-\$89,861	308	613	49
2021/2022	\$40,525-\$74,285	\$43,835-\$88,220	\$52,456-\$90,537	298	676	53

<u>Avg. Salary SD27J</u>	
2011/2012	\$50,247
2012/2013	\$51,920
2013/2014	\$53,059
2014/2015	\$53,338
2015/2016	\$53,601
2016/2017	\$53,173
2017/2018	\$54,319
2018/2019	\$56,785
2019/2020	\$53,063
2020/2021	\$57,443
2021/2022	\$57,443

SOURCE: School District Records

School District 27J, Colorado
School Building Information
June 30, 2022
(Unaudited)

	Enrollment for the 2021/22 School Year	Recommended Capacity ¹	Capacity Used in 2021/22	Years Constructed/ Renovated ²
Brantner (K-5)	645	792	81.44%	2012/2019
Henderson (PK-5)	310	606	51.16%	1969/2016/2018
North (PK-5)	0	491	0.00%	1998
Northeast (PK-6)	471	784	60.08%	1973/1999/2018
Pennock (K-5)	588	875	67.20%	2003
Second Creek (PK-5)	812	889	91.34%	2003
South (K-5)	362	607	59.64%	1969/2000
Southeast (K-6)	463	767	60.37%	1963/1995/2018
Thimmig PK-5)	502	889	56.47%	2002
Turnberry (PK-5)	674	861	78.28%	2008
West Ridge (PK-5)	721	889	81.10%	2007
Reunion (PK-5)	728	795	91.57%	2017
Padilla (PK-5)	329	48	685.42%	2021
Total Elementary Schools	6,605	9,293	71.08%	
MIDDLE SCHOOLS (6-8)				
Vikan	653	740	88.24%	1961/2002/2018
Overland Trail	546	665	82.11%	1984/2000/2005/2018
Quist Middle School	916	825	111.03%	2018
Prairie View Middle School	654	825	79.27%	2008
Stuart Middle School	741	825	89.82%	2009
Total Middle Schools	3,510	3,880	90.46%	
HIGH SCHOOL (9-12)				
Brighton High School	1,881	1,771	106.21%	1953/1992/1975
Prairie View High School	1,724	1,901	90.69%	1982/2005/2017
Riverdale Ridge High School (Includes Quist MS)	1,332	1,756	75.85%	2006/2021
Innovations & Options	199	419	47.49%	2018
Total for High School	5,136	5,847	87.84%	1926/1955/1970/2002/2017
27J Preschool at the BLARC	97	100	97.00%	2019
Total in District Buildings (PK-12)	15,348	19,120	80.27%	
Charters (Not In District Buildings)	3,971	4,043	98.22%	
Total not in District Buildings (PK-12)	3,971	4,043	98.22%	

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

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

NOTES: The above figures do not take into consideration half-time students and various methods of utilizing classrooms at the secondary level. This table demonstrates that for the current school year, the School District's schools are very close to capacity.

Acquisition of school sites can be the most difficult part of acquiring additional student space. Based on long-term projections of growth, the School District has aggressively pursued acquiring school sites. The School District has obtained land by dedication from developers for purchase for 11 elementary school sites, 4 middle school sites and 2 high school sites totaling over 289 acres. The School District is in the process of obtaining additional school sites through land dedication.

In addition to the school buildings and their contents, the School District owns or leases the following facilities and properties: the District Training Center, the District Educational Services Center, a technology building & annex, a facilities building, utility/storage buildings, an indoor swimming pool, and 156 vehicles, of which 128 are buses or multi-passenger vans.

SOURCE: School District Records

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

Grade	Oct 1 2012	Oct 1 2013	Oct 1 2014	Oct 1 2015	Oct 1 2016	Oct 1 2017	Oct 1 2018	Oct 1 2019	Oct 1 2020	Oct 1 2021	Ten Year Average Class Size
Colo. Preschool Proj.	319.0	393.0	353.0	297.0	280.5	401.0	454.0	482.5	297.5	507.0	378.5
Special Ed. Preschool	175.0	162.0	175.0	185.0	199.0	211.0	232.0	233.5	233.5	219.0	202.5
K	1,356.0	1,323.0	1,328.0	1,308.0	1,235.0	1,369.0	1,386.0	1,409.0	1,372.0	1,399.0	1,348.5
1	1,399.0	1,414.0	1,408.0	1,329.0	1,355.0	1,302.0	1,406.0	1,429.0	1,406.0	1,513.0	1,396.1
2	1,440.0	1,398.0	1,448.0	1,412.0	1,338.0	1,395.0	1,346.0	1,429.0	1,426.0	1,464.0	1,409.6
3	1,336.0	1,449.0	1,425.0	1,434.0	1,420.0	1,406.0	1,428.0	1,390.0	1,423.0	1,516.0	1,422.7
4	1,288.0	1,337.0	1,422.0	1,396.0	1,450.0	1,469.0	1,478.0	1,471.0	1,419.0	1,545.0	1,427.5
5	1,304.0	1,318.0	1,331.0	1,431.0	1,405.0	1,474.0	1,486.0	1,530.0	1,475.0	1,456.0	1,421.0
6	1,191.0	1,301.0	1,318.0	1,262.0	1,355.0	1,408.0	1,534.0	1,561.0	1,523.0	1,551.0	1,400.4
7	1,191.0	1,196.0	1,296.0	1,261.0	1,260.0	1,395.0	1,462.0	1,570.0	1,571.0	1,583.0	1,378.5
8	1,143.0	1,225.0	1,178.0	1,253.0	1,272.0	1,282.0	1,439.0	1,456.0	1,570.0	1,614.0	1,343.2
9	1,131.0	1,183.0	1,220.0	1,149.0	1,226.0	1,299.0	1,363.0	1,475.0	1,477.0	1,674.0	1,319.7
10	995.0	1,114.0	1,162.0	1,155.0	1,136.0	1,239.0	1,313.0	1,363.0	1,428.0	1,490.0	1,239.5
11	952.0	922.0	1,071.0	1,095.0	1,098.0	1,106.0	1,212.0	1,260.0	1,311.0	1,434.0	1,146.1
12	943.0	963.0	968.0	1,075.0	1,086.0	1,127.0	1,173.0	1,189.0	1,256.0	1,373.0	1,115.3
Ungraded	-	-	-	-	-	-	-	-	-	-	-
Total Enrollment (Pupil Member	16,163.0	16,698.0	17,103.0	17,042.0	17,115.5	17,883.0	18,712.0	19,248.0	19,188.0	20,338.0	17,949.1
Adjustments to calculate Funded Pupil Count											
CPP (.5 FTE)	(158.5)	(193.5)	(176.5)	(161.0)	(167.0)	(167.0)	(200.5)	(233.0)	(148.8)	(231.5)	(179.4)
Spec Ed Preschool (.5 FTE)	(87.5)	(81.0)	(87.5)	(92.5)	(99.5)	(99.5)	(189.0)	(111.5)	(116.8)	(120.0)	(108.9)
Kindergarten (.5 FTE)	(675.5)	(661.0)	(664.0)	(652.5)	(617.5)	(617.5)	(558.5)	-	-	-	(483.7)
Full Day Kinder Factor .08	108.1	109.8	106.1	104.6	98.8	98.8	89.4	-	-	-	77.7
Part-Time Students (.5 FTE)	(9.0)	(15.5)	(23.0)	(25.0)	(10.0)	(10.0)	(8.5)	(6.0)	(6.0)	-	(10.0)
Out-of-District Students	-	-	-	-	-	-	3.0	4.0	4.0	-	0.9
Non-Eligible Students	(62.0)	(57.0)	(57.0)	(131.0)	(128.0)	(128.0)	(171.0)	(185.0)	(185.0)	(177.0)	(118.2)
Other Students	74.0	78.5	78.5	218.5	280.4	280.4	158.1	114.0	114.0	35.0	132.7
Total Funded Pupil Count	<u>15,352.6</u>	<u>15,878.3</u>	<u>16,279.6</u>	<u>16,303.1</u>	<u>16,472.7</u>	<u>17,240.2</u>	<u>17,835.0</u>	<u>18,830.5</u>	<u>18,849.5</u>	<u>19,844.5</u>	16,828.0

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

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

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Compliance Section



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

Board of Education
School District 27J
Brighton, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of School District 27J (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 19, 2023. Our report includes a reference to other auditors who audited the financial statements of the Capital Facility Fee Foundation, Bromley East Charter School, Eagle Ridge Academy Charter School, Belle Creek Charter School, Foundation Academy Charter School, Landmark Academy Charter School and STEAD Charter School, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Capital Facility Fee Foundation, Bromley East Charter School, Belle Creek Charter School and STEAD Charter School were not audited in accordance with *Government Auditing Standards*.

Report On Internal Control Over Financial Reporting

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

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

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

Report On Compliance And Other Matters

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

Purpose Of This Report

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

RubinBrown LLP

January 19, 2023

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

Board of Education
School District 27J
Brighton, Colorado

Report On Compliance For Each Major Federal Program

Opinion On Each Major Federal Program

We have audited School District 27J (the District) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis For Opinion On Each Major Federal Program

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

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

Responsibilities Of Management For Compliance

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

Auditors' Responsibilities For The Audit Of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities For The Audit Of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

RubinBrown LLP

January 19, 2023

SCHOOL DISTRICT 27J, COLORADO
FINAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED, JUNE 30, 2022

	Grant Number	Federal ALN Number	Federal Expenditures	Expenditures to Subrecipients
<i>US Department of Agriculture:</i>				
Passed through State Department of Education:				
Child Nutrition Cluster				
National School Lunch Program (4555)	4555	10.555	\$ 18,203	\$ -
Seamless Summer Option Lunch/Snack (5555)	5555	10.555	5,165,520	-
Supply Chain Assistance (6555)	6555	10.555	297,179	-
Passed through Colorado Department of Human Services:				
Food Donation (4555)	4555	10.555	530,827	-
Total National School Lunch ALN 10.555:			6,011,729	-
Passed through State Department of Education:				
Summer Food Service Program for Children (4559)	4559	10.559	138,016	-
Seamless Summer Option Breakfast (5553)	5553	10.553	876,686	-
Pandemic Electronic Benefits Transfer (4649)	4649	10.649	5,814	-
Total Child Nutrition Cluster			7,032,245	-
Total US Department of Agriculture			7,032,245	-
<i>US Department of Education:</i>				
Passed through State Department of Education:				
Special Education Cluster				
Title VIB - Handicapped / IDEA - Part B (4027)	4027	84.027	2,564,953	-
Title VIB - Handicapped / IDEA - Preschool (4173)	4173	84.173	53,106	-
Total Special Education Cluster			2,618,059	-
Title I, Part A (4010)	4010	84.010	1,223,048	-
Title IIA - Teacher Quality (4367)	4367	84.367	247,911	-
Title III - English Language (4365)	4365	84.365	166,767	-
Title IV Part A- Student Support (4424)	4424	84.424	103,270	-
Covid-19 - Elementary and Secondary School Emergency Relief (4425)	4425	84.425D	80,568	-
Covid-19 - Elementary and Secondary School Emergency Relief (4420)	4420	84.425D	2,217,748	-
Covid-19 - Elementary and Secondary School Emergency Relief (4414)	4414	84.425U	4,981,621	-
Elementary and Secondary School Emergency Relief II (4419)	4419	84.425D	182,771	-
American Rescue Plan - Homeless Children and Youth (8425)	8425	84.425W	19,636	-
American Rescue Plan - Homeless Children and Youth II (8426)	8426	84.425W	669	-
Total Emergency Relief Funds ALN 84.425:			7,483,013	-
Every Student Succeeds Act (5282)	5282	84.282	246,763	-
Passed through Colorado Community College System/MEP Youth Advocate Aurora				
Carl Perkins (4048)	4048	84.048	89,982	-
Total US Department of Education			12,178,813	-
<i>US Treasury:</i>				
Passed through State Department of Education:				
Covid-19 - Coronavirus Relief Funds (4012)	4012	21.019	11,552	-
Covid-19 - Concurrent Enrollment (9017)	9017	21.027	91,877	-
Total US Treasury			103,429	-
<i>US Department of Health and Human Services:</i>				
Passed through State Department of Education:				
Child Care Development Fund Cluster				
Covid-19 - Child Care Stabilization (7575)	7575	93.575	657,365	-
Total US Department of Health and Human Services			657,365	-
Total Federal Assistance			\$ 19,971,852	\$ -

See the notes to schedule of expenditures of federal awards.

SCHOOL DISTRICT 27J, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

NOTE 1: Basis of Presentation and Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the School District 27J, Colorado and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts reported in, or used in the preparation of, the basic financial statements.

NOTE 2: Indirect Costs

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

SCHOOL DISTRICT 27J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended June 30, 2022

Section I - Summary Of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

___ yes

☒ no

Significant deficiency(ies) identified?

___ yes

☒ none reported

Noncompliance material to financial statements noted?

___ yes

☒ no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

___ yes

☒ no

Significant deficiency(ies) identified?

___ yes

☒ none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

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

___ yes

☒ no

Identification of major federal programs:

CFDA No.

Name Of Federal Program Or Cluster

84.010

Title I Grants to Local Education Agencies

84.027 & 84.173

IDEA Cluster

84.425

COVID-19 - Elementary and Secondary School
Emergency Relief

93.575

COVID-19 - Child Care Development Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ yes

___ no

SCHOOL DISTRICT 27J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* **For The Year Ended December 31, 2022**

Section II - Financial Statement Findings

There were no findings relating to the District's financial statements for the year ended June 30, 2022.

Section III - Federal Award Findings And Questioned Costs

There were no federal award findings or questioned costs for the year ended June 30, 2022.



27J Schools

Superintendent Dr. Chris Fiedler, Ed.D
18551 E. 160th Avenue, Brighton, CO 80601

27J Schools Board of Education

Greg Piotraschke, President
Blaine Nickeson, Vice President
Tom Green, Director
Kevin Kerber, Director
Mandy Thomas, Director
Mary Vigil, Director
Lloyd Worth, Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For The Year Ended June 30, 2022

There were no prior audit findings for the year ended June 30, 2022.



Colorado Department of Education

Auditors Integrity Report

District: 0040 - School District 27J

Fiscal Year 2021-22

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	22,421,485	141,304,195	132,445,296	31,280,384
18 Risk Mgmt Sub-Fund of General Fund	2,261,400	3,208,244	2,564,508	2,905,136
19 Colorado Preschool Program Fund	294,481	2,443,250	2,426,638	311,092
Sub- Total	24,977,365	146,955,688	137,436,442	34,496,612
11 Charter School Fund	11,759,543	56,195,508	55,649,012	12,306,039
20,26-29 Special Revenue Fund	2,838,775	7,924,473	6,492,062	4,271,186
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	1,851,506	7,446,101	7,026,438	2,271,169
22 Govt Designated-Purpose Grants Fund	1,214,977	18,930,228	19,132,488	1,012,717
23 Pupil Activity Special Revenue Fund	2,428,691	3,697,275	3,152,363	2,973,603
25 Transportation Fund	0	7,179,848	7,179,848	0
31 Bond Redemption Fund	55,381,481	44,850,414	27,109,112	73,122,783
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	29,078,740	299,973,592	31,069,319	297,983,013
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	129,531,078	593,153,127	294,247,083	428,437,122
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	641,931	0	-39,457	681,388
60,65-69 Other Internal Service Funds	0	123,044	123,044	0
Totals	641,931	123,044	83,587	681,388
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	26,691	107	0	26,799
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	5,117,664	1,305,275	2,418,253	4,004,686
Totals	5,144,355	1,305,383	2,418,253	4,031,485

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.



Department of Finance
School District 27J

18551 E. 160th Avenue | Brighton, CO 80601