



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

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

Cover Design

For Fiscal Year 2023-24, students from the graphic Design program at FutureForward at Bollman were invited to design the cover. The students provided many great cover ideas and had the opportunity to build their portfolio and improve their design skills. The Financial Services department would like to thank the students for their collaboration and the design for this year's cover.



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

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

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

Prepared by:

Financial Services

Chief Financial Officer or Director of Finance
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Introductory Section





1500 E. 128th Ave.
Thornton, CO 80241

LETTER OF TRANSMITTAL

December 10, 2024

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

It is our pleasure to present the Annual Comprehensive Financial Report of Adams 12 Five Star Schools (the district) for the fiscal year ended June 30, 2024.

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

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

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the district’s financial statements for the year ended June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. Because the district expended more than \$750,000 in Federal awards, this independent audit includes the federally required Single Audit. In addition to reporting on fair presentation of the financial statements, the independent audit must include reports on internal controls over financial reporting and legal compliance of federal programs. The results of the district’s Single Audit for the year ended June 30, 2024, provided no instances of material weaknesses in internal control or material violations of applicable laws, statutes, regulations, rules, and provisions of federal programs.

Profile of the government

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

The Board is comprised of five members that are elected to four-year, staggered terms. Board members may serve two consecutive terms. The district has a director district plan of representation requiring school

board members to reside in a specific geographic area (director districts) within the district boundary. Board members are elected by a vote of the electors of the entire school district. The Board adopts the budget, employs all personnel, monitors the performance of educational programs provided by the district, and is primarily accountable for fiscal matters. Additional powers and duties of the Board are set forth in state statute.

The district provides a full range of educational programs and services authorized by Colorado state statutes to approximately 34,998 enrolled students in 29 elementary schools, one P-8 school, seven middle schools, five high schools, two career technical education (CTE) programs, four alternative programs, four magnet schools, and four charter schools. Educational programs and services include kindergarten through twelfth-grade (K-12) education, as well as special education for students with disabilities, career/technical education, English-as-a-second-language education, preschool, and numerous other programs. Funding for charter schools is based on charter enrollment and contract agreements between the individual charter school and the district. While charter schools are funded under the School Finance Act and are under the general supervision of the Board of Education, the charter schools meet the requirements to be presented separately as discrete component units.

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

Economic conditions and outlook

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

The Colorado Legislative Council Staff and the Colorado Office of State Planning and Budgeting issue quarterly Economic and Revenue forecasts. In addition, in December the Business Research of the Colorado Leeds School of Business presents the annual Colorado Business Economic Outlook. The most recent economic studies and reports can be found at leg.colorado.gov/EconomicForecasts, www.colorado.gov/governor/economics, and www.colorado.edu/business/business-research-division. Finally, the Governor issued the fiscal year 2025-26 Budget Request on November 1, 2024, and can be found at www.colorado.gov/governor/office-state-planning-budgeting.

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

Economic Outlook

The U.S. economy still continues to recover from a chaotic period dominated by unchecked inflation producing a spike in interest rates and borrowing cost that is putting a strain on economic activities. Despite uncertainty, the U.S. and Colorado economies continues to expand through the first quarter of 2024. Although inflation continues to be high consumer resilient activity have not been diminished. Household spending continues to keep business afloat despite higher interest rates creating a healthy job market for employers.

For the seventh consecutive quarter, real U.S. GDP increased at an annual rate of 1.3 percent in the first quarter of 2024. Despite meaningful increases in imports the U.S. economy continued to expand in the

first quarter and economic growth continued being driven by increased in consumer services, personal health care and investments in residential real estate.

The forecast anticipates modest increase in the U.S. and Colorado slightly sluggish pace in 2024 than in 2023. The combinations of both declining inflation and interest rate decreases will boost growth in the economy while waning household balance sheets. Colorado economy is expected to modestly outperform the nations due to comparable employment growth, higher income growth and lower inflation.

The General Fund is anticipating to end FY 2023-24 with a 13.5 percent reserve, \$163.6 million below the statutory reserve requirement. Due to income tax credits enacted during 2024 session General Fund revenue is expected to fall by about \$700 million or 3.9 percent. In the face of revenue decreasing and Referendum C cap increasing, collections are anticipated to exceed the cap by \$1.41B. Furthermore, to correct prior underrefunds related to insurance premium tax revenue credited to the Health Insurance Affordability Enterprise the state is obligated to refund \$33.9 million dollars.

The General fund is expected to end FY 2024-2025 with a 14.5 percent reserve, \$86 million below statutory reserve requirement due to adopted in the Long Bill and other 2024 legislation. This amount is subject to change due to revenue revisions. Due to expected declines in corporate income tax revenue collections are expected to decrease by 1.7 percent. State revenue subject to TABOR is expected to exceed the Referendum C cap by only about \$330 million due to incorporation of tax credits enacted during the 2024 legislative session.

The primary downside risk to this economic outlook lies with the economy realizing a shift from growth to a slow growth preventing a recession in 2024. However, the economy is susceptible to a decline if confronted with unanticipated shocks to the economy. FY 2024-25 Revenue is expected to exceed Referendum C cap by \$328.1 million, or 1.7%, however with a forecast error for revenue to fall below the cap the amount available for General Fund Budget would be limited. Corporate income tax outlook is looking uncertain with a forecast to fall by 19.3 percent in FY 2024-25 due to recent volatility and significant bidirectional risk to the forecast. Within the near term, if a forecast error arises this would result in a lower or higher TABOR refund, which would have consequences for the state budget.

Metro Region

The metro Denver region, encompassing seven counties, boasts a highly diversified economy, with key industries including aerospace, healthcare, professional and business services, and financial services. These counties consist of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson. The region total population in 2023 nearly 3.3 million. While Denver metro region growth has slowed, the region has added 453,000 citizens since 2010.

In 2023, the region showed strength in most sectors despite the slow start, but the wage growth has not kept up with inflation. Nonresidential Construction was mixed with some building types, such as warehouse construction continue to perform well, while new office building construction continue to struggle. At midyear home prices appreciation price reversed making more homes available, however due to housing affordability homeowners looking for homes outside these counties.

Employment. After a robust job market growth of 5.5 percent in 2022, the job market growth in 2023 decreased to 2.2 percent and has been flat for the first 4 months of 2024 compared to the prior year. Through April 2024, employers in the Boulder MSA have added jobs at a faster pace than the state and the Denver-Aurora MSA compared to same period last year. Employment slowdown in the region is s mainly due to a shortage of workers. Through March 2024, the metro Denver region average unemployment rate was 3.7 percent, in alignment with the state average, but higher than the region

average of 3.1 percent in 2023. Through September of 2023, the average weekly wage reported 3.3 percent up from the same period one year ago. Average weekly wages in the region have been increasing since 2015 due to a solid labor market; however, wage growth has not kept up with state inflation over recent years.

Housing. Home prices continue to increase in the metro Denver housing market, but have slowed after strong growth in 2021 and 2022. Home prices were up 2.4 percent in the last quarter of 2023 over year-ago levels in the Denver-Aurora-Lakewood metropolitan area while in Boulder 0.7 percent increase. The combination of both higher mortgage rates and inflation has made purchasing a home more difficult for many buyers and has negatively affected the market. Home sales were down 16.3 percent despite the number of single-family homes available in the metro Denver region were up in 2023 compared to last year.

Despite strong growth in 2021, residential construction activity in the Denver-Aurora-Lakewood metropolitan area has slowed. Higher mortgage rates have pushed many potential buyers to the sidelines and reduced home builder expectations. The lack of affordability continues to hamper new residential construction in the metro Denver region and push many potential buyers being pushed out to the suburban and exurban areas of the region that offer relatively more affordable options such as Douglas, Arapahoe, and Adams counties. Remote work options are also persuading homebuyers to seek larger homes outside of denser urban areas.

After robust growth in 2021, nonresidential construction in the metro Denver region slowed in 2023. In 2023, the value of nonresidential projects started in the metro Denver region was down 14.3 percent from the prior year. Due to high vacancy rates, in the downtown Denver area, put downward pressure on demand for new office space. Building is expected to shift from office space and brick-and-mortar retail establishments to favor development that supports e-commerce, such as warehousing space. However, declining vacancy rates in the metro Denver's industrial real estate market, in particular near the Denver International Airport have assisted the region's nonresidential construction. In the first quarter of 2024, the number and value of nonresidential projects were up compared year over year quarter in 2023; however, the size of these new projects are down.

Nonresidential construction. U.S. nonresidential construction rebounded strongly in 2023 after struggling in the two years following the pandemic recession. The value of U.S. nonresidential construction during the past year has not adjusted for inflation, which was 9.6 percent year-over-year in March. Nevertheless, growth slowed down considerably over the first three month of the year and were up just 0.3 percent from the fourth quarter. Manufacturing investment in private-sector continues with strong growth reporting a 26 percent year-over-year in construction and to large public-sector infrastructure projects are up 20 percent year-over-year, and power, up 12.8 percent year-over-year. The Infrastructure Investment and Jobs Act and Inflation Reduction Act has boosted nonresidential construction in these sectors. Looking ahead, nonresidential construction in the U.S. is expected to grow at a slower pace in 2024, before posting sluggish to no growth in 2025 and 2026. Overall, the outlook for the state's nonresidential construction was revised down and is expected to contract in 2024 and the sector will continue to struggle with persistent challenges with financing due to high interest rates and a skilled labor shortage.

Population. The U.S. Census Bureau released 2023 county population estimates on March 14, 2024. Colorado's total population change was 36,500, a slight increase than the previous year. The population increased comprised of 62,400 births, 45,000 deaths, and 19,000 in net migration. Births are the largest contributor to growth. Deaths decreased in 2023 compared to the previous years impacted by COVID. Migration was up slightly from 15,700 in 2022. Cumulative migration since 2020 has been half from

domestic migration (26,500) and half from international migration (26,500). Compared to the annual average last decade of 45,000 annual migration has decreased.

The increases and decreases among the counties were wide-ranging, thirty-nine counties increased in population and twenty-five declined. The counties with the largest growth in population were Weld County, which increased by 9,176, or 2.6%; followed by Douglas County at 7,969 (2.1%), Adams County at 5,856 (1.1%). Due to both positive net migration and natural increase fifteen counties are growing. 25 counties in Colorado have a declining in population led by Jefferson, Boulder, and Eagle. Due to the slowdown in births and increase in deaths, migration is becoming a larger impact on population change. Forty counties led by Weld, Douglas, Adams, Larimer and Mesa had positive net migration. However, both Denver and Arapahoe are experiencing net out migration, both counties lead the state in international migration. International migration includes students, work-visas, as well as refugees and others fleeing impacted countries.

More U.S. counties experienced population gains than losses in 2023, as counties in the South saw faster growth and more Northeast and Midwest counties had population losses turn to gains. Over 60% (1,876) of U.S. counties gained population from 2022 to 2023. Areas which experienced high levels of domestic out-migration during the pandemic, are now recovering and seeing population growth to make up for the lost. Although the Midwest and South are experiencing population growth population growth is unfortunately slowing down in the west.

Inflation. U.S. inflation has leveled off in recent months, however it remains higher than its historical average. Inflation slowed down significantly between mid-2022 and mid-2023 according to the consumer price index. CPI inflation stood at 3.3 percent in May, while other inflation, excluding food and energy was 3.4 percent. In the Denver-Aurora-Lakewood area (DAL) inflation fell to its lowest value in three years to 2.6 percent in May. While dropping vehicle and gas prices bring down headline inflation, housing inflation continues to be stable, but remains high. Although transportation prices have slightly fallen compared to a year ago, transportation inflation is expected to pick up later this year.

Motor fuel prices in particular are down by 3.4 percent in May compared to the year prior. Fuel prices have been steadily increasing each month since January, despite decreasing by 3.4 percent compared to year over year same period. Unfortunately motor fuel prices are expected to increase slightly in the coming months. Used vehicle prices have also fallen over the past year, contributing to the downward price pressure in transportation.

Long-term financial planning and major initiatives

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

For the 2023-24 fiscal year, as required by the state's constitution, the legislature increased base per pupil funding by 8.0% for PK-12 public education as well as provided additional dollars for statewide student growth. The Budget Stabilization Factor reduction to statewide total program funding as calculated in the School Finance Act was \$141.2 million for the 2023-24 fiscal year, or 1.57% of total program funding. For the district, the Budget Stabilization Factor was \$6.6 million, down from \$14.8 million in the prior year.

Projected enrollment. The funded pupil count is an important component of school funding. The School Finance Act identifies a per-pupil funding amount, and the number of full- and part-time students enrolled in the district determines the amount of total funding. Not all students attend school on a full-time basis;

the funded pupil count is different from the total enrollment, or pupil membership. The official pupil count occurs each October 1 and results in the funded pupil count.

The budget implications are substantial if projected enrollment is not realized. If an unexpected shortfall in actual enrollment occurs, this information is generally received after the close of the first quarter of the fiscal year and many staffing and program changes cannot be made without significant impacts to students. For this reason, the district generally undertakes a reasonable, yet conservative, projection methodology to reduce the risk of a funding shortfall.

The Colorado State Demography Office forecasts fewer kids over this next decade. Migration and mobility is slowing with a tight labor force and competition to attract and retain workers with significant uncertainty on the number of future births as movers are young and have kids. Uncertainties to the forecast include the housing given the supply, price, type, and location in the area as well as international immigration.

The district expects an enrollment decline of 708 pupils, or 2.4%, from 2024-25 to 2025-26. The State's data shows decreasing or slowing growth in 5- to 19-year-olds through 2033.

School buildings. The district operates 51 school buildings and leases the Five Star Online Academy space. This includes 30 elementary schools, 4 K-8 schools, 7 middle schools, 5 high schools, and 5 vocational and alternative schools. The approximate average age of the schools is 38.5 years. The 2016 bond program included opening Thunder Vista P-8, FutureForward at Washington Square (career and technical education campus), and Independence Academy. For more information, see Schedule 18.

Relevant district policies

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

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

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

1. At any time: (a) Use any reserves other than as intended and permitted by law; or (b) allow the unassigned fund balance at the conclusion of a fiscal year to be no less than 4% and no more than 8% of general fund revenues except that the unassigned fund balance may be utilized for achievement of board ends and compliance with operating limitations policies with prior board approval and a specific plan for replenishing the reserve.
2. At any time, allow unrestricted cash and equivalents to drop below an amount necessary to meet operating expenditures over a 30-day period, except that during normal seasonal fluctuations in property tax receipts cash balances may drop below the 30-day threshold but shall not be less than restricted cash.
3. Expend more operating funds than have been received in the fiscal year to date unless both the liquidity requirement and reserve requirement above are met.
4. Allow the organization to incur penalties in material amounts for tax payments, other government ordered payments, or other payments, or allow any filings that are overdue or inaccurately filed.
5. Fail to aggressively pursue receivables after a reasonable grace period.
6. Allow (a) bond funds and funding from certificates of participation to be spent inefficiently or in any way other than intended, or (b) override funds to be commingled with other funds or spent other than to directly achieve Ends.
7. Achieve compliance with these provisions by endangering future capacity to accomplish ends.

8. Commit revenues due to student enrollment growth to continuing line item or program expenditures without considering needs associated with the opening of new schools.
9. Determine borrowing levels.
10. Fail to provide for an annual audit of the financial statements of the district each fiscal year by a qualified third party and make provision for payment of the expenses of conducting the audit.
11. Commit District support to, or commit District resources, monetary or in kind, to join or support litigation initiated between third parties.
12. Fail to undertake a full-scale competitive process for the selection of independent auditors pursuant to the most current Government Finance Officers Association recommendations regarding the selection of auditing services.
13. Receive, process or disburse funds under controls which are insufficient to meet the Board-appointed auditor's standards.
14. Invest or hold operating, capital, bond and reserve funds without following the "prudent investor" standard and complying with the legal investment of public funds requirements under C.R.S. 24-75-601.1 and other applicable law.
15. Endanger the district's public image or credibility, particularly in ways that would hinder the accomplishment of its ends.
16. Fail to ensure that mill levy override revenues are used and distributed according to the plan established by the Board.

At June 30, 2024, the district is in compliance with this policy. Unassigned fund balance in the general fund at year end was 4.5% of general fund revenues net of charter funding.

Major initiatives

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

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

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

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

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

The Board of Education formally approved the plan in August 2018. The district budget is designed so that the district achieves or makes substantial progress toward the achievement of the strategic plan as approved by the Board of Education. The budget plan for the Fiscal Year 2023-2024 supports our educational commitments of student learning, professional practice, and collective responsibility.

Blueprint: Long Range Plan

Blueprint is a community-driven plan that defines and prioritizes the needs of the district. Through a collaborative process, investment opportunities were identified that address what the community values and wants to see the district provide for students.

Through Blueprint, the district looks to reenvision the school environment where both operational and building investments work together to create the best possible experience for students, staff and families.

There are two primary investment areas – facilities and programming– that the Five Star community has helped the district identify. Additional funding is needed to address the priorities in both investment areas and the district may ultimately ask voters to decide on how best to fund them.

Facilities Investment Areas

- Improving school safety
- Replacing aging roofs, heating, cooling, and plumbing systems
- Repairing and improving school grounds
- Rebuilding and modernizing aging schools
- Expanding career and technical educational facilities

Programming Investment Areas

- Attracting and retaining top-tier talent and ensuring a high-quality education
- Expanding access to more special classes for elementary students, including adding computer science classes at all schools
- Hands-on courses such as architectural design, aviation, and engineering that equip students with skills aligned with emerging industries
- Exploratory career and technical education (CTE) classes for middle school grades (6-8), allowing students to discover interests in business/entrepreneurship, computer science/robotics/digital arts, family and consumer sciences, pre-engineering and construction trades.

As an extension of ELEVATE, Blueprint looks to invest in and continue to bring to life the priorities outlined in the district’s strategic plan.

Awards and acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the district for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement and a Certificate of Excellence, the district must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program and Certificate of Excellence programs’ requirements and we are submitting it to GFOA and ASBO to determine its eligibility for another certificate.

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



Christopher E. Gdowski
Superintendent of Schools



Gina Lanier
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Adams 12 Five Star Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

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



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

Ryan S. Stechschulte
President

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Adams 12 Five Star Schools
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

BOARD OF EDUCATION

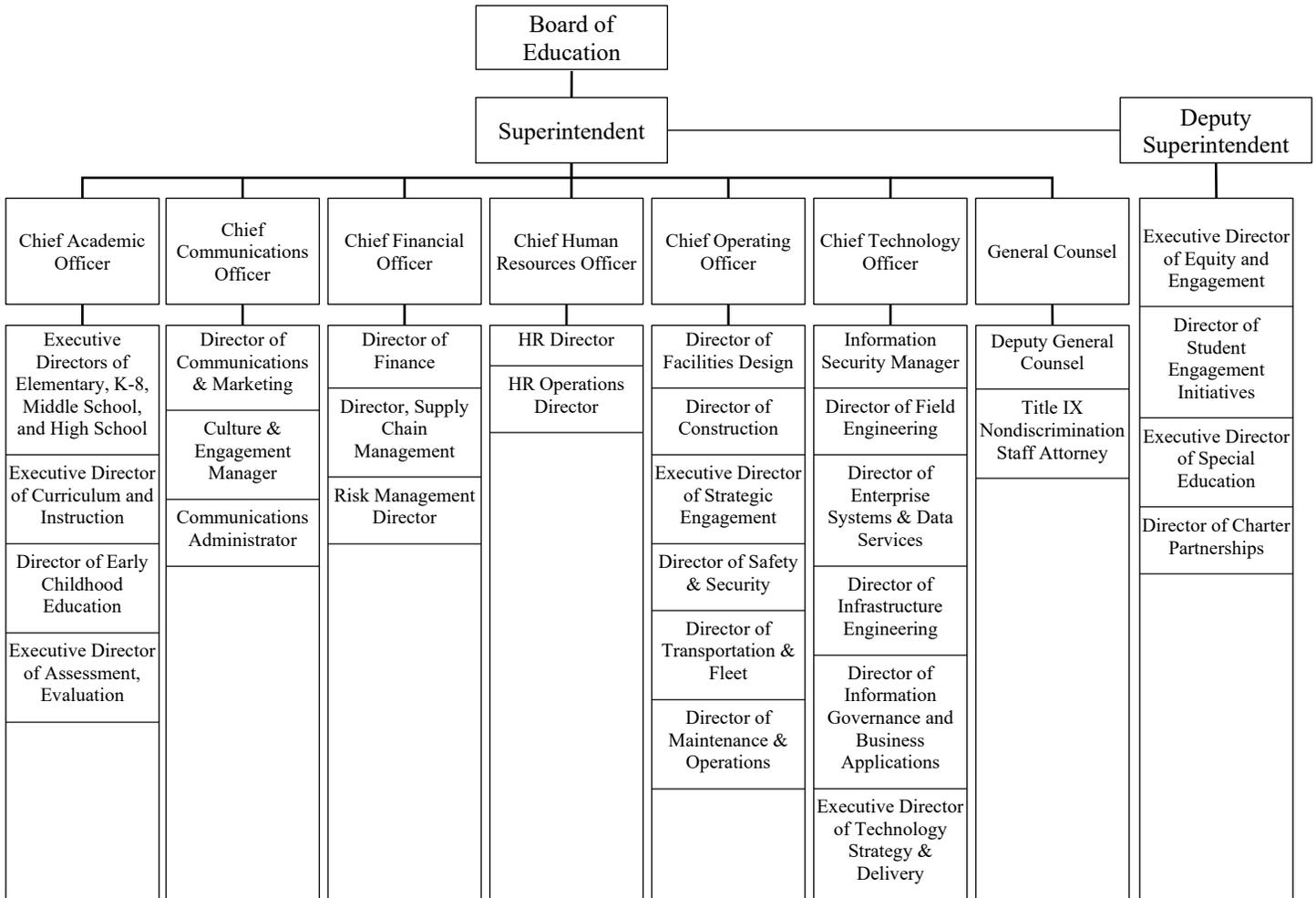


From Left to Right: Paula Battistelli, Secretary, Director District 2; Amira Assad-Lucas, Vice President, Director District 4; Courtney Potter, Director District 3; Lori Goldstein, President, Director District 1; Alexis Marsh-Holschen, Director District 5

CABINET – SUPERINTENDENT’S TEAM

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

DISTRICT ORGANIZATIONAL CHART



Financial Section





INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School - Thornton Charter School which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School - Thornton Charter School, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School - Thornton Charter School were not audited in accordance with *Government Auditing Standards*.

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balances – budget and actual – general fund, schedule of revenues, expenditures, and changes in fund balances – budget and actual – government designated-purpose grants fund, schedule of the District's proportionate share of the net pension liability, schedule of employer pension contributions, schedule of the District's proportionate share of the net OPEB liability, and schedule of employer OPEB contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary schedules, the combining component unit statements, the Auditors Integrity Check, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
December 10, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management’s discussion and analysis (MD&A) serves as a guide for residents of the district and other readers to grasp the message conveyed by the financial statements and notes in this report regarding the district’s financial well-being for the fiscal year ended June 30, 2024, and the reasons behind changes since last year. It presents information gathered from various sections of the report, supplemented with insights provided by the district’s finance staff. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 2-9.

Overview of the Financial Statements

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

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

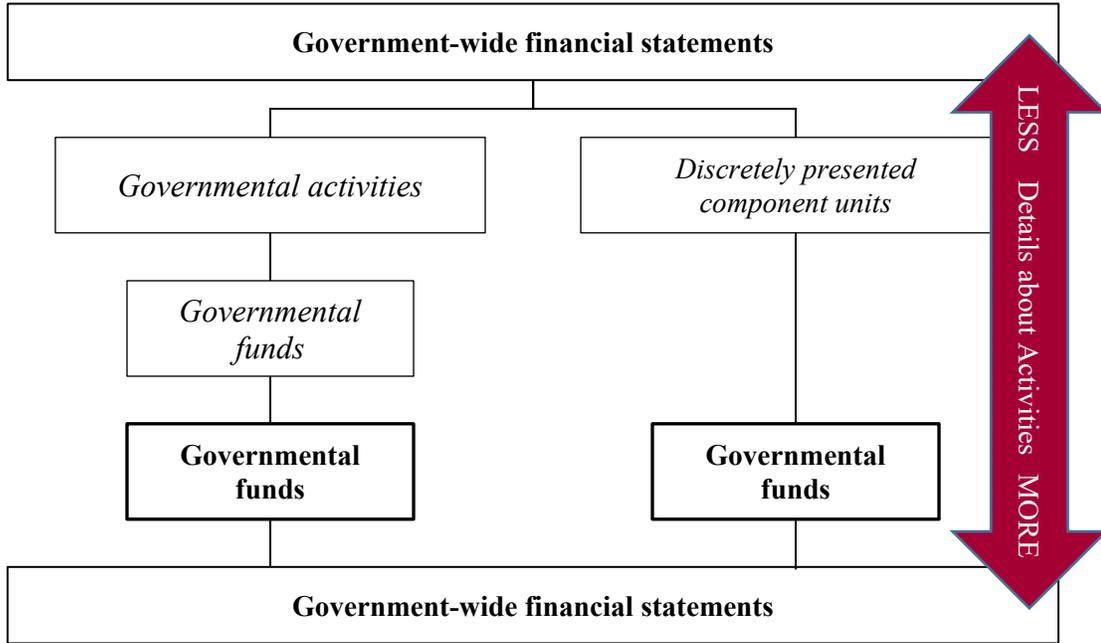
Discretely presented component units are legally separate entities for which the district is financially accountable, namely the district’s four charter schools. Complete financial statements for each of the individual component units may be obtained at the charter schools’ administrative offices.

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

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

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

The District’s Basic Financial Statements



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

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

Types of information in the financial statements

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

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

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending capital expenditures.

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

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

Analysis of the District’s Finances

Governmental activities

	Governmental Activities		Percentage	
	FY 2024	FY 2023	Change	Change
Current and other assets	\$ 357,366,950	\$ 306,619,165	\$ 50,747,785	16.6%
Capital assets, net	656,574,912	676,664,415	(20,089,503)	-3.0%
Total assets	1,013,941,862	983,283,580	30,658,282	3.1%
Deferred outflows of resources	229,275,531	181,928,260	47,347,271	26.0%
Current and other liabilities	55,794,481	46,149,453	9,645,028	20.9%
Long-term liabilities	1,220,761,198	1,120,120,609	100,640,589	9.0%
Total liabilities	1,276,555,679	1,166,270,062	110,285,617	9.5%
Deferred inflows of resources	62,293,278	133,942,825	(71,649,547)	-53.5%
Net position				
Net investment in capital assets	305,889,622	309,979,448	(4,089,826)	-1.3%
Restricted	138,488,010	96,919,813	41,568,197	42.9%
Unrestricted	(540,009,196)	(541,900,308)	1,891,112	0.3%
Total net position	\$ (95,631,564)	\$ (135,001,047)	\$ 39,369,483	29.2%

The district’s total net position – assets and deferred outflows minus liabilities and deferred inflows – stood at approximately \$(95.6) million, an increase of \$39.4 million, or 29.2 percent, compared to FY 2023. The improvement is primarily due to a \$41.6 million, or 42.9 percent, increase in restricted net position. The increase reflects the strong financial performance of governmental activities, particularly in relation to debt service.

The district’s revenues continue to outpace expenses, with the margin continuing to increase. This positive trend is driven by property tax collections and increased state equalization, fueled by both per-pupil funding increases and rising assessed valuations. These gains have more than offset the reduction in operating grants. The primary factors affecting the change in net position are

1. Growth in one-time revenues
2. Increase in net assessed valuations
3. Growth in per-pupil funding and increase in at-risk funding
4. Decline in operating grants and contributions
5. Year over year change in expense increases offset by change in pension expense

One-time revenues. Adams County remitted to the district a one-time payment of \$8.7 million due to a four-year miscalculation of taxes. The district discovered a multi-year error in the State’s distribution of at-risk supplemental aid resulting in one-time revenue of \$1.5 million. As interest rates remained high throughout the fiscal year, the district realized an increase of \$3.0 million in investment earnings.

Increase in net assessed valuations. The net assessed valuation (NAV) of property located within the district increased by 24.6 percent. The NAV growth allowed the district to reduce its overall tax levy by 6.606 mills. The property tax funding increase is not due to NAV growth, rather it is due to the 2018 override growing by inflation. The bond redemption tax levy generated \$5.2 million than the previous year because of increased NAV tempered by a decrease in the bond redemption tax levy by 3.000 mills. Additionally, the correction of taxes paid of \$8.7 million discussed above was not related to NAV increases.

Growth in total per-pupil funding. While the districts funded pupil count declined from 36,273 in FY 2023 to 35,527 in FY 2024, total program funding increased by \$30.0 million, or 8.7 percent, because the base per pupil amount increased by inflation, 8 percent, and the budget stabilization factor was lowered from 3.7 percent in FY 2023 to 1.5 percent in FY 2024. The increase related to charter schools is included in revenue and then passed through to the charter schools as an expense.

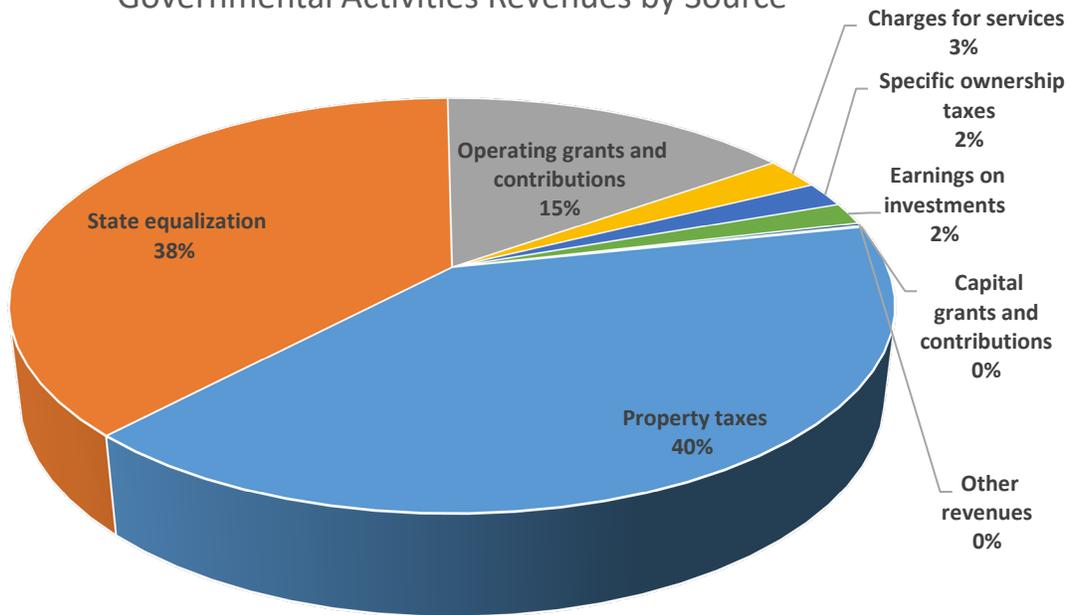
Decline in operating grants and contributions. The district's grants decreased by 24.9 percent, primarily due to a \$36.8 million reduction in revenue related to pensions. This decline results from a decrease in the district's proportionate share of the state's pension expenses and a reduction in the state's on-behalf payments. However, this adjustment, required by GASB 68, does not affect the district's operations.

Year over year expenses. The district's total expenses decreased by \$1.6 million, or 0.3 percent. The impact of expenditure growth was offset by lower pension and OPEB expenses. The entries required by GASB 68 and 75, reduced by \$32.1 million from FY 2023. The pension entries impact each of the major expense functions. Excluding this reduction, instruction and support expenditures increased by approximately \$35.3 million, or 6.6 percent. District salary and benefits grew by \$28.3 million, or 7.0 percent, as the district increased salaries for each employee group. With the FY 2023 partial defeasance of series 2016B bonds, the district realized a significant reduction in interest expense of over \$4.5 million.

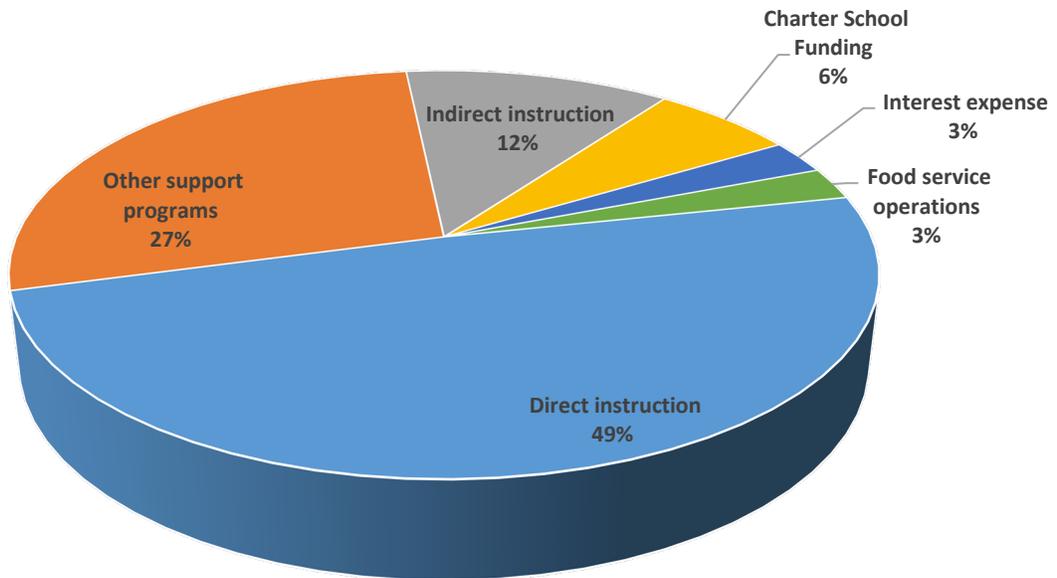
ADAMS 12 FIVE STAR SCHOOLS
Statement of Activities
For the Year Ended June 30, 2024

	Governmental Activities		Change	Percentage Change
	FY 2024	FY 2023		
Revenues				
Program revenues:				
Charges for services	\$ 16,434,316	\$ 19,592,854	\$ (3,158,538)	-16.1%
Operating grants and contributions	103,581,586	137,911,475	(34,329,889)	-24.9%
Capital grants and contributions	901,893	764,247	137,646	18.0%
General revenues:				
Property taxes	271,649,821	232,546,342	39,103,479	16.8%
Specific ownership taxes	13,009,968	14,197,956	(1,187,988)	-8.4%
State equalization	254,111,356	247,014,339	7,097,017	2.9%
Earnings on investments	11,506,779	8,488,580	3,018,199	35.6%
Other revenues	1,680,811	1,886,123	(205,312)	-10.9%
Total revenues	672,876,530	662,401,916	10,474,614	1.6%
Expenses				
Direct instruction	\$ 310,801,013	\$ 324,493,622	\$ (13,692,609)	-4.2%
Indirect instruction	74,409,829	76,739,956	(2,330,127)	-3.0%
Other support programs	174,008,810	156,824,525	17,184,285	11.0%
Food service operations	17,260,431	14,045,711	3,214,720	22.9%
Charter School Funding	40,078,587	41,509,858	(1,431,271)	-3.4%
Interest expense	16,948,377	21,424,384	(4,476,007)	-20.9%
Total expenses	633,507,047	635,038,056	(1,531,009)	-0.2%
Change in net position	39,369,483	27,363,860	12,005,623	43.9%
Net position, beginning of year	(135,001,047)	(162,364,907)	27,363,860	16.9%
Net position, end of year	\$ (95,631,564)	\$ (135,001,047)	\$ 39,369,483	29.2%

Governmental Activities Revenues by Source



Governmental Activities Expenses by Function



Governmental funds

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

health are more apparent in the fund financial statements than in the government-wide financial statements. There were significant changes to two of the five major funds.

	General fund			
	FY 2024	FY 2023 ¹	Change	% Change
REVENUES				
Property and other taxes	\$ 204,937,817	\$ 174,144,233	\$ 30,793,584	17.7%
State equalization	254,111,356	247,014,339	7,097,017	2.9%
State and federal grants	33,513,161	20,650,022	12,863,139	62.3%
Net earnings on investments	6,637,239	2,953,591	3,683,648	124.7%
Other revenues	3,171,465	3,300,088	(128,623)	-3.9%
Total revenues	502,371,038	448,062,273	54,308,765	12.1%
EXPENDITURES				
Salaries and benefits	385,829,322	359,794,725	26,034,597	7.2%
Purchased services	26,655,172	26,343,435	311,737	1.2%
Other expenditures	16,726,759	15,719,720	1,007,039	6.4%
Payments to Charter Schools	48,566,033	42,324,220	6,241,813	14.7%
Total expenditures	477,777,286	444,182,100	33,595,186	7.6%
Other financing sources (uses)	(5,563,773)	2,742,508	(8,306,281)	NM
Net change in fund balances	19,029,979	6,622,681	12,407,298	187.3%
Fund balances, beginning of year	100,693,644	94,070,963	6,622,681	7.0%
Fund balances, end of year	\$ 119,723,623	\$ 100,693,644	\$ 19,029,979	18.9%

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

Revenue	Revenue Drivers	FY 2024	FY 2023
Per-pupil funding	The School Finance Act of 1994 –		
	Inflation increases base funding	8.0% to \$8,076	3.5% to \$7,478
	Funded pupil count	39,725	40,855
	At-risk percentage	52.23%	47.19%
	ELL count	3,941 pupils	3,744 pupils
	Budget stabilization factor	1.54%	3.68%
	Per-pupil funding	\$10,533	\$9,488
		Increased \$30.0 million 8.7%	
Mill levy override	Inflation increases 2018 mill	Increased \$2.4 million 8.0%	
Categorical funding	Inflation, expenses, pupil counts and other factors	Increased \$12.9 million 62.3%	
Earnings on investments	Rate of return and liquidity	Increased \$3.7 million 124.7%	

Other revenue variances, discussed above, included the receipt of one-time revenues from the state and Adams County due to calculation variances going back several years.

Beginning with FY 2024, the district adopted a new salary schedule with the starting salary raised to \$58,000 a year, an increase of more than \$12,000 from the previous starting salary. The compensation package ensures that all educators will earn at least a 6 percent total increase in pay. Similarly, classified and administrator salary compensation increased by 6 percent. Salaries and benefits increased 7.2 percent, or \$26.0 million, from FY 2023 to FY 2024.

The district receives the majority of all funds due to Charter Schools and passes the revenue to each individual charter, generally on a per-pupil basis. As per-pupil funding, mill levy override, and categorical funding increase for the district as a whole, the requisite proportional share is passed to the charters. This activity increased by \$6.2 million, or 14.7 percent.

Debt Service. The district’s debt service is funded by a tax levy on the taxable property located within its boundaries. The tax rate for FY 2024 decreased to 18.665 mills from the FY 2023 rate of 21.665, a decrease of 3.000 mills from FY 2023. While the tax rate decreased, the assessed valuations increased by 24.6 percent. The property taxes generated from the bond redemption mill increased by 7.1 percent over FY 2023. The district partially defeased debt in FY 2023 resulting in lower interest expense and lower interest earnings as the average investment balance was depressed for the majority of the fiscal year. The district’s higher cash position at June 30, 2024, \$110.3 million, and a change in accounting policy is anticipated to result in increased investment earnings in the subsequent fiscal year. The debt service fund balance increased \$39.2 million, or 54.7 percent, as property tax collections were received and the debt service payment decreased substantially. Debt service fund balances are used to pay future principal and interest payments on the bond and to take advantage of strategic opportunities to continue to defease or otherwise adjust the district’s debt payment schedule.

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

	Debt Service			
	FY 2024	FY 2023	Change	% Change
REVENUES				
Property and other taxes	\$ 79,313,253	\$ 74,087,109	\$ 5,226,144	7.1%
Net earnings on investments	729,344	907,278	(177,934)	-19.6%
Total revenues	80,042,597	74,994,387	5,048,210	6.7%
EXPENDITURES				
Debt service				
Principal	24,375,000	106,591,543	(82,216,543)	-77.1%
Interest	16,436,925	21,084,575	(4,647,650)	-22.0%
Bond issuance and other costs	28,662	16,750	11,912	71.1%
Total expenditures	40,840,587	127,692,868	(86,852,281)	-68.0%
Net change in fund balances	39,202,010	(52,698,481)	91,900,491	NM
Fund balances, beginning of year	71,678,333	124,376,814	(52,698,481)	-42.4%
Fund balances, end of year	\$ 110,880,343	\$ 71,678,333	\$ 39,202,010	54.7%

Significant Capital Asset and Long-Term Financing Activity

The district’s net capital assets decreased by 3.0 percent from FY 2023. The decrease is due primarily to the regular depreciation/amortization of current assets. No significant activity occurred in the fiscal year. As the district finalizes spending on its prior bond projects, approximately \$15.7 million remains in construction in progress that should be fully capitalized in the upcoming year. The district will begin issuing bonds as authorized by the voters in the November 2024 election.

Amendments to the FY 2025 adopted budget

The Board of Education may review and change the budget, with respect to both revenues and expenditures, at any time prior to January 31 of the fiscal year. The amended budget is not expected to provide additional expenditure budget in the general fund with the exception of carryovers and encumbrances. The amended budget proposal will include adjustments to the beginning fund balances available based on the final audited numbers. The adopted budget the amount available to be \$286.6 million, which will increase to \$296.8 million. The increase is set aside in the FY 2024 audit as restricted, assigned, or unassigned fund balance. Based on preliminary numbers the allocations of the assigned fund balance were determined as set forth in note. The adopted budget anticipated \$28.2 million in available fund balance in the general fund. The leadership team will begin determining resource allocations for fiscal year 2026 partially based upon new forecasts of available fund balance.

On November 5, 2024, the district's voters approved an \$830 million bond issue with no expected increase in tax rates. The district is expected to begin issuing bonds in fiscal year 2025. The issuance will increase the district's budget; however, only a small percentage of projects will finish by the end of the fiscal year.

Recent economic and budget reports

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

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

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

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

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

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

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

Requests for information

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

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

BASIC FINANCIAL STATEMENTS



ADAMS 12 FIVE STAR SCHOOLS
Statement of Net Position
June 30, 2024

	Primary <u>Government</u>	<u>Component Units</u>
	Governmental <u>Activities</u>	<u>Charter Schools</u>
ASSETS		
Cash and investments - unrestricted	\$ 229,670,275	\$ 19,042,236
Cash and investments - restricted	100,023,852	7,300,892
Taxes receivables	5,949,130	-
Intergovernmental receivables	13,837,463	389,169
Other receivables	5,286,937	298,914
Inventories	1,754,119	-
Prepaid items	823,274	246,318
Other current assets	21,900	-
Capital assets not being depreciated	51,739,954	10,835,388
Capital assets, net of accumulated depreciation/amortization	<u>604,834,958</u>	<u>84,440,182</u>
Total assets	<u>1,013,941,862</u>	<u>122,553,099</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	222,933,045	16,885,727
OPEB related	3,650,243	434,073
Deferred charges on refunding	<u>2,692,243</u>	<u>-</u>
Total deferred outflows of resources	<u>229,275,531</u>	<u>17,319,800</u>
LIABILITIES		
Accounts payable	13,448,045	193,553
Retainage payable	744,250	-
Accrued salaries and benefits	35,328,750	2,754,477
Intergovernmental payable	214,942	-
Other current liabilities	519,330	-
Accrued interest payable	677,307	757,106
Unearned revenues	4,861,857	210,246
Noncurrent liabilities:		
Due within one year	50,357,545	1,872,431
Due in more than one year:	341,867,954	89,358,777
Net pension liability	809,001,568	62,605,952
Net OPEB liability	<u>19,534,131</u>	<u>1,511,682</u>
Total liabilities	<u>1,276,555,679</u>	<u>159,264,224</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	50,456,265	1,978,878
OPEB related	7,508,070	515,720
Lease related	<u>4,328,943</u>	<u>-</u>
Total deferred inflows of resources	<u>62,293,278</u>	<u>2,494,598</u>
NET POSITION		
Net investment in capital assets	305,889,622	3,788,959
Restricted for:		
TABOR emergency reserve	15,762,810	1,517,387
Debt service	110,203,036	7,011,066
Food service	12,522,164	-
Special education	-	525,000
Unrestricted	<u>(540,009,196)</u>	<u>(34,728,335)</u>
Total net position	<u>\$ (95,631,564)</u>	<u>\$ (21,885,923)</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Statement of Activities
For the Year Ended June 30, 2024

	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs:					
Primary government:					
Governmental activities:					
Direct instruction	\$ 310,801,013	\$ 4,989,579	\$ 74,877,132	\$ -	\$ (230,934,302)
Indirect instruction	74,409,829	-	8,576,105	-	(65,833,724)
Other support programs	174,008,810	9,352,579	3,333,151	850,000	(160,473,080)
Food service operations	17,260,431	895,273	16,795,198	51,893	481,933
Charter School Funding	40,078,587	1,196,885	-	-	(38,881,702)
Interest expense	16,948,377	-	-	-	(16,948,377)
Total governmental activities	<u>633,507,047</u>	<u>16,434,316</u>	<u>103,581,586</u>	<u>901,893</u>	<u>(512,589,252)</u>
Component units:					
Charter schools	<u>\$ 55,771,659</u>	<u>\$ 1,126,512</u>	<u>\$ 3,707,792</u>	<u>\$ 879,971</u>	<u>\$ (50,057,384)</u>
	Net (Expense) Revenue	Charter Schools			
Net (expense) revenue	(512,589,252)	(50,057,384)			
General revenues:					
Property taxes	271,649,821	-			
Specific ownership taxes	13,009,968	-			
State equalization	254,111,356	40,078,588			
Other revenues	1,680,811	8,649,756			
Earnings on investments	11,506,779	-			
Total general revenues	<u>551,958,735</u>	<u>48,728,344</u>			
Change in net position	39,369,483	(1,329,040)			
Net position, beginning of year	(135,001,047)	(20,556,883)			
Net position, end of year	<u>\$ (95,631,564)</u>	<u>\$ (21,885,923)</u>			

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

ADAMS 12 FIVE STAR SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2024

		Debt Service	Capital Projects	
	General	Bond Redemption	Building	Capital Reserve
ASSETS				
Cash and investments	\$ 212,460,932	\$ 10,935,365	\$ -	\$ 6,254,958
Receivables (net of allowance for uncollectibles):				
Taxes	4,452,917	1,496,213	-	-
Intergovernmental	157,536	-	-	-
Other	2,463,691	-	-	2,769,719
Due from other funds	1,938,198	-	11,518,623	23,932,848
Inventories	1,557,830	-	-	-
Prepaid items	819,686	-	-	-
Other current assets	21,900	-	-	-
Restricted cash and investments	-	99,339,060	684,792	-
Total assets	<u>\$ 223,872,690</u>	<u>\$ 111,770,638</u>	<u>\$ 12,203,415</u>	<u>\$ 32,957,525</u>
LIABILITIES				
Accounts payable	3,663,092	-	1,945,404	1,858,020
Retainage payable	713	-	452,092	291,445
Accrued salaries and benefits	33,308,213	-	-	6,893
Due to other governments	214,942	-	-	-
Due to other funds	63,640,056	475,075	-	-
Other current liabilities	476,714	-	11,500	31,116
Unearned revenue-grants	-	-	-	-
Unearned revenue-other	10,000	-	-	-
Total liabilities	<u>101,313,730</u>	<u>475,075</u>	<u>2,408,996</u>	<u>2,187,474</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	730,875	415,220	-	-
Lease related	2,104,462	-	-	2,224,481
Total deferred inflows of resources	<u>2,835,337</u>	<u>415,220</u>	<u>-</u>	<u>2,224,481</u>
FUND BALANCES				
Nonspendable	2,377,516	-	-	-
Restricted for:				
TABOR emergency reserve	15,762,810	-	-	-
Multi-year obligations	16,388,129	-	-	-
Debt service	-	110,880,343	-	-
Capital projects	-	-	9,794,419	-
Food service	-	-	-	-
Assigned	64,242,706	-	-	28,545,570
Unassigned	20,952,462	-	-	-
Total fund balances	<u>119,723,623</u>	<u>110,880,343</u>	<u>9,794,419</u>	<u>28,545,570</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 223,872,690</u>	<u>\$ 111,770,638</u>	<u>\$ 12,203,415</u>	<u>\$ 32,957,525</u>

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

<u>Special Revenue</u>		
<u>Government</u>		<u>Total</u>
<u>Designated-</u>	<u>Other</u>	<u>Governmental</u>
<u>Purpose Grants</u>	<u>Governmental</u>	<u>Funds</u>
\$ -	\$ 19,020	\$ 229,670,275
-	-	5,949,130
13,621,892	58,035	13,837,463
-	53,527	5,286,937
-	28,188,585	65,578,254
-	196,289	1,754,119
-	3,588	823,274
-	-	21,900
-	-	100,023,852
<u>\$ 13,621,892</u>	<u>\$ 28,519,044</u>	<u>\$ 422,945,204</u>
5,859,809	121,720	13,448,045
-	-	744,250
1,627,102	386,542	35,328,750
-	-	214,942
1,463,123	-	65,578,254
-	-	519,330
4,671,858	-	4,671,858
-	179,999	189,999
<u>13,621,892</u>	<u>688,261</u>	<u>120,695,428</u>
-	-	1,146,095
-	-	4,328,943
<u>-</u>	<u>-</u>	<u>5,475,038</u>
-	199,877	2,577,393
-	-	15,762,810
-	-	16,388,129
-	-	110,880,343
-	-	9,794,419
-	12,522,164	12,522,164
-	15,108,742	107,897,018
-	-	20,952,462
<u>-</u>	<u>27,830,783</u>	<u>296,774,738</u>
<u>\$ 13,621,892</u>	<u>\$ 28,519,044</u>	<u>\$ 422,945,204</u>

ADAMS 12 FIVE STAR SCHOOLS
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Governmental Fund Balances	\$ 296,774,738
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.	1,164,710,006
Accumulated depreciation/amortization is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(508,135,094)
Deferred property taxes will be collected this year but are not available soon enough to pay for the current period's expenditures and, therefore, revenue is not recognized in the funds.	1,146,095
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year end consist of:	
General Obligation Bonds payable	(346,503,257)
Certificates of Participation	(9,907,064)
Financed purchases	(2,517,233)
Leases	(1,843,600)
Deferred loss on refunding	2,692,243
Compensated absences payable	(31,454,345)
	<u>(389,533,256)</u>
Accrued interest payable is recognized in the statement of net position but is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(677,307)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the funds.	
Net pension liability	(809,001,568)
Net OPEB liability	(19,534,131)
	<u>(828,535,699)</u>
Deferred outflows and inflows of resources related to pensions are applicable in future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources	222,933,045
Deferred inflows of resources	(50,456,265)
	<u>172,476,780</u>
Deferred outflows and inflows of resources related to OPEB are applicable in future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources	3,650,243
Deferred inflows of resources	(7,508,070)
	<u>(3,857,827)</u>
Net Position of Governmental Activities	<u>\$ (95,631,564)</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2024

	Debt Service		Capital Projects	
	General	Bond Redemption	Building	Capital Reserve
REVENUES				
Local:				
Property taxes	\$ 191,927,849	\$ 79,313,253	\$ -	\$ 1,423,466
Specific ownership taxes	13,009,968	-	-	-
Pupil activities	1,767	-	-	-
Tuition	801,881	-	-	-
Gifts and grants	1,100	-	650,000	-
Charges for services	1,196,885	-	-	-
Rental of buildings	215,360	-	-	1,230,424
Other	954,472	-	6,440	1,047,381
Net earnings on investments	6,637,239	729,344	699,342	3,440,853
State:				
State equalization	254,111,356	-	-	-
Special education	14,231,104	-	-	-
Vocational education	2,435,581	-	-	-
Transportation	2,390,839	-	-	-
English Language Proficiency Act	1,647,981	-	-	-
Gifted and talented	373,322	-	-	-
READ Act	-	-	-	-
Grants	12,421,344	-	-	-
Federal	12,990	-	200,000	-
Total revenues	502,371,038	80,042,597	1,555,782	7,142,124
EXPENDITURES				
Current:				
Instruction	199,958,976	-	-	-
Special education	47,111,572	-	-	-
Pupil support	24,203,403	-	-	-
Instructional staff support	34,732,280	-	-	-
School administration	34,209,045	-	-	-
General administration	3,483,746	-	-	-
Business administration	11,871,588	-	-	1,016,897
Operations and maintenance	38,528,186	-	195	1,647,851
Transportation services	12,075,481	-	586,326	82,693
Personnel/data/risk management	27,810,650	-	14,003	-
Other support services	2,081,857	-	-	-
Food service operations	-	-	-	-
Funding to Charter Schools	40,078,587	-	-	-
Facilities acquisition and improvements	1,631,916	-	14,364,788	7,942,766
Debt service:				
Principal	-	24,375,000	-	2,808,139
Interest	-	16,436,925	-	549,330
Bond issuance and other costs	-	28,662	9,455	-
Total expenditures	477,777,287	40,840,587	14,974,767	14,047,676
Excess (deficiency) of revenues over (under) expenditures	24,593,751	39,202,010	(13,418,985)	(6,905,552)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	2,710,004
Transfers out	(5,563,772)	-	-	-
Issuance of lease	-	-	-	2,053,209
Total other financing sources (uses)	(5,563,772)	-	-	4,763,213
Net change in fund balances	19,029,979	39,202,010	(13,418,985)	(2,142,339)
Fund balances, beginning of year	100,693,644	71,678,333	23,213,404	30,687,909
Fund balances, end of year	\$ 119,723,623	\$ 110,880,343	\$ 9,794,419	\$ 28,545,570

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

Special Revenue

Government		Total
Designated-	Other	Governmental
Purpose Grants	Governmental	Funds
\$ -	\$ -	\$ 272,664,568
-	-	13,009,968
-	5,225,168	5,226,935
-	686,356	1,488,237
89,492	871,348	1,611,940
105,770	895,273	2,197,928
-	1,012,695	2,458,479
552	6,724,663	8,733,508
-	-	11,506,778
-	-	254,111,356
-	-	14,231,104
-	-	2,435,581
-	-	2,390,839
-	-	1,647,981
-	-	373,322
1,127,700	-	1,127,700
4,240,098	5,638,788	22,300,230
41,936,848	11,212,974	53,362,812
47,500,460	32,267,265	670,879,266
13,461,027	8,531,227	221,951,230
8,334,556	3,110	55,449,238
8,791,421	124,266	33,119,090
4,088,463	330,751	39,151,494
380,292	324,494	34,913,831
7,841	149	3,491,736
1,790,934	187,312	14,866,731
221,712	785,623	41,183,567
298,011	25,693	13,068,204
8,476,743	65	36,301,461
1,820,639	6,903,948	10,806,444
83,205	16,688,181	16,771,386
-	-	40,078,587
6,679	-	23,946,149
-	-	27,183,139
-	-	16,986,255
-	-	38,117
47,761,523	33,904,819	629,306,659
(261,063)	(1,637,554)	41,572,607
261,063	2,853,768	5,824,835
-	(261,063)	(5,824,835)
-	-	2,053,209
261,063	2,592,705	2,053,209
-	955,151	43,625,816
-	26,875,632	253,148,922
\$ -	\$ 27,830,783	\$ 296,774,738

ADAMS 12 FIVE STAR SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances, governmental funds \$ 43,625,816

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

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

Capital outlay	18,574,376
Depreciation/amortization expense, net	(38,587,306)
	(20,012,930)

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

(76,573)

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

(1,014,746)

Long-term receivable no longer considered collectible

(350,063)

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

25,129,930

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

Amortization of bond premiums and discounts	5,273,423
Deferred gains (losses) on refunding	(1,823,174)
	3,450,249

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

37,878

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

979,811

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

Net pension expense	(16,049,300)
Net OPEB expense	3,649,411
	(12,399,889)

Change in net position of governmental activities	\$ 39,369,483
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The notes to the basic financial statements are an integral part of this statement.

Notes to the Financial Statements

NOTE 1 Summary of significant accounting policies

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

A. Description of government-wide financial statements

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

B. Reporting entity

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

Discretely Presented Component Units – Charter Schools. The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101" in 1993. This Act permits the district to contract with individuals and organizations for the operation of schools within the district. The statute defines these contracted schools as "charter schools." The primary revenue source for charter schools is per pupil funding based on the School Finance Act formula and a per pupil allocation of the district's mill levy overrides. Charter schools have separate governing boards; however, the district's Board of Education must approve all charter school applications. During fiscal year 2023-2024, the district had four charter schools in operation.

Each charter school issues separate financial statements for the fiscal year ended June 30, 2024. Complete financial statements for an individual component unit may be obtained at the charter school's administrative offices.

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

C. Basis of presentation – government-wide financial statements

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

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

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

D. Basis of presentation – fund financial statements

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

The district reports the following major governmental funds:

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

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

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

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

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

E. Measurement focus and basis of accounting

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

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

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

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

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

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

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

F. Use of estimates in preparing financial statements

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

G. Investments

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

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

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

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

H. Inventories

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

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

I. Prepaid items

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

J. Capital assets

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

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

The monetary threshold for capitalization of assets in governmental funds is \$5,000. The district's capital assets are depreciated/amortized using the straight-line method over the estimated useful lives of the capital assets.

Estimated useful lives are:

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

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

K. Leases

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

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

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

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

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

L. Deferred outflows and inflows of resources

In addition to assets, the statement of net position and fund level balance sheet will sometimes report a separate section for deferred outflows of resources. This section represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. Deferred charge on refunding and deferred outflows of resources related to pensions and Other Postemployment Benefits (OPEB) are reported in the government-wide statement of net position as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows related to pension and OPEB are discussed in Note 11 and Note 13.

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

inflows related to pensions and OPEB are reported in the government-wide statement of net position as a deferred inflow of resources. The deferred inflows related to pensions and OPEB are discussed in Note 9 and Note 11 in the notes to basic financial statements. Deferred inflows of resources related to leases are reported on both government-wide and governmental funds. In addition to government-wide inflows, the district has one additional item that qualifies for reporting in this category at the fund level. On the fund level balance sheet, the General Fund and Bond Redemption-Debt Service Fund report unavailable revenues from property taxes that will be collected, but not soon enough to pay for current period expenditures.

M. Liabilities

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

N. Compensated absences

District policy allows employees to accumulate unused vacation to the extent of one year's leave beyond the current year. District policy allows administrative employees to accumulate unused temp (sick) leave at a rate of one day per month; classified hourly employees to a maximum of 150 days or 1200 hours. Certified employees may accumulate up to 180 days.

The district has recorded the accrued liability for these compensated absences and the associated burden (*i.e.*, PERA and Medicare) when applicable, in the accompanying financial statements. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Employees are charged for the last day of vacation leave earned when the leave is used. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Early retirement benefits are payable annually and are not liquidated with expendable available financial resources at June 30. The district budgets the subsequent year's available financial resources for each year's anticipated payments for early retirement benefits.

O. Net pension liability

The district's governmental activities report a net pension liability as of June 30, 2024. The district is required to report its proportionate share of PERA's unfunded pension liability. Refer to Note 11 for additional information.

P. On-behalf payment

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

Q. Postemployment benefits other than pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by PERA and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. Refer to Note 13 for additional information.

R. Fund balance

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

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

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

Committed. Includes amounts that can only be used for the specific purposes determined by a formal action by the Board of Education. Committed fund balance is reported pursuant to constraints imposed by the district's Board of Education, the highest level of decision-making authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education.

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

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

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

S. Adoption of New Accounting Standards

GASB Statement No. 100, Accounting Changes and Error Corrections

In June 2022, the GASB issued GASB Statement No. 100, Accounting Changes and Error Corrections. This standard establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). The district adopted the requirements of the guidance effective July 1, 2023, and is not impacted by the statement for the year ended June 30, 2024.

GASB Statement No. 103, Financial Reporting Model Improvements

In April 2024, the GASB issued GASB Statement No. 103, Financial Reporting Model Improvements. GASB's objective is to improve the financial reporting model. The statement requires changes to the content of Management's Discussion and Analysis (MD&A). Additionally, the statement required changes to the budgetary comparison schedules for major funds. The district's budgetary comparison schedules for the general fund and government designated-purpose grants fund meet the new requirements. Finally, notes to the Required Supplementary Information including descriptions of significant variances, if any, between the original and final budget and between the actuals and final budget. The requirements of the statement are effective for fiscal years beginning after June 15, 2025 (*i.e.*, FY 2025-2026). The district and charter schools will adopt this standard beginning with the same fiscal year.

GASBIG 2021-1, Implementation Guidance Update – 2021

In May 2021, the GASB issued Implementation Guidance of the Governmental Accounting Standards Board (GASBIG) 2021-1 – Implementation Guidance Update – 2021. The district adopted the requirement of question 5.1 of the guidance as of July 1, 2023. Question 5.1 of the implementation guidance clarifies that when a group of assets is acquired together and is significant in the aggregate, they must be capitalized, even if the acquisition cost of individual assets is below the district's \$5,000 capitalization threshold. Computers, classroom furniture, and library books are examples of asset types that may not meet a capitalization policy on an individual basis, yet could be significant collectively.

NOTE 2 Cash deposits and investments

A. Deposits

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. The district does not have a deposit policy for custodial credit risk. At June 30, 2024, the district's carrying amount of the deposits is \$20,954,047. The district's bank deposits are collateralized with securities held by the financial institution's agent through PDPA.

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

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

Cash, deposits, and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Governmental activities:

Cash and investments – unrestricted	\$ 229,670,275
Cash and investments – restricted	<u>100,023,852</u>
Total governmental activities	<u>\$ 329,694,127</u>

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

As of June 30, 2024, cash and investment balances in the financial statements consisted of the following:

Cash and investments:

Cash and deposit balance	\$ 20,954,047
Investments	<u>308,740,080</u>
Total cash and investments	<u>\$ 329,694,127</u>

B. Investments

As of June 30, 2024, the district had the following investments. Investments held in repurchase agreements are not a part of pooled – a cash until drawn. All other deposits and investments are internally pooled to maximize investment safety, liquidity, and interest yield.

Type of Security	Fair Value	Concentration	Rating	Maturity in months		
				12 or less	13-24	25-60
Primary Government:						
Investment Pool	\$ 253,776,934	82.20%	AAAm	\$ 253,776,934	\$ –	\$ –
Investment Pool	10,935,364	3.54%	AAAf ²	10,935,364	–	–
Money Market Fund						
U.S. Bank	734,730	0.24%	NR	734,730	–	–
Municipal bonds and notes	2,458,490	0.80%	AA1	–	2,458,490	–
Municipal bonds and notes	804,864	0.26%	AA2	–	632,607	172,257
Municipal bonds and notes	1,764,333	0.57%	AAA	–	1,764,333	–
Municipal bonds and notes	569,670	0.18%	AA ³	–	569,670	–
Corporate notes	1,010,291	0.33%	AA2	–	1,010,291	–
Corporate notes	503,630	0.16%	AA3	–	503,630	–
Corporate notes	2,060,518	0.67%	AAA	1,037,234	1,023,284	–
Federal agency bonds and notes	4,951,800	1.60%	AAA	1,847,486	3,104,314	–
United States Treasury bonds	29,169,456	9.45%	AAA	3,097,738	12,695,072	13,376,646
Total	<u>\$ 308,740,080</u>	<u>100.00%</u>		<u>\$ 271,429,486</u>	<u>\$ 23,761,691</u>	<u>\$ 13,548,903</u>

¹ Ratings are Moody's

² Ratings are Fitch

³ Ratings S&P

Interest Rate Risk. The district investment policy limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less depending on the specific investment held unless formally approved by the governing board.

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

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

The district has the following recurring fair value measurements as of June 30, 2024:

	Total	Level 1	Fair value measurements using	
			Level 2	Level 3
<u>Investments by fair value level:</u>				
Municipal bonds and notes	\$ 5,597,357	\$ -	\$ 5,597,357	\$ -
Corporate notes	3,574,439	-	3,574,439	-
Federal agency bonds and notes	4,951,800	-	4,951,800	-
United States Treasury Bonds	<u>29,169,456</u>	<u>29,169,456</u>	<u>-</u>	<u>-</u>
Total investments by fair value	43,293,052	<u>\$ 29,169,456</u>	<u>\$ 14,123,596</u>	<u>\$ -</u>
<u>Measured at net asset value</u>				
COLOTRUST				
(external investment pool)	264,712,298			
Money market fund	<u>734,730</u>			
Total investments	<u>\$ 308,740,080</u>			

As of June 30, 2024, the district had invested \$264,712,298 in the Colorado Liquid Asset Trust (ColoTrust), with \$253,776,934 invested in ColoTrust Plus and \$10,935,364 invested in ColoTrust Edge, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00 for ColoTrust Plus and \$10.00 for ColoTrust Edge. Investments in ColoTrust are valued at net asset value (NAV). ColoTrust Plus is rated AAAM by Standard and Poor's and ColoTrust Edge is rated AA Af by Fitch Ratings. For ColoTrust Plus, there are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. For ColoTrust Edge, there are no unfunded commitments, the redemption frequency is weekly, and there is a five business day redemption notice period.

In accordance with Section 22-45-103, C.R.S., the district's bond redemption fund custodian for fiscal year 2023-2024 is UMB Corporate Trust Services, a third party. The amounts held by the custodian were \$99,339,060 at June 30, 2024.

NOTE 3 Receivables

A. Property taxes receivables and intergovernmental receivables

Property taxes levied in 2023 but not yet collected in 2024 are identified as Property Taxes Receivable and Deferred Inflows of Resources in the governmental funds balance sheet at June 30, 2024, and are presented in the amount of \$5,949,130 and \$1,146,095 respectively. Intergovernmental receivables of \$157,536 in the General Fund, \$13,621,892 in the Governmental Designated-Purpose Grants Special Revenue Fund, and \$58,035 in the Food Service Fund includes amounts due from grantors for specific program grants. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

B. Leases receivable

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

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 500,876	\$ 181,134	\$ 682,010
2026	352,657	153,523	506,180
2027	396,600	124,765	521,365
2028	444,292	92,714	537,006
2029	496,763	56,353	553,116
2030	456,062	16,334	472,396
Total	\$ 2,647,250	\$ 624,823	\$ 3,272,073

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

Total future lease payments under the agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 119,842	\$ 95,352	\$ 215,194
2026	111,651	89,912	201,563
2027	120,689	84,567	205,256
2028	134,760	78,870	213,630
2029	147,271	72,130	219,401
2030-2034	811,067	248,199	1,059,266
2035-2039	645,433	69,140	714,573
2040	13,749	217	13,966
Total	\$ 2,104,462	\$ 738,387	\$ 2,842,849

NOTE 4 Property taxes

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes attach an enforceable lien on property as of January 1 of the year

following the levy. Property taxes are recognized as revenue when available and measurable. "Available" is the amount collected at the end of the period and the amount expected to be collected within 60 days, whether or not budgeted.

NOTE 5 Changes in capital assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions / Transfers	Deletions / Transfers	Ending Balance
Governmental activities				
Nondepreciable assets:				
Land	\$ 36,004,172	\$ -	\$ -	\$ 36,004,172
Construction in progress	11,181,128	14,377,138	(9,822,484)	15,735,782
Total nondepreciable assets	47,185,300	14,377,138	(9,822,484)	51,739,954
Depreciable/amortizable assets:				
Buildings	991,543,058	1,514,038	-	993,057,096
Equipment and vehicles	106,474,104	10,452,475	(857,232)	116,069,347
Subscription Based Information Technology Arrangement Assets	1,790,400	-	-	1,790,400
Lease asset – building	-	2,053,209	-	2,053,209
Total depreciable/amortizable assets	1,099,807,562	14,019,722	(857,232)	1,112,970,052
Less: Accumulated depreciation/amortization for:				
Buildings	(410,719,969)	(26,841,540)	-	(437,561,509)
Equipment and vehicles	(59,145,284)	(10,932,552)	780,659	(69,297,177)
Subscription Based Information Technology Arrangement Assets	(463,194)	(568,466)	-	(1,031,660)
Lease asset – building	-	(244,748)	-	(244,748)
Total accumulated depreciation/amortization	(470,328,447)	(38,587,306)	780,659	(508,135,094)
Total Capital assets, net	<u>\$ 676,664,415</u>	<u>\$ (10,190,446)</u>	<u>\$ (9,899,057)</u>	<u>\$ 656,574,912</u>

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

Functions/Programs	Depreciation/ Amortization
Governmental activities	
Instruction	\$ 26,528,744
School administration	10,496
Business services	271,762
Transportation and operations	1,143,730
District-wide	10,632,574
Total depreciation/amortization expense	<u>\$ 38,587,306</u>

NOTE 6 Accrued salaries and benefits

Salaries and longevity benefits of certain contractually employed personnel are paid over a 12-month period from August to July but are earned during a school year of approximately 9 to 10 months. The salaries and benefits earned, but unpaid, at June 30, 2024, are estimated to be \$35,528,750. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects

Fund, Pupil Activity Special Revenue Fund, Other Special Revenue Fund, Instructional Special Revenue Fund, Governmental Designated-Purpose Grants Special Revenue Fund, Interscholastic Athletic Special Revenue Fund, Before, After, and Summer Enrichment Special Revenue Fund, and Food Service Special Revenue Fund.

NOTE 7 Long-term liabilities

A. Changes in long-term liabilities

Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation refunding bonds					
Series 2012	\$ 45,035,000	\$ -	\$ 22,065,000	\$ 22,970,000	\$ 22,970,000
Series 2014	20,090,000	-	-	20,090,000	-
Series 2014B	38,635,000	-	2,310,000	36,325,000	2,370,000
Series 2016B	204,775,000	-	-	204,775,000	-
Series 2018	34,500,000	-	-	34,500,000	-
Unamortized bond premiums	32,830,941	-	4,987,684	27,843,257	4,201,859
Total general obligation bonds	375,865,941	-	29,362,684	346,503,257	29,541,859
Certificates of Participation, Series 2016	10,950,000	-	2,020,000	8,930,000	2,095,000
Unamortized COP premiums	1,262,802	-	285,738	977,064	285,738
Total certificates of participation	12,212,802	-	2,305,738	9,907,064	2,380,738
Financed purchases	3,095,764	-	578,531	2,517,233	602,249
Leases	-	2,053,209	209,609	1,843,601	237,169
Compensated absences	32,434,156	16,615,229	17,595,040	31,454,345	17,595,530
Total	\$ 423,608,663	\$ 18,668,438	\$ 50,051,602	\$ 392,225,499	\$ 50,357,545

Compensated absences, net pension liability, and net OPEB liability obligations are generally liquidated in the General Fund.

B. General obligation and capital appreciation serial bonds

The government issues general obligation bonds to provide funds for renovations, acquisitions, and construction of major capital facilities.

The district's general obligation serial bonds are payable from general property taxes. Interest, at rates from 2.00% to 5.50%, is payable semi-annually on June 15 and December 15. The bonds mature annually on December 15 in principal amounts varying from \$125,000 to \$33,160,000 and are as follows:

Description	Amount
\$93,460,000 2012 Series Refunding Bonds (refunded Series 2005A) due in semi-annual installments with annual payments of \$710,000 to \$22,970,000 through December 15, 2024. Interest rate 2.00% to 5.00%.	\$ 22,970,000
\$20,215,000 2014 Series Refunding Bonds (partially refunded Series 2006B) due in semi-annual installments with annual payments of \$125,000 to \$20,090,000 through December 15, 2025. Interest rate 2.00% to 5.00%.	20,090,000

\$61,030,325 2014B Series Refunding Bonds (partially refunded Series 2006B, 2007A & 2008A) due in semi-annual installments with annual payments of \$1,585,000 to \$28,660,000 through December 15, 2024. Interest rate 3.00% to 5.00%.	36,325,000
\$285,000,000 General Obligation Bonds, Series 2016B due in semi-annual installments with payments of \$480,000 to \$33,160,000 through December 15, 2034. Interest rate 2.00% to 5.00%.	204,775,000
\$65,000,000 General Obligation Bonds, Series 2018 due in semi-annual installments with payments of \$2,680,000 to \$15,660,000 through December 15, 2036. Interest rate 5.50%.	34,500,000
Total	<u>\$ 318,660,000</u>

On June 15, 2023, the district executed a partial defeasance of General Obligation Bonds, Series 2016B. The district defeased the principal maturing on December 15, 2035, and December 15, 2036, in the combined amount of \$64,745,000. The district used existing bond redemption funds as the source to defease the debt. The defeasance will save the district approximately \$38.6 million over the remaining term of those two maturities. \$68.2 million of existing bond redemption funds were placed in an escrow account representing the funds sufficient to pay principal and interest on the defeased bonds. The escrow investments are essentially risk-free and the defeased bonds are no longer an obligation of the district.

C. Summary of debt service requirements to maturity

The following schedule reflects the debt service requirements to maturity of the district's general obligation bonded debt as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 25,340,000	\$ 15,322,000	\$ 40,662,000
2026	25,385,000	14,053,875	39,438,875
2027	28,660,000	12,702,750	41,362,750
2028	24,175,000	11,375,175	35,550,175
2029	25,395,000	10,122,163	35,517,163
2030-2034	147,280,000	29,870,601	177,150,601
2035-2037	42,425,000	1,794,938	44,219,938
Total	<u>\$ 318,660,000</u>	<u>\$ 95,241,502</u>	<u>\$ 413,901,502</u>

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

D. Certificates of participation

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

The Certificates of Participation provide for the following payments:

Year Ending June 30,	Principal	Interest	Total
2025	2,095,000	361,800	2,456,800
2026	2,185,000	276,200	2,461,200
2027	2,270,000	175,750	2,445,750
2028	2,380,000	59,500	2,439,500
Total	\$ 8,930,000	\$ 873,250	\$ 9,803,250

E. Financed purchases

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

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

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

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 602,249	\$ 44,252	\$ 646,501
2026	366,769	37,802	404,571
2027	128,407	34,308	162,715
2028	134,291	31,463	165,754
2029	140,384	28,487	168,871
2030-2034	775,135	92,901	868,036
2035-2036	369,997	12,386	382,383
Total	\$ 2,517,232	\$ 281,599	\$ 2,798,831

F. Leases

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

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

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 237,169	\$ 58,579	\$ 295,748
2026	252,840	50,335	303,175
2027	269,048	41,553	310,601
2028	285,812	32,216	318,028
2029	302,531	22,304	324,835
2030-2031	496,201	13,870	510,071
Total	<u>\$ 1,843,601</u>	<u>\$ 218,857</u>	<u>\$ 2,062,458</u>

G. Compensated absences

At June 30, 2024, compensated absence liabilities of the district included \$2,670,344 for vacation pay with an associated amount of \$610,171 for PERA and Medicare benefits, and \$12,337,664 for reimbursable leave with \$178,896 of associated Medicare benefits; and \$15,657,280 in early retirement benefits for 469 employees who are eligible for such retirement benefits as of June 30, 2024.

H. Computation of legal debt margin

The computation for the district's legal debt margin as of June 30, 2024, is as follows:

Actual value of taxable property in the district	\$ 46,870,865,929
Debt limitation – 6% of actual value of taxable property	2,812,251,956
Total bonded debt	318,660,000
Less: amount set aside to repay general debt	<u>(110,880,343)</u>
Total net debt applicable to debt limit	207,779,657
Legal debt margin	<u>\$ 2,604,472,299</u>

The debt limitation for all school districts in Colorado is dictated by Colorado State Statute 22.42.104. Except as proved in subsections (1.3), (1.4), and (1.6) of this section, the limit on bonded indebtedness of a school district is the greater of the following: (a) 20% of the latest valuation for assessment of the taxable property in such district, as certified by the county assessor to the board of county commissioners; or (b) 6% of the most recent determination of the actual value of the taxable property in the district, as certified by the county assessor to the board of county commissioners.

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

NOTE 8 Fund balance

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

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

<u>General Fund Assignments</u>	Balance
Budgeted one-time expenditures	\$ 21,721,170
Instructional resources	9,980,683
Designated override balances (5C)	6,890,900
Information technology	14,125,454
Encumbrances and carryover	6,524,499
Insurance reserve fund	5,000,000
General fund subtotal	<u>64,242,706</u>
<u>Other Fund Assignments</u>	
Capital reserve – capital projects	28,545,570
Before, After, and Summer Enrichment	4,875,309
Pupil activity	5,029,907
Athletics	1,874,778
Other special revenue	3,328,748
Total assigned governmental funds	<u>\$ 107,897,018</u>

The remaining funds are unassigned and are limited to the general fund. In compliance with board of education policy, the unassigned fund balance is 4.5% of general fund revenues, less charter pass through.

NOTE 9 Governmental interfund receivables, payables, and transfers

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

The amounts due to the General Fund represent a positive balance in the General Fund and negative balances in the other funds. These amounts will be satisfied from operations in the subsequent year (*e.g.*, when grant funds due the district are received from the grantor).

<u>Due from the General Fund</u>	<u>Balance</u>
Building	\$ 11,518,623
Capital Reserve	23,932,848
Food Service	12,687,820
Before, After, and Summer Enrichment	5,095,453
Pupil Activity	5,060,421
Athletic	1,981,479
Other Special Revenue	3,363,412
Total	<u>\$ 63,640,056</u>

<u>Due to the General Fund</u>	<u>Balance</u>
Bond Redemption	\$ 475,075
Government Designated-Purpose Grants	1,508,421
Total	<u>\$ 1,983,496</u>

The district transfers money to various funds to meet operational needs. Occasionally, other funds will transfer back to the General Fund. The Instructional Fund merged with the General Fund in fiscal year 2023-2024 necessitating a transfer of the remaining resources.

<u>Transfers from the General Fund</u>	<u>Balance</u>
Capital Reserve	\$ 2,710,004
Pupil Activity	255,019
Athletic	2,598,749
Total	<u>\$ 5,563,773</u>

The district transferred the assets of a specific grant from Other Special Revenue to the Grants Fund for better tracking.

<u>Transfers from the Other Special Revenue</u>	<u>Balance</u>
Grants	<u>\$ 261,063</u>

NOTE 10 Encumbrances

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

<u>Funds</u>	<u>Amount</u>
General fund	\$ 3,284,026
Capital projects funds	11,394,991
Special revenue funds	6,158,133
Total	<u>\$ 20,837,150</u>

NOTE 11 Defined benefit pension plan

A. Pensions

The district participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of

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

B. General Information about the Pension Plan

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

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% 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.

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

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

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

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

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

Contributions provisions as of June 30, 2024. Eligible employees of, the district and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district were \$64,227,050 for the year ended June 30, 2024.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of \$14.561 million for 2023 only.

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

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

At June 30, 2024, the district reported a liability of \$809,001,568 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the district as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the district were as follows:

The district's proportionate share of the net pension liability	\$ 809,001,568
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the district	<u>17,739,004</u>
Total	<u>\$ 826,740,572</u>

At December 31, 2023, the district's proportion was 4.57%, which was an increase of 0.87% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the district recognized pension expense of \$49,044,850 and revenue of \$1,660,473 for support from the State as a nonemployer contributing entity. At June 30, 2024, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 38,361,991	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	57,992,815	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	93,582,689	50,456,265
Contributions subsequent to the measurement date	<u>32,995,550</u>	<u>-</u>
Total	<u>\$ 222,933,045</u>	<u>\$ 50,456,265</u>

\$32,995,550 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2025	\$ 16,998,331
2026	71,234,257
2027	67,418,590
2028	(16,169,948)

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

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

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

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

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

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

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required

adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

Sensitivity of the 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	\$ 1,081,769,681	\$ 809,001,568	\$ 5891,545,978

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

NOTE 12 Defined benefit other postemployment benefit (OPEB) plan

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

health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the OPEB Plan

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the district were \$3,214,504 for the year ended June 30, 2024.

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

At June 30, 2024, the district reported a liability of \$19,534,131 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The district's proportion of the net OPEB liability was based on district contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the district's proportion was 2.74%, which was a decrease of 0.07 percentage points from its proportion measured as of December 31, 2022. For the year ended June 30, 2024, the district recognized OPEB expense of \$1,998,014. At June 30, 2024, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 4,003,708
Changes of assumptions or other inputs	229,710	2,071,276
Net difference between projected and actual earnings on OPEB plan investments	604,148	—
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,164,988	1,433,086
Contributions subsequent to the measurement date	1,651,397	—
Total	<u>\$ 3,650,243</u>	<u>\$ 7,508,070</u>

\$1,651,397 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2025	\$ (2,114,588)
2026	(1,101,527)
2027	(751,605)
2028	(1,050,742)
2029	(373,332)
Thereafter	(117,430)

Actuarial assumptions. The TOL in the December 31, 2022, 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 investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates:				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans ¹			7.0% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums			3.5% in 2023, Gradually increasing to 4.5% in 2035	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare Plans			N/A	
Medicare Part A premiums			N/A	

¹ UnitedHealthcare MAPD PPO plans are 0% for 20223

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

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

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

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

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, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total 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 on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

Sensitivity of the district's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following 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 ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 18,973,473	\$ 19,534,131	\$ 20,144,000

¹For the January 1, 2024, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members

assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

Sensitivity of the district’s proportionate share of the net 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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 23,072,261	\$ 19,534,131	\$ 16,507,259

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

NOTE 13 Risk management

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

A. Colorado School District Self-Insurance Pool

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

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

B. Workers' compensation

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

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

NOTE 14 Related party transactions

The district provides administrative and other service to its charter schools, shown in this report as component units. The amount charged for services, in accordance with governing state statutes, range from 1% to 5% of per pupil funding under the Colorado Public School Finance Act. Amounts charged to all charter schools for the fiscal year ended June 30, 2024, were \$1,241,087.

NOTE 15 Commitments and contingencies**A. Litigation**

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

B. Grants

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

C. Construction contract commitments

Commitments for construction and improvement contracts in the Building-Capital Projects Fund totals \$7,729,661 as of June 30, 2024.

NOTE 16 Subsequent events

On November 5, 2024, the district's voters approved an \$830 million bond issue with no expected increase in tax rates. The district is expected to begin issuing bonds in fiscal year 2025.

REQUIRED SUPPLEMENTARY INFORMATION



ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
General Funds
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative) to Actuals
	Original	Final	Actuals	
REVENUES				
Local:				
Property taxes	\$ 177,303,044	\$ 181,897,848	\$ 191,927,849	\$ 10,030,001
Specific ownership taxes	13,183,230	13,183,230	13,009,968	(173,262)
Pupil activities	-	-	1,767	1,767
Tuition	700,000	740,000	801,881	61,881
Gifts and grants	-	-	1,100	1,100
Charges for services	1,275,125	1,290,125	1,196,885	(93,240)
Rental of buildings	260,000	230,000	215,360	(14,640)
Other	346,879	481,099	954,472	473,373
Net earnings on investments	664,451	4,100,000	6,637,239	2,537,239
State:				
State equalization	256,827,045	253,710,058	254,111,356	401,298
Special education	14,980,748	14,372,512	14,231,104	(141,408)
Vocational education	1,830,752	2,056,473	2,435,581	379,108
Transportation	2,109,379	2,109,379	2,390,839	281,460
English Language Proficiency Act	1,479,725	1,647,981	1,647,981	-
Gifted and talented	353,050	373,322	373,322	-
Grants	12,575,835	6,006,460	12,421,344	6,414,884
Federal	-	-	12,990	12,990
Total revenues	483,889,263	482,198,487	502,371,038	20,172,551
EXPENDITURES				
Current:				
Instruction	188,971,673	192,046,818	199,958,976	(7,912,158)
Special education	47,421,011	48,299,761	47,111,572	1,188,189
Pupil support	26,196,742	26,184,672	24,203,403	1,981,269
Instructional staff support	32,416,934	33,360,794	34,732,280	(1,371,486)
School administration	35,298,723	37,824,725	34,209,045	3,615,680
General administration	3,770,784	3,702,126	3,483,746	218,380
Business administration	4,816,406	11,091,559	11,871,588	(780,029)
Operations and maintenance	38,464,906	38,663,335	38,528,186	135,149
Transportation services	13,759,328	13,788,918	12,075,481	1,713,437
Personnel/data/risk management	31,617,300	32,666,149	27,810,650	4,855,499
Other support services	3,537,654	3,631,662	3,156,977	474,685
Food service operations	(1,042,198)	(1,012,198)	(1,075,120)	62,922
Funding to Charter Schools	45,817,520	40,088,436	40,078,587	9,849
Facilities acquisition and improvements	1,553,616	1,572,917	1,631,916	(58,999)
Contingency and appropriated reserves	17,458,626	10,263,182	-	10,263,182
Total expenditures	490,059,025	492,172,856	477,777,287	14,395,569
Excess (deficiency) of revenues over (under) expenditures	(6,169,762)	(9,974,369)	24,593,751	34,568,120
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,563,772)	(5,563,772)	(5,563,772)	-
Total other financing sources (uses)	(5,563,772)	(5,563,772)	(5,563,772)	-
Net change in fund balances*	(11,733,534)	(15,538,141)	19,029,979	34,568,120
Fund balances, beginning of year	94,279,218	100,693,644	100,693,644	-
Fund balances, end of year	\$ 82,545,684	\$ 85,155,503	\$ 119,723,623	\$ 34,568,120

* The net change in fund balances was included in the budget as an appropriation of fund balance
The notes to the basic financial statements and required supplementary information are an integral part of this statement.

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Governmental Designated Purpose Grants Special Revenue
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Gifts and grants	\$ -	\$ 300,000	\$ 89,492	\$ (210,508)
Charges for services	-	125,764	105,770	(19,994)
Other	-	-	552	552
State:				
READ Act	1,205,369	1,299,263	1,127,700	(171,563)
Grants	5,416,222	22,896,564	4,240,098	(18,656,466)
Federal	39,803,018	53,878,334	41,936,848	(11,941,486)
Total revenues	<u>46,424,609</u>	<u>78,499,925</u>	<u>47,500,460</u>	<u>(30,999,465)</u>
EXPENDITURES				
Current:				
Instruction	16,631,723	18,921,796	13,461,027	5,460,769
Special education	7,689,587	8,012,396	8,334,556	(322,160)
Pupil support	10,105,824	14,882,360	8,791,421	6,090,939
Instructional staff support	7,425,324	7,284,713	4,088,463	3,196,250
School administration	420,400	420,400	380,292	40,108
General administration	-	-	7,841	(7,841)
Business administration	1,953,176	17,967,756	1,790,934	16,176,822
Operations and maintenance	3,000	3,000	221,712	(218,712)
Transportation services	165,320	165,320	298,011	(132,691)
Personnel/data/risk management	657,570	10,411,970	8,476,743	1,935,227
Other support services	1,648,065	1,748,769	1,820,639	(71,870)
Food service operations	-	56,825	83,205	(26,380)
Facilities acquisition and improvements	-	-	6,679	(6,679)
Contingency and appropriated reserves	(275,380)	(275,380)	-	(275,380)
Total expenditures	<u>46,424,609</u>	<u>79,599,925</u>	<u>47,761,523</u>	<u>31,838,402</u>
Excess (deficiency) of revenues over (under) expenditures	-	(1,100,000)	(261,063)	838,937
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,100,000	261,063	(838,937)
Total other financing sources (uses)	<u>-</u>	<u>1,100,000</u>	<u>261,063</u>	<u>(838,937)</u>
Net change in fund balances*	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance
The notes to the basic financial statements are an integral part of this statement.

ADAMS 12 FIVE STAR SCHOOLS

Schedule of the District's Proportionate Share of the Net Pension Liability

PERA Pension Plan - School Division Trust Fund

For the Year Ended December 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	4.57%	3.70%	4.33%	5.06%
District's proportionate share of the net pension liability	\$ 809,001,568	\$ 673,557,547	\$ 503,798,315	\$ 764,998,892
State's proportionate share of the net pension liability	<u>17,739,004</u>	<u>196,281,438</u>	<u>57,754,042</u>	<u>-</u>
Total	<u>\$ 826,740,572</u>	<u>\$ 869,838,985</u>	<u>\$ 561,552,357</u>	<u>\$ 764,998,892</u>
District's covered payroll	302,452,026	285,293,287	270,560,898	270,853,534
District's proportionate share of the net pension liability as a percentage of its covered payroll	267.48%	236.09%	186.21%	282.44%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%

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

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
4.13%	4.07%	4.70%	4.88%	4.83%	4.89%
\$ 616,603,671	\$ 720,506,652	\$1,518,471,530	\$1,452,291,268	\$ 738,938,497	\$ 662,308,071
<u>78,208,332</u>	<u>98,519,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 694,812,003</u>	<u>\$ 819,025,931</u>	<u>\$1,518,471,530</u>	<u>\$1,452,291,268</u>	<u>\$ 738,938,497</u>	<u>\$ 662,308,071</u>
242,510,888	223,695,798	216,614,182	218,921,565	210,551,876	204,716,575
254.26%	322.09%	701.00%	663.38%	350.95%	323.52%
64.52%	57.01%	43.96%	43.13%	59.20%	62.80%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 64,227,050	\$ 59,810,981	\$ 54,604,479	\$ 52,369,684
Contributions in relation to the statutorily required contribution	<u>64,227,050</u>	<u>59,810,981</u>	<u>54,604,479</u>	<u>52,369,684</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 315,147,449	\$ 293,478,809	\$ 274,670,416	\$ 263,428,993
Contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%

*The amounts presented in this schedule represent a fiscal year, July 1 through June 30.
Contributions and covered payroll includes component unit pension amounts through 2014.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 51,976,002	\$ 44,958,386	\$ 41,212,203	\$ 39,735,628	\$ 38,564,555	\$ 34,508,020
<u>51,976,002</u>	<u>44,958,386</u>	<u>41,212,203</u>	<u>39,735,628</u>	<u>38,564,555</u>	<u>34,508,020</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 268,194,022	\$ 231,913,692	\$ 218,250,104	\$ 216,169,864	\$ 217,388,594	\$ 204,298,944
19.38%	19.39%	18.88%	18.38%	17.74%	16.89%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's Proportion of the Net OPEB Liability	2.74%	2.81%	2.83%	2.93%
District's proportionate share of the net OPEB liability	\$ 19,534,131	\$ 22,954,399	\$ 24,373,919	\$ 27,831,618
District's covered payroll	\$ 302,452,026	\$ 285,293,287	\$ 270,560,898	\$ 270,853,534
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	6.46%	8.05%	9.01%	10.28%
Plan fiduciary net position as a percentage of the total OPEB liability	40.16%	38.60%	39.40%	32.78%

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

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

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 3,214,504	\$ 2,993,484	\$ 2,801,638	\$ 2,686,976
Contributions in relation to the statutorily required contribution	<u>(3,214,504)</u>	<u>(2,993,484)</u>	<u>(2,801,638)</u>	<u>(2,686,976)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 315,147,449	\$ 293,478,809	\$ 274,670,416	\$ 263,428,993
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

*The amounts presented in this schedule represent a fiscal year, July 1 through June 30.
Contributions and covered payroll includes component unit's OPEB amounts through 2014.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,735,579	\$ 2,365,520	\$ 2,226,151	\$ 2,204,933	\$ 2,217,364	\$ 2,083,849
<u>(2,735,579)</u>	<u>(2,365,520)</u>	<u>(2,226,151)</u>	<u>(2,204,933)</u>	<u>(2,217,364)</u>	<u>(2,083,849)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 268,194,022	\$ 231,913,692	\$ 218,250,104	\$ 216,169,864	\$ 217,388,594	\$ 204,298,944
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Notes to Required Supplementary Information

NOTE 1 Budgetary Comparison Schedules

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

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

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

Significant changes in plan provisions affecting trends in actuarial information – 2023 Changes in plan provisions since 2022

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

Significant changes in assumptions or other inputs affecting trends in actuarial information – 2023 Changes in assumptions or other inputs since 2022

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

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

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

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

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

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

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

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

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

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

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

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

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

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

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

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

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

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

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

Significant changes in plan provisions affecting trends in actuarial information – 2023 Changes in plan provisions since 2022:

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

Significant changes in assumptions or other inputs affecting trends in actuarial information – 2023 changes in assumptions or other inputs since 2022

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

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

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

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

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

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
 - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub 2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

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

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

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**



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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Major Governmental Funds

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

ADAMS 12 FIVE STAR SCHOOLS
Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Food Service	BASE	Pupil Activity	Interscholastic Athletic
ASSETS				
Cash and investments	\$ 4,320	\$ -	\$ -	\$ 14,700
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Intergovernmental	58,035	-	-	-
Other	53,527	-	-	-
Due from other funds	12,687,820	5,095,453	5,060,421	1,981,479
Inventories	192,572	-	-	-
Prepaid items	-	-	3,588	-
Total assets	<u>12,996,274</u>	<u>5,095,453</u>	<u>5,064,009</u>	<u>1,996,179</u>
LIABILITIES				
Accounts payable	69,513	72	27,547	17,959
Accrued salaries and benefits	32,026	220,072	2,967	103,442
Unearned revenue-other	179,999	-	-	-
Total liabilities	<u>281,538</u>	<u>220,144</u>	<u>30,514</u>	<u>121,401</u>
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable - prepaid items	192,572	-	3,588	-
Restricted for:				
Food service	12,522,164	-	-	-
Assigned	-	4,875,309	5,029,907	1,874,778
Total fund balances	<u>12,714,736</u>	<u>4,875,309</u>	<u>5,033,495</u>	<u>1,874,778</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 12,996,274</u>	 <u>\$ 5,095,453</u>	 <u>\$ 5,064,009</u>	 <u>\$ 1,996,179</u>

Interscholastic Athletic	Other	Total Nonmajor Governmental Funds
\$ 14,700	\$ -	\$ 19,020
-	-	-
-	-	58,035
-	-	53,527
1,981,479	3,363,412	28,188,585
-	3,717	196,289
-	-	3,588
<u>1,996,179</u>	<u>3,367,129</u>	<u>28,519,044</u>
17,959	6,629	121,720
103,442	28,035	386,542
-	-	179,999
<u>121,401</u>	<u>34,664</u>	<u>688,261</u>
-	-	-
-	3,717	199,877
-	-	12,522,164
<u>1,874,778</u>	<u>3,328,748</u>	<u>15,108,742</u>
<u>1,874,778</u>	<u>3,332,465</u>	<u>27,830,783</u>
<u>\$ 1,996,179</u>	<u>\$ 3,367,129</u>	<u>\$ 28,519,044</u>

ADAMS 12 FIVE STAR SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2024

	Food Service	BASE	Pupil Activity	Interscholastic Athletic
REVENUES				
Local:				
Pupil activities	\$ -	\$ -	\$ 3,633,173	\$ 793,673
Tuition	-	686,356	-	-
Gifts and grants	-	-	319,489	-
Charges for services	895,273	-	-	-
Rental of buildings	-	-	-	236,761
Other	6,384	6,159,871	225,870	-
State:				
Grants	5,577,087	-	-	-
Federal	11,212,974	-	-	-
Total revenues	<u>17,691,718</u>	<u>6,846,227</u>	<u>4,178,532</u>	<u>1,030,434</u>
EXPENDITURES				
Current:				
Instruction	-	-	4,349,060	3,195,320
Special education	-	-	2,842	-
Pupil support	-	-	3	-
Instructional staff support	-	-	-	206,314
School administration	-	-	58	-
General administration	-	-	-	-
Business administration	-	-	-	-
Operations and maintenance	10,827	-	16,852	2,670
Transportation services	-	-	1,192	-
Personnel/data/risk management	-	65	-	-
Other support services	126,633	6,657,750	-	27,733
Food service operations	16,693,504	-	-	-
Total expenditures	<u>16,830,964</u>	<u>6,657,815</u>	<u>4,370,007</u>	<u>3,432,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>860,754</u>	<u>188,412</u>	<u>(191,475)</u>	<u>(2,401,603)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	255,019	2,598,749
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>255,019</u>	<u>2,598,749</u>
Net change in fund balances	<u>860,754</u>	<u>188,412</u>	<u>63,544</u>	<u>197,146</u>
Fund balances, beginning of year	11,853,982	4,686,897	4,969,951	1,677,632
Fund balances, end of year	<u>\$ 12,714,736</u>	<u>\$ 4,875,309</u>	<u>\$ 5,033,495</u>	<u>\$ 1,874,778</u>

	Total Nonmajor Governmental	
Other	Funds	
\$ 798,322	\$ 5,225,168	
-	686,356	
551,859	871,348	
-	895,273	
775,934	1,012,695	
332,538	6,724,663	
61,701	5,638,788	
-	11,212,974	
<u>2,520,354</u>	<u>32,267,265</u>	
986,847	8,531,227	
268	3,110	
124,263	124,266	
124,437	330,751	
324,436	324,494	
149	149	
187,312	187,312	
755,274	785,623	
24,501	25,693	
-	65	
91,832	6,903,948	
(5,323)	16,688,181	
<u>2,613,996</u>	<u>33,904,819</u>	
<u>(93,642)</u>	<u>(1,637,554)</u>	
-	2,853,768	
<u>(261,063)</u>	<u>(261,063)</u>	
<u>(261,063)</u>	<u>2,592,705</u>	
<u>(354,705)</u>	<u>955,151</u>	
3,687,170	26,875,632	
<u>\$ 3,332,465</u>	<u>\$ 27,830,783</u>	

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Food Service Special Revenue
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Charges for services	\$ 1,028,701	\$ 1,028,701	\$ 895,273	\$ (133,428)
Other	10,000	10,000	6,384	(3,616)
Net earnings on investments	17,500	17,500	-	(17,500)
State:				
Grants	4,844,901	4,844,901	5,577,087	732,186
Federal	8,486,627	8,486,627	11,212,974	2,726,347
Total revenues	<u>14,387,729</u>	<u>14,387,729</u>	<u>17,691,718</u>	<u>3,303,989</u>
EXPENDITURES				
Current:				
Operations and maintenance	-	-	10,827	(10,827)
Other support services	187,978	187,978	126,633	61,345
Food service operations	<u>15,110,727</u>	<u>15,110,727</u>	<u>16,693,504</u>	<u>(1,582,777)</u>
Total expenditures	<u>15,298,705</u>	<u>15,298,705</u>	<u>16,830,964</u>	<u>(1,532,259)</u>
Excess (deficiency) of revenues over (under) expenditures	(910,976)	(910,976)	860,754	1,771,730
Net change in fund balances*	(910,976)	(910,976)	860,754	1,771,730
Fund balances, beginning of year	<u>10,385,037</u>	<u>11,853,982</u>	<u>11,853,982</u>	-
Fund balances, end of year	<u>\$ 9,474,061</u>	<u>\$ 10,943,006</u>	<u>\$ 12,714,736</u>	<u>\$ 1,771,730</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Before, After, and Summer Enrichment Special Revenue
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative) to Actuals
	Original	Final		
REVENUES				
Local:				
Tuition	\$ 320,326	\$ 320,326	\$ 686,356	\$ 366,030
Other	7,205,405	7,205,405	6,159,871	(1,045,534)
Total revenues	<u>7,525,731</u>	<u>7,525,731</u>	<u>6,846,227</u>	<u>(679,504)</u>
EXPENDITURES				
Current:				
Personnel/data/risk management	-	-	65	(65)
Other support services	7,492,896	7,492,896	6,657,750	835,146
Total expenditures	<u>7,492,896</u>	<u>7,492,896</u>	<u>6,657,815</u>	<u>835,081</u>
Excess (deficiency) of revenues over (under) expenditures	32,835	32,835	188,412	155,577
Net change in fund balances*	32,835	32,835	188,412	155,577
Fund balances, beginning of year	2,992,049	4,686,897	4,686,897	-
Fund balances, end of year	<u>\$ 3,024,884</u>	<u>\$ 4,719,732</u>	<u>\$ 4,875,309</u>	<u>\$ 155,577</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Pupil Activity Special Revenue
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Pupil activities	\$ 3,704,164	\$ 4,442,269	\$ 3,633,173	\$ (809,096)
Gifts and grants	-	-	319,489	319,489
Other	-	-	225,870	225,870
Net earnings on investments	4,200	4,200	-	(4,200)
Total revenues	<u>3,708,364</u>	<u>4,446,469</u>	<u>4,178,532</u>	<u>(267,937)</u>
EXPENDITURES				
Current:				
Instruction	3,670,159	4,640,186	4,349,060	291,126
Special education	-	-	2,842	(2,842)
Pupil support	-	-	3	(3)
School administration	-	-	58	(58)
Operations and maintenance	-	-	16,852	(16,852)
Transportation services	-	-	1,192	(1,192)
Total expenditures	<u>3,670,159</u>	<u>4,640,186</u>	<u>4,370,007</u>	<u>270,179</u>
Excess (deficiency) of revenues over (under) expenditures	38,205	(193,717)	(191,475)	2,242
OTHER FINANCING SOURCES (USES)				
Transfers in	255,019	255,019	255,019	-
Total other financing sources (uses)	<u>255,019</u>	<u>255,019</u>	<u>255,019</u>	<u>-</u>
Net change in fund balances*	293,224	61,302	63,544	2,242
Fund balances, beginning of year	4,646,270	4,969,951	4,969,951	-
Fund balances, end of year	<u>\$ 4,939,494</u>	<u>\$ 5,031,253</u>	<u>\$ 5,033,495</u>	<u>\$ 2,242</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Interscholastic Athletic Special Revenue
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative) to Actuals
	Original	Final		
REVENUES				
Local:				
Pupil activities	\$ 761,250	\$ 761,250	\$ 793,673	\$ 32,423
Rental of buildings	305,000	305,000	236,761	(68,239)
Total revenues	<u>1,066,250</u>	<u>1,066,250</u>	<u>1,030,434</u>	<u>(35,816)</u>
EXPENDITURES				
Current:				
Instruction	3,483,029	3,455,315	3,195,320	259,995
Instructional staff support	201,115	213,829	206,314	7,515
Operations and maintenance	3,100	18,100	2,670	15,430
Other support services	24,054	24,054	27,733	(3,679)
Total expenditures	<u>3,711,298</u>	<u>3,711,298</u>	<u>3,432,037</u>	<u>279,261</u>
Excess (deficiency) of revenues over (under) expenditures	(2,645,048)	(2,645,048)	(2,401,603)	243,445
OTHER FINANCING SOURCES (USES)				
Transfers in	2,598,749	2,598,749	2,598,749	-
Total other financing sources (uses)	<u>2,598,749</u>	<u>2,598,749</u>	<u>2,598,749</u>	<u>-</u>
Net change in fund balances*	(46,299)	(46,299)	197,146	243,445
Fund balances, beginning of year	1,734,130	1,677,632	1,677,632	-
Fund balances, end of year	<u>\$ 1,687,831</u>	<u>\$ 1,631,333</u>	<u>\$ 1,874,778</u>	<u>\$ 243,445</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Other Special Revenue
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Pupil activities	\$ 724,000	\$ 724,000	\$ 798,322	\$ 74,322
Gifts and grants	763,240	763,240	551,859	(211,381)
Rental of buildings	552,343	552,343	775,934	223,591
Other	409,098	409,098	332,538	(76,560)
State:				
Grants	-	-	61,701	61,701
Total revenues	<u>2,448,681</u>	<u>2,448,681</u>	<u>2,520,354</u>	<u>71,673</u>
EXPENDITURES				
Current:				
Instruction	1,354,189	1,354,189	986,847	367,342
Special education	-	-	268	(268)
Pupil support	962,341	962,341	124,263	838,078
Instructional staff support	779,433	779,433	124,437	654,996
School administration	-	-	324,436	(324,436)
General administration	-	-	149	(149)
Business administration	77,891	77,891	187,312	(109,421)
Operations and maintenance	551,142	551,142	755,274	(204,132)
Transportation services	-	-	24,501	(24,501)
Other support services	165,652	165,652	91,832	73,820
Food service operations	-	-	(5,323)	5,323
Facilities acquisition and improvements	2,546	2,546	-	2,546
Total expenditures	<u>3,893,194</u>	<u>3,893,194</u>	<u>2,613,996</u>	<u>1,279,198</u>
Excess (deficiency) of revenues over (under) expenditures	(1,444,513)	(1,444,513)	(93,642)	1,350,871
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,100,000)	(261,063)	838,937
Total other financing sources (uses)	-	(1,100,000)	(261,063)	838,937
Net change in fund balances*	(1,444,513)	(2,544,513)	(354,705)	2,189,808
Fund balances, beginning of year	3,573,601	3,687,170	3,687,170	-
Fund balances, end of year	<u>\$ 2,129,088</u>	<u>\$ 1,142,657</u>	<u>\$ 3,332,465</u>	<u>\$ 2,189,808</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Bond Redemption - Debt Service
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with Final Budget Positive (Negative) to Actuals
	Original	Final		
REVENUES				
Local:				
Property taxes	\$ 72,117,113	\$ 79,219,513	\$ 79,313,253	\$ 93,740
Net earnings on investments	-	900,000	729,344	(170,656)
Total revenues	<u>72,117,113</u>	<u>80,119,513</u>	<u>80,042,597</u>	<u>(76,916)</u>
EXPENDITURES				
Debt service:				
Principal	24,375,000	24,375,000	24,375,000	-
Interest	16,436,925	16,436,925	16,436,925	-
Bond issuance and other costs	16,000	16,000	28,662	(12,662)
Total expenditures	<u>40,827,925</u>	<u>40,827,925</u>	<u>40,840,587</u>	<u>(12,662)</u>
Excess (deficiency) of revenues over (under) expenditures	31,289,188	39,291,588	39,202,010	(89,578)
Net change in fund balances*	31,289,188	39,291,588	39,202,010	(89,578)
Fund balances, beginning of year	63,249,987	71,678,333	71,678,333	-
Fund balances, end of year	<u>\$ 94,539,175</u>	<u>\$ 110,969,921</u>	<u>\$ 110,880,343</u>	<u>\$ (89,578)</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Building - Capital Projects
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Gifts and grants	\$ -	\$ -	\$ 650,000	\$ 650,000
Other	-	-	6,440	6,440
Net earnings on investments	271,658	631,658	699,342	67,684
Federal	-	-	200,000	200,000
Total revenues	<u>271,658</u>	<u>631,658</u>	<u>1,555,782</u>	<u>924,124</u>
EXPENDITURES				
Current:				
Operations and maintenance	-	-	195	(195)
Transportation services	1,090,747	1,090,747	586,326	504,421
Personnel/data/risk management	-	-	14,003	(14,003)
Facilities acquisition and improvements	22,222,416	22,222,416	14,364,788	7,857,628
Debt service:				
Bond issuance and other costs	-	-	9,455	(9,455)
Contingency and appropriated reserves	-	171,899	-	171,899
Total expenditures	<u>23,313,163</u>	<u>23,485,062</u>	<u>14,974,767</u>	<u>8,510,295</u>
Excess (deficiency) of revenues over (under) expenditures	(23,041,505)	(22,853,404)	(13,418,985)	9,434,419
Net change in fund balances*	(23,041,505)	(22,853,404)	(13,418,985)	9,434,419
Fund balances, beginning of year	23,041,505	23,213,404	23,213,404	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 360,000</u>	<u>\$ 9,794,419</u>	<u>\$ 9,434,419</u>

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

ADAMS 12 FIVE STAR SCHOOLS
Budgetary Comparison Schedule
Capital Reserve - Capital Projects
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actuals	Variance with
	Original	Final		Final Budget Positive (Negative) to Actuals
REVENUES				
Local:				
Property taxes	\$ 500,000	\$ 500,000	\$ 1,423,466	\$ 923,466
Rental of buildings	1,219,367	1,219,367	1,230,424	11,057
Other	648,575	656,117	1,047,381	391,264
Net earnings on investments	1,100,000	2,300,000	3,440,853	1,140,853
Total revenues	<u>3,467,942</u>	<u>4,675,484</u>	<u>7,142,124</u>	<u>2,466,640</u>
EXPENDITURES				
Current:				
Business administration	842,035	842,035	1,016,897	(174,862)
Operations and maintenance	1,426,847	1,426,847	1,647,851	(221,004)
Transportation services	977,940	977,940	82,693	895,247
Personnel/data/risk management	15,000	15,000	-	15,000
Facilities acquisition and improvements	950,000	5,990,000	7,942,766	(1,952,766)
Debt service:				
Principal	2,503,468	2,503,468	2,808,139	(304,671)
Interest	451,811	451,811	549,330	(97,519)
Total expenditures	<u>7,167,101</u>	<u>12,207,101</u>	<u>14,047,676</u>	<u>(1,840,575)</u>
Excess (deficiency) of revenues over (under) expenditures	(3,699,159)	(7,531,617)	(6,905,552)	626,065
OTHER FINANCING SOURCES (USES)				
Transfers in	2,710,004	2,710,004	2,710,004	-
Issuance of lease	-	-	2,053,209	2,053,209
Total other financing sources (uses)	<u>2,710,004</u>	<u>2,710,004</u>	<u>4,763,213</u>	<u>2,053,209</u>
Net change in fund balances*	(989,155)	(4,821,613)	(2,142,339)	2,679,274
Fund balances, beginning of year	28,497,824	30,687,909	30,687,909	-
Fund balances, end of year	<u>\$ 27,508,669</u>	<u>\$ 25,866,296</u>	<u>\$ 28,545,570</u>	<u>\$ 2,679,274</u>

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

COMPONENT UNITS

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

ADAMS 12 FIVE STAR SCHOOLS
Combining Statement of Net Position
Component Units
June 30, 2024

	Charter Schools				
	Stargate	Westgate Community	Prospect Ridge Academy	New America School - Thornton	Total Charter Schools
ASSETS					
Cash and investments - unrestricted	\$ 10,127,844	\$ 4,385,876	\$ 3,318,621	\$ 1,209,895	\$ 19,042,236
Cash and investments - restricted	3,119,356	780,833	2,875,655	525,048	7,300,892
Intergovernmental receivables	280,647	-	97,913	10,609	389,169
Other receivables	4,138	126,572	65,179	103,025	298,914
Prepaid items	94,160	50,017	98,312	3,829	246,318
Capital assets not being depreciated	3,243,069	2,834,000	4,758,319	-	10,835,388
Capital assets, net of accumulated depreciation/amortization	<u>38,207,263</u>	<u>7,279,243</u>	<u>33,777,091</u>	<u>5,176,585</u>	<u>84,440,182</u>
Total assets	<u>55,076,477</u>	<u>15,456,541</u>	<u>44,991,090</u>	<u>7,028,991</u>	<u>122,553,099</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	5,994,400	2,568,553	7,693,291	629,483	16,885,727
OPEB related	157,691	74,818	185,340	16,224	434,073
Total deferred outflows of resources	<u>6,152,091</u>	<u>2,643,371</u>	<u>7,878,631</u>	<u>645,707</u>	<u>17,319,800</u>
LIABILITIES					
Accounts payable	143,008	24,515	15,140	10,890	193,553
Accrued salaries and benefits	1,544,832	283,170	836,648	89,827	2,754,477
Accrued interest payable	139,075	129,600	488,431	-	757,106
Unearned revenues	-	-	158,195	52,051	210,246
Noncurrent liabilities:					
Due within one year	854,643	150,000	691,693	176,095	1,872,431
Due in more than one year:					
Net pension liability	38,329,531	7,374,884	38,552,904	5,101,458	89,358,777
Net OPEB liability	25,038,152	9,068,321	25,466,364	3,033,115	62,605,952
Net OPEB liability	<u>604,570</u>	<u>218,964</u>	<u>614,910</u>	<u>73,238</u>	<u>1,511,682</u>
Total liabilities	<u>66,653,811</u>	<u>17,249,454</u>	<u>66,824,285</u>	<u>8,536,674</u>	<u>159,264,224</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	297,306	195,793	979,395	506,384	1,978,878
OPEB related	187,920	68,097	191,233	68,470	515,720
Total deferred inflows of resources	<u>485,226</u>	<u>263,890</u>	<u>1,170,628</u>	<u>574,854</u>	<u>2,494,598</u>
NET POSITION					
Net investment in capital assets	2,312,681	2,588,359	(1,011,113)	(100,968)	3,788,959
Restricted for:					
TABOR emergency reserve	681,188	223,118	512,508	100,573	1,517,387
Debt service	2,980,281	780,833	2,724,904	525,048	7,011,066
Special education	200,000	200,000	125,000	-	525,000
Unrestricted	<u>(12,084,619)</u>	<u>(3,205,742)</u>	<u>(17,476,491)</u>	<u>(1,961,483)</u>	<u>(34,728,335)</u>
Total net position	<u>\$ (5,910,469)</u>	<u>\$ 586,568</u>	<u>\$ (15,125,192)</u>	<u>\$ (1,436,830)</u>	<u>\$ (21,885,923)</u>

STATE REQUIRED REPORT

Colorado Department of Education – Auditors Integrity Check

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



Colorado Department of Education

Auditors Integrity Report

District: 0020 - Adams 12 Five Star Schools

Fiscal Year 2023-24

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	Ending Fund Balance
Governmental	+	-	=	
10 General Fund	100,693,644	456,728,679	437,698,700	119,723,623
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	100,693,644	456,728,679	437,698,700	119,723,623
11 Charter School Fund	16,398,296	60,437,556	58,964,212	17,871,640
20,26-29 Special Revenue Fund	10,051,700	12,734,700	12,703,848	10,082,551
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	11,853,982	17,691,718	16,830,964	12,714,736
22 Govt Designated-Purpose Grants Fund	0	47,761,524	47,761,524	0
23 Pupil Activity Special Revenue Fund	4,969,951	4,433,552	4,370,008	5,033,495
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	71,678,333	80,042,597	40,840,587	110,880,343
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	23,213,404	1,555,782	14,974,766	9,794,420
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	30,687,909	11,905,337	14,047,676	28,545,570
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	269,547,219	693,291,444	648,192,285	314,646,378
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

Statistical Section



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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

FINANCIAL TRENDS
Net Position by Component

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

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 145,038,966	\$ 163,015,412	\$ 147,159,979	\$ 178,067,913
Restricted	63,890,686	70,250,428	71,516,770	78,607,227
Unrestricted	(625,268,715)	(657,867,115)	(858,420,907)	(1,160,986,216)
Total governmental activities net position	\$ (416,339,063)	\$ (424,601,275)	\$ (639,744,158)	\$ (904,311,076)

2019	2020	2021	2022	2023	2024
\$ 196,339,493	\$ 216,718,472	\$ 217,662,648	\$ 225,561,525	\$ 309,979,448	\$ 305,889,622
283,327,839	204,781,811	188,840,783	147,907,890	96,919,813	138,488,010
(1,233,328,810)	(993,807,395)	(799,094,888)	(535,834,322)	(541,900,308)	(540,009,196)
\$ (753,661,478)	\$ (572,307,112)	\$ (392,591,457)	\$ (162,364,907)	\$ (135,001,047)	\$ (95,631,564)

Changes in Net Position

ADAMS 12 FIVE STAR SCHOOLS

Financial Trends Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental activities:				
Direct Instruction	\$ 217,179,196	\$ 232,478,810	\$ 367,274,260	\$ 382,902,884
Indirect Instruction	58,613,866	65,909,683	66,270,495	72,239,890
Other Support Programs	72,883,709	80,863,780	156,778,489	181,577,452
Charter school funding	19,391,201	23,186,915	35,740,446	23,164,902
Interest expense, unallocated	34,388,947	23,185,957	28,356,597	18,544,253
Total governmental activities expenses	402,456,919	425,625,145	654,420,287	678,429,381
Total primary government expenses	\$ 402,456,919	\$ 425,625,145	\$ 654,420,287	\$ 678,429,381
Program Revenues				
Governmental activities:				
Charges for services:				
Direct Instruction	\$ 3,130,072	\$ 3,436,695	\$ 11,628,380	\$ 11,552,685
Indirect Instruction	792,885	676,633	-	-
Other Support Programs	14,427,437	14,938,507	14,677,103	14,945,360
Charter School Funding	382,008	443,099	414,677	501,988
Operating grants and contributions:				
Direct Instruction	20,126,032	20,487,996	20,569,291	23,721,969
Indirect Instruction	7,752,585	7,943,535	7,394,343	8,019,330
Other Support Programs	10,700,393	10,486,734	11,856,009	9,849,959
Capital grants and contributions:				
Other Support Programs	-	-	-	-
Total governmental activities program revenues	57,311,412	58,413,199	66,539,803	68,591,291
Total primary government program revenues	\$ 57,311,412	\$ 58,413,199	\$ 66,539,803	\$ 68,591,291
Net (Expense)/Revenue				
Governmental activities	\$ (345,145,507)	\$ (367,211,946)	\$ (587,880,484)	\$ (609,838,090)
Total primary government net expense	\$ (345,145,507)	\$ (367,211,946)	\$ (587,880,484)	\$ (609,838,090)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Local property taxes	\$ 122,794,404	\$ 136,517,005	\$ 138,732,861	\$ 157,040,586
Specific ownership taxes	10,222,765	11,093,715	12,034,731	13,862,710
Intergovernmental, unrestricted	200,859,028	206,985,977	206,131,592	205,047,241
Intergovernmental agreements	2,302,560	2,733,756	-	-
Other	103,728	-	2,964,474	428,313
Earnings on investments	576,636	1,619,236	2,715,194	3,729,733
Gain (loss) on disposal of assets	1,525	-	-	-
Total governmental activities:	336,860,646	358,949,689	362,578,852	380,108,583
Business-type activities:				
Earnings on investments	-	-	-	-
Total business-type activities:	-	-	-	-
Total primary government	\$ 336,860,646	\$ 358,949,689	\$ 362,578,852	\$ 380,108,583
Change in Net Position				
Governmental activities	\$ (8,284,861)	\$ (8,262,257)	\$ (227,999,058)	\$ (229,729,507)
Total primary government	\$ (8,284,861)	\$ (8,262,257)	\$ (227,999,058)	\$ (229,729,507)

	2019	2020	2021	2022	2023	2024
\$	173,813,445	\$ 180,856,812	\$ 162,505,387	\$ 183,496,770	\$ 324,493,622	\$ 310,801,013
	69,539,489	76,762,268	78,091,543	57,709,132	76,739,956	74,409,829
	65,012,278	57,209,135	54,184,925	72,290,089	170,870,236	191,269,241
	29,981,478	35,487,122	34,423,655	38,619,459	41,509,858	40,078,587
	19,685,817	19,438,806	20,702,263	23,884,340	21,424,384	16,948,377
	358,032,507	369,754,143	349,907,773	375,999,790	635,038,056	633,507,047
\$	358,032,507	\$ 369,754,143	\$ 349,907,773	\$ 375,999,790	\$ 635,038,056	\$ 633,507,047
\$	11,962,972	\$ 8,464,291	\$ 4,960,479	\$ 6,507,333	\$ 4,543,641	\$ 4,989,579
	-	-	-	153,085	-	-
	17,540,836	13,809,141	5,713,807	8,289,791	13,796,073	10,247,852
	828,854	1,120,322	1,125,164	1,981,560	1,253,140	1,196,885
	21,072,216	32,487,124	39,112,465	97,026,733	111,128,212	74,877,132
	8,551,922	10,953,215	12,532,681	17,709,455	8,832,321	8,576,105
	12,915,585	20,710,559	33,872,446	682,115	17,950,942	20,128,349
	-	-	-	-	764,247	901,893
	72,872,385	87,544,653	97,317,042	132,350,072	158,268,576	120,917,795
\$	72,872,385	\$ 87,544,653	\$ 97,317,042	\$ 132,350,072	\$ 158,268,576	\$ 120,917,795
\$	(285,160,122)	\$ (282,209,490)	\$ (252,590,731)	\$ (243,649,718)	\$ (476,769,480)	\$ (512,589,252)
\$	(285,160,122)	\$ (282,209,490)	\$ (252,590,731)	\$ (243,649,718)	\$ (476,769,480)	\$ (512,589,252)
\$	186,202,843	\$ 214,043,518	\$ 211,350,903	\$ 228,979,094	\$ 232,546,342	\$ 271,649,821
	14,658,993	13,704,723	13,025,604	12,142,272	14,197,956	13,009,968
	221,675,173	226,389,820	207,217,662	230,882,915	247,014,339	254,111,356
	-	-	-	-	-	-
	2,071,028	789,794	154,936	3,339,933	1,889,637	1,680,811
	11,201,683	8,636,001	557,281	(1,471,779)	8,488,580	11,506,779
	-	-	-	3,833	(3,514)	-
	435,809,720	463,563,856	432,306,386	473,876,268	504,133,340	551,958,735
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	435,809,720	\$ 463,563,856	\$ 432,306,386	\$ 473,876,268	\$ 504,133,340	\$ 551,958,735
\$	150,649,598	\$ 181,354,366	\$ 179,715,655	\$ 230,226,550	\$ 27,363,860	\$ 39,369,483
\$	150,649,598	\$ 181,354,366	\$ 179,715,655	\$ 230,226,550	\$ 27,363,860	\$ 39,369,483

Fund Balances of Governmental Funds

ADAMS 12 FIVE STAR SCHOOLS

Financial Trends Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 899,916	\$ 1,854,645	\$ 1,521,776	\$ 2,452,889
Restricted	19,154,089	18,894,678	18,868,915	19,199,644
Committed	2,492,101	11,103,922	11,679,868	12,389,195
Assigned	13,951,419	4,062,219	841,530	5,181,523
Unassigned	5,893,576	-	4,671,160	8,547,150
Total General Fund	\$ 42,391,101	\$ 35,915,464	\$ 37,583,249	\$ 47,770,401
All Other Governmental Funds				
Nonspendable:				
Inventory	\$ 210,395	\$ 147,083	\$ 149,139	\$ 121,812
Prepaid Items	54,641	47,557	83,613	88,535
Restricted for:				
Tabor 3% Emergency Reserve	-	761,737	1,096,140	1,001,283
Debt Service Fund	53,111,796	58,654,446	58,855,679	66,411,355
Capital Projects	26,866,762	24,997,937	269,711,636	212,984,403
Food Service	5,409,523	4,194,883	3,887,732	3,279,535
Committed to:				
Athletics	364,592	423,947	359,998	343,832
Child Care	3,145,553	2,391,491	1,929,598	792,548
Transportation	669,158	-	-	-
Capital Projects	10,111,685	12,248,536	33,766,084	14,884,608
Activity Special Revenue	-	-	6,468,253	10,280,184
Risk Management	-	-	-	-
Assigned to:				
Capital Projects	2,506,772	-	-	-
Designated Purpose Grants	-	(33,491)	-	-
Assigned Fund Balance	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	\$ 102,450,877	\$ 103,834,126	\$ 376,307,872	\$ 310,188,095

Note: In Fiscal Year 2011, the District adopted GASB 54, Fund Balance Reporting and Fund Type Definitions, changing the titles and classifications of fund balances.

	2019	2020	2021	2022	2023	2024
\$	2,420,674	\$ 2,479,831	\$ 2,587,055	\$ 2,157,937	\$ 2,173,152	\$ 2,377,516
	19,381,266	19,776,229	21,102,884	21,728,281	23,110,430	32,150,939
	12,658,458	12,498,349	14,947,500	20,268,174	-	-
	27,287,783	41,222,766	29,548,888	38,036,781	53,336,612	64,242,706
	6,135,072	9,949,454	9,209,095	11,879,790	22,073,450	20,952,462
\$	67,883,253	\$ 85,926,629	\$ 77,395,422	\$ 94,070,963	\$ 100,693,644	\$ 119,723,623
\$	98,195	\$ 199,538	\$ 128,548	\$ 164,378	\$ 167,078	\$ 196,289
	46,323	45,863	469,075	492,675	107,221	3,588
	1,560,390	1,172,761	884,512	768,244	-	-
	73,611,261	90,302,546	111,657,094	124,376,814	71,678,333	110,880,343
	196,778,514	100,435,455	58,970,177	38,750,381	23,213,404	9,794,419
	3,373,141	2,858,071	6,479,302	10,820,338	11,688,162	12,522,164
	505,365	-	308,452	246,942	-	-
	464,770	-	913,644	2,559,476	-	-
	-	-	-	-	-	-
	22,524,079	25,907,510	28,327,498	26,440,977	-	-
	13,509,893	14,063,931	14,384,455	17,543,089	-	-
	-	-	-	-	-	-
	-	-	-	-	30,612,319	28,545,570
	-	-	-	-	-	-
	-	3,881,481	-	-	14,988,761	15,108,742
	-	-	-	(2,294,998)	-	-
\$	312,471,931	\$ 238,867,156	\$ 222,522,757	\$ 219,868,316	\$ 152,455,278	\$ 177,051,115

Changes in Fund Balances of Governmental Funds

ADAMS 12 FIVE STAR SCHOOLS

Financial Trends Schedule 4

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018
Revenues				
Taxes	\$ 133,716,439	\$ 146,675,513	\$ 151,450,944	\$ 170,631,184
State	216,715,737	223,377,140	222,924,367	223,040,936
Federal	24,037,648	24,470,458	23,479,402	23,883,740
Local	7,133,593	19,633,379	25,882,394	26,451,141
Mineral Leases	37,520	31,946	19,551	17,338
Investment Earnings	576,636	1,619,236	2,715,194	3,729,733
Miscellaneous	12,653,755	620,009	632,729	673,690
Total revenues	394,871,328	416,427,681	427,104,581	448,427,762
Expenditures				
Direct Instruction	191,442,866	200,880,489	203,923,568	200,899,049
Indirect Instruction	54,922,617	60,590,339	59,791,273	64,409,299
Other Support Programs	78,201,170	82,031,282	82,915,251	83,519,090
Charter school funding	19,391,201	23,186,915	35,740,446	23,164,902
Debt service:				
Principal	25,988,689	30,614,131	30,344,633	27,575,188
Interest	13,958,345	15,699,284	20,860,230	24,654,890
Bond issuance costs	931,108	454,878	1,568,249	26,258
Capital outlay	13,654,621	11,060,329	13,712,204	80,111,711
Total expenditures	398,490,617	424,517,647	448,855,854	504,360,387
Excess of revenues over (under) expenditure:	(3,619,289)	(8,089,966)	(21,751,273)	(55,932,625)
Other Financing Sources (Uses)				
Transfers in	20,123,032	18,632,079	9,592,463	9,261,549
Transfers out	(20,123,032)	(18,632,079)	(9,592,463)	(9,261,549)
Payments to refunded bonds escrow agent	(99,241,278)	(54,472,766)	(65,222,756)	-
Refunding bonds	81,245,325	-	-	-
Issuance of bonds	-	-	319,845,000	-
Bond premium	15,822,745	2,836,956	37,697,041	-
Lease purchase	30,148,442	54,633,388	-	-
Issuance of lease	-	-	-	-
Total other financing sources (uses)	27,975,234	2,997,578	292,319,285	-
Net change in fund balance	\$ 24,355,945	\$ (5,092,388)	\$ 270,568,012	\$ (55,932,625)

	2019	2020	2021	2022	2023	2024
\$	199,729,916	\$ 223,941,939	\$ 225,468,223	\$ 242,592,515	\$ 248,778,596	\$ 285,674,536
	245,676,336	251,961,417	227,789,198	264,502,785	289,081,239	298,618,113
	25,847,555	41,821,748	63,029,535	60,259,520	52,446,755	53,362,812
	29,460,666	21,977,393	11,331,527	20,434,600	28,120,319	21,717,027
	21,007	18,714	14,176	15,727	-	-
	11,201,683	8,636,001	557,281	(1,584,648)	8,488,580	11,506,778
	958,265	7,342,364	2,525,204	1,558,081	-	-
	512,895,428	555,699,576	530,715,144	587,778,580	626,915,489	670,879,266
	218,715,822	238,293,685	243,094,771	251,069,391	271,082,505	277,400,468
	72,742,263	81,408,428	84,034,388	91,154,146	104,465,482	107,184,415
	88,532,937	92,688,024	99,326,400	102,483,158	119,476,915	136,489,529
	29,981,478	35,487,122	34,423,655	38,619,459	41,509,858	40,078,587
	28,808,286	26,465,229	22,444,222	38,494,222	105,654,957	27,183,139
	25,524,923	26,012,476	26,820,625	23,853,203	25,111,016	16,986,255
	355,811	14,500	14,500	15,251	16,750	38,117
	101,885,940	110,891,511	47,529,881	28,054,647	20,388,363	23,946,149
	566,547,460	611,260,975	557,688,442	573,743,477	687,705,846	629,306,659
	(53,652,032)	(55,561,399)	(26,973,298)	14,035,103	(60,790,357)	41,572,607
	17,446,939	18,007,995	18,264,603	43,587,422	18,852,310	5,824,835
	(17,446,939)	(18,007,995)	(18,264,603)	(43,587,422)	(18,852,310)	(5,824,835)
	-	-	-	-	-	-
	-	-	-	-	-	-
	65,000,000	-	2,097,692	-	-	-
	11,048,720	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	1,923,816	-	2,053,209
	76,048,720	-	2,097,692	1,923,816	-	2,053,209
\$	22,396,688	\$ (55,561,399)	\$ (24,875,606)	\$ 15,958,919	\$ (60,790,357)	\$ 43,625,816

REVENUE CAPACITY

Assessed Value and Estimated Actual Value of Taxable Property

ADAMS 12 FIVE STAR SCHOOLS

Revenue Capacity Schedule 5

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Levy Year/ Collection Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	Agricultural Property	Natural Resources
2014/2015	1,194,583,604	367,039,632	15,580,650	31,487,390	459,100	9,880
2015/2016	1,408,185,162	405,637,590	23,257,190	44,509,010	599,790	9,880
2016/2017	1,434,937,543	407,167,480	22,823,790	38,051,010	511,500	9,880
2017/2018	1,722,063,604	476,237,820	22,138,390	53,304,270	440,810	9,910
2018/2019	1,755,716,481	500,061,430	22,860,650	51,350,080	424,600	11,000
2019/2020	2,097,283,275	634,286,190	51,995,130	57,319,650	393,040	11,840
2020/2021	1,874,243,817	776,837,110	52,955,870	57,280,320	425,560	12,060
2021/2022	1,975,890,889	848,625,330	51,627,400	55,641,300	439,030	12,400
2022/2023	1,904,901,447	874,469,770	51,482,400	55,098,840	389,480	12,260
2023/2024	2,245,731,984	1,047,440,090	62,616,490	51,477,630	349,100	11,820

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

Oil and Gas	State Assessed	Personal Property	Total Taxable Assessed Value	Mill Levy General Fund and Bond	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
4,978,500	7,266,384	169,388,364	1,790,793,504	68.78	17,524,070,040	10.22%
8,430,690	7,370,805	178,831,007	2,076,831,124	66.02	20,705,094,601	10.03%
10,519,850	7,433,150	192,136,000	2,113,590,203	65.92	21,082,604,911	10.03%
5,917,280	6,567,290	199,695,670	2,486,375,044	63.26	27,397,199,777	9.08%
2,194,960	6,903,142	190,328,999	2,529,851,342	73.51	28,087,678,829	9.01%
2,067,820	6,768,556	207,394,575	3,057,520,076	69.99	33,930,072,092	9.01%
25,106,420	7,225,610	292,109,350	3,086,196,117	69.79	34,179,804,473	9.03%
76,083,570	7,643,550	319,188,946	3,335,152,415	68.68	36,769,522,004	9.07%
208,663,140	8,501,600	301,443,890	3,404,962,827	68.37	37,156,239,224	9.16%
507,575,460	7,761,560	321,317,330	4,244,281,464	61.76	47,027,747,129	9.03%

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

Fiscal Year	School District Rates			Overlapping Rates	
	General Fund	Debt Service	Total	Adams County	Broomfield County
2015	47.116	21.665	68.781	27.042	15.261
2016	44.352	21.665	66.017	26.817	15.261
2017	44.257	21.665	65.922	27.055	15.261
2018	41.594	21.665	63.259	26.929	15.261
2019	51.845	21.665	73.510	26.864	15.261
2020	48.319	21.665	69.984	26.917	15.261
2021	48.120	21.665	69.785	26.897	15.261
2022	47.012	21.665	68.677	27.069	15.261
2023	46.701	21.665	68.366	26.967	15.261
2024	43.095	18.665	61.760	26.835	15.261

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

Principal Property Taxpayers

ADAMS 12 FIVE STAR SCHOOLS

Revenue Capacity Schedule 7

Principal Property Taxpayers

Most Current Calendar Year Available and Nine Years Ago

(Unaudited)

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Extraction Oil & Gas LLC	\$ 386,400,820	1	9.10%			
PDC Energy Inc.	116,052,700	2	2.73%			
Xcel Energy (Public Service Company of Colorado)	63,718,910	3	1.50%	\$ 47,165,804	1	2.63%
JPMorgan Chase Bank National Association	53,454,590	4	1.26%			
Amazon.com Services LLC	38,890,960	5	0.92%			
TPP Orchard Property LLC	32,930,210	6	0.78%	15,765,840	3	0.88%
Denver Premium Outlets LLC C/O	24,887,060	7	0.59%			
144 Bull Crossing Associates LLC	22,311,620	8	0.53%			
GC Net Lease (Westminster) Investors LLC	19,144,890	9	0.45%	7,105,250	7	0.40%
RLIF 160th Ave SPE LLC	14,511,980	10	0.34%			
Qwest Corp.				21,239,900	2	1.19%
Tri State Generation				10,910,840	4	0.61%
Marketplace at Northglenn (10410-10450 Melody Lane LLC)				10,335,990	5	0.58%
SITE C LLC				8,948,840	6	0.50%
Thornton Town Center				6,153,220	8	0.34%
Target Corporation				5,985,510	9	0.33%
Cellco Partnership FKA Verizon				5,548,450	10	0.31%
Total	<u>\$ 772,303,740</u>		<u>18.20%</u>	<u>\$ 139,159,644</u>		<u>7.77%</u>

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

Note: Total assessed valuation upon which 2024 tax collections are based is \$4,244,281,464

Property Tax Levies and Collections

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

Fiscal Year	Total Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collected ⁽²⁾	Total Tax Collections	Percent of Total Tax Collections To Levy ⁽³⁾
2015	123,172,568	123,147,865	99.9%	185,885	123,333,750	100.1%
2016	137,106,160	135,396,623	98.8%	56,038	135,452,660	98.8%
2017	139,332,094	139,107,064	99.8%	145,235	139,252,298	99.9%
2018	157,285,599	156,377,039	99.4%	233,052	156,610,091	99.6%
2019	185,969,372	184,797,824	99.4%	90,520	184,888,344	99.4%
2020	213,977,485	209,877,121	98.1%	118,706	209,995,827	98.1%
2021	215,370,196	211,628,643	98.3%	554,569	212,183,212	98.5%
2022	229,048,262	229,743,707	100.3%	447,734	230,191,441	100.5%
2023	233,842,632	231,687,216	99.1%	275,372	231,962,589	99.2%
2024	262,126,823	260,313,743	99.3%	357,133	260,670,876	99.4%

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

Notes:

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

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

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

DEBT CAPACITY

Ratios of Outstanding Debt by Type

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Debt to Assessed Value ⁽¹⁾	Percentage of Debt to Personal Income ⁽²⁾	Net Debt Per Capita	Population ⁽³⁾
	General Obligation Bonds	Certificates of Participation	Leases and Contracts Payable					
2015	315,616,943	54,621,679	9,951,329	380,189,951	21.23%	5.35%	1,692	224,741
2016	284,640,274	54,317,570	9,551,402	348,509,246	16.78%	4.74%	1,493	233,505
2017	569,700,159	26,126,320	6,583,703	602,410,182	28.50%	7.86%	2,582	233,342
2018	541,586,058	23,570,999	3,573,515	568,730,572	22.87%	7.03%	2,379	239,051
2019	588,370,519	20,790,754	520,229	609,681,502	24.10%	6.81%	2,446	249,243
2020	557,950,682	18,725,016	-	576,675,698	18.86%	6.41%	2,361	244,209
2021	531,529,541	16,609,278	2,097,692	550,236,511	17.83%	6.15%	2,286	240,739
2022	489,342,095	14,438,540	3,665,721	507,446,356	15.22%	5.30%	2,103	241,271
2023	375,865,941	12,212,802	3,095,764	358,343,566	10.52%	3.25%	1,501	238,683
2024	346,503,257	9,907,064	4,360,834	360,771,155	8.50%	3.07%	1,469	245,598

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

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

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

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

Direct and Overlapping Governmental Activities Debt

ADAMS 12 FIVE STAR SCHOOLS

Debt Capacity Schedule 10

Direct, Overlapping and Underlying Governmental Activities Debt

As of June 30, 2024

(Unaudited)

	Debt	Percentage	Estimated Amount	Percentage of
	Outstanding	Applicable to Adams 12 Five Star Schools	Applicable to Adams 12 Five Star Schools	General Obligation Debt to Actual Property Value ⁽¹⁾
Direct Debt				
Adams 12 Five Star Schools	\$ 360,771,155	100.00%	\$ 360,771,155	0.981%
Overlapping Debt				
Adams County Fire Protection District	485,000	5.56%	26,966	0.000%
Anthem West Metropolitan District	54,585,000	100.00%	54,585,000	0.148%
Aspen Reserve Metropolitan District	3,522,000	100.00%	3,522,000	0.010%
Baseline Metropolitan Districts Nos. 1,2,3,4	91,815,000	100.00%	91,815,000	0.250%
Bradburn Metropolitan District No. 2	15,694,000	100.00%	15,694,000	0.043%
Bradburn Metropolitan District No. 3	7,975,000	100.00%	7,975,000	0.022%
Bramming Farm Metropolitan District No. 1	5,285,000	100.00%	5,285,000	0.014%
Broadlands Metro District No. 2	10,730,000	100.00%	10,730,000	0.029%
Country Club Highlands Metro District	2,055,000	100.00%	2,055,000	0.006%
Country Club Village Metropolitan District No. 1	2,205,000	100.00%	2,205,000	0.006%
Cundall Farms Metropolitan District	13,679,000	100.00%	13,679,000	0.037%
Fallbrook Metropolitan District	1,695,000	100.00%	1,695,000	0.005%
Fallbrook Villas Metropolitan District	2,803,000	100.00%	2,803,000	0.008%
HighPointe Park Metropolitan District	7,046,000	100.00%	7,046,000	0.019%
Homestead Hills Metropolitan District	2,942,000	100.00%	2,942,000	0.008%
Huntington Trails Metropolitan Dist.	5,695,000	100.00%	5,695,000	0.015%
Karl's Farm Metropolitan District No. 2	15,920,000	100.00%	15,920,000	0.043%
Karl's Farm Metropolitan District No. 3	6,295,000	100.00%	6,295,000	0.017%
Lambertson Farms Metropolitan District Nos. 1,2,3	31,350,000	100.00%	31,350,000	0.085%
Lambertson Lakes Metropolitan District	2,970,000	100.00%	2,970,000	0.008%
Larkridge Metropolitan District No. 1	11,440,000	98.48%	11,266,112	0.031%
Lewis Pointe Metropolitan District	8,840,000	100.00%	8,840,000	0.024%
Mayfield Metropolitan District	9,912,000	100.00%	9,912,000	0.027%
McKay Landing Metropolitan Dist. No. 2	7,610,000	100.00%	7,610,000	0.021%
North Metro Fire Rescue District	9,530,000	52.79%	5,030,887	0.014%
Orchard Park Place North Metropolitan District	4,111,000	100.00%	4,111,000	0.011%
PLA Metropolitan District	720,000	100.00%	720,000	0.002%
Red Leaf Metropolitan District No. 2	3,385,000	100.00%	3,385,000	0.009%
RII - DII Business Improvement District	9,203,466	100.00%	9,203,466	0.025%
Spruce Meadows Metropolitan District	2,305,000	100.00%	2,305,000	0.006%
Village at Dry Creek Metropolitan District No. 2	18,405,000	100.00%	18,405,000	0.050%
Villas at Eastlake Reservoir Metropolitan District	2,630,000	100.00%	2,630,000	0.007%
Wildgrass Metropolitan District	9,625,000	89.29%	8,594,163	0.023%
Wildgrass Metropolitan District	4,040,000	100.00%	4,040,000	0.011%
Total Overlapping Debt	<u>386,502,466</u>		<u>380,340,595</u>	
Total Direct and Overlapping Debt	<u>\$ 747,273,621</u>		<u>\$ 741,111,750</u>	

Notes:

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

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

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

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

Ratios of Outstanding Debt by Type

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

Fiscal Year	General Obligation Bonds	Leases and Contracts Payable	Certificates of Participation	Total Outstanding Debt	Percentage of Personal Income ⁽¹⁾	Population ⁽²⁾	Debt per Capita
Governmental Activities							
2015	315,616,943	9,951,329	54,621,679	380,189,951	5.35%	224,741	1,692
2016	284,640,274	9,551,402	54,317,570	348,509,246	4.74%	233,505	1,493
2017	569,700,159	6,583,703	26,126,320	602,410,182	7.86%	233,342	2,582
2018	541,586,058	3,573,515	23,570,999	568,730,572	7.03%	239,051	2,379
2019	588,370,519	520,229	20,790,754	609,681,502	6.81%	249,243	2,446
2020	557,950,682	-	18,725,016	576,675,698	6.41%	244,209	2,361
2021	531,529,541	2,097,692	16,609,278	550,236,511	6.15%	240,739	2,286
2022	489,342,095	3,665,721	14,438,540	507,446,356	5.30%	241,271	2,103
2023	375,865,941	3,095,764	12,212,802	358,343,566	3.25%	238,683	1,501
2024	346,503,257	4,360,834	9,907,064	360,771,155	3.07%	245,598	1,469

Notes:

- (1) Personal income is disclosed on Schedule 14 - Demographic & Economic Statistics
- (2) U.S. Census Bureau ACS 2023 1-Year Survey (Estimates)

Ratios of General Bond Debt Outstanding

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

Fiscal Year Ended 30-Jun	General Obligation Bonds ⁽¹⁾	Less: Amounts Restricted for Debt Service ⁽²⁾	Total	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2015	\$ 315,616,943	\$ 49,527,074	\$ 266,089,869	1.52%	1,184
2016	284,640,274	56,785,386	227,854,888	1.10%	976
2017	569,700,159	58,305,207	511,394,952	2.43%	2,192
2018	541,586,058	66,007,989	475,578,069	1.74%	1,989
2019	588,370,519	73,360,943	515,009,576	1.83%	2,066
2020	557,950,682	91,318,115	466,632,567	1.38%	1,911
2021	531,529,541	112,379,860	419,149,681	1.23%	1,741
2022	489,342,095	124,807,437	364,534,658	0.99%	1,511
2023	375,865,941	71,678,333	271,356,667	0.73%	1,137
2024	346,503,257	110,880,343	235,622,914	0.50%	959

Notes:

- (1) This is the general bonded debt of both governmental and business-type activities
- (2) This is the amount restricted for debt service principal payments. FY2014 through FY2020 have been updated to reflect the Debt Service Net Position amount.
- (3) Estimated actual taxable value can be found on Schedule 5 - Assessed & Actual Property Values
- (4) Population Data can be found on Schedule 14 - Demographic & Economic Statistics

Legal Debt Margin Information

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

Fiscal Year Ended	Gross Certified Assessed Valuation (1)	Debt			Percent of Legal Debt Incurred	Legal Debt Margin	Debt Service Funds Available	Gross Bonded Debt Outstanding	Ratio of
		Limitation (20% of Assessed)	Net Bonded Debt Outstanding	Legal Debt					Gross Bonded Debt
2015	\$ 1,790,793,504	358,158,701	280,548,214	78.33%	\$ 77,610,487	53,111,796	315,616,943	17.62%	
2016	2,076,831,124	415,366,225	252,447,526	60.78%	162,918,699	58,654,446	284,640,274	13.71%	

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

Note:

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and Economic Statistics

ADAMS 12 FIVE STAR SCHOOLS

Demographic and Economic Information Schedule 14

Demographic and Economic Statistics

Last Ten Fiscal/Calendar Years

(Unaudited)

Fiscal/ Calendar Year	Population ⁽¹⁾	Median Age ⁽¹⁾	Head Count ⁽²⁾	Personal Income ⁽³⁾	Per Capita Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2014/2015	224,741	35.7	42,668	7,110,805,240	31,640	4.4%
2015/2016	233,505	35.1	43,205	7,360,077,600	31,520	4.2%
2016/2017	233,342	34.4	43,626	7,667,618,120	32,860	3.5%
2017/2018	239,051	34.4	43,689	8,086,378,177	33,827	3.0%
2018/2019	249,243	34.1	44,094	8,955,051,747	35,929	3.4%
2019/2020	244,209	34.9	43,494	8,996,659,560	36,840	2.9%
2020/2021	240,739	34.0	41,490	8,940,083,504	37,136	3.9%
2021/2022	241,271	35.6	40,936	9,572,185,654	39,674	3.5%
2022/2023	238,683	37.0	40,409	11,023,574,355	46,185	2.8%
2023/2024	245,598	36.6	39,600	11,770,284,150	47,925	4.3%

Notes:

- (1) U.S. Census Bureau American Community Survey 1-Year Estimates (Total Population)
- (2) The enrollment figure is based on the one-day pupil count in October and includes Pinnacle, The Academy, and Global Village Academy charter schools, which lie within District boundaries but are affiliated with the Charter School Institute (CSI)
- (3) U.S. Census Bureau American Community Survey 1-Year Estimates (Mean Income)
- (4) U.S. Bureau of Labor Statistics (Local Area Unemployment)

Principal Employers

ADAMS 12 FIVE STAR SCHOOLS

Demographic and Economic Information Schedule 15

Principal Employers

Current Year and Nine Years Ago

Employer	Product/Service	2023			2014		
		Employees	Rank	Percent of Total District Employment	Employees	Rank	Percent of Total District Employment
Amazon	Retail Distribution	3200	1	2.28%	1056	2	0.85%
Waterworld ⁽¹⁾	Amusement Park	1200	2	0.85%			
Centura Health/St. Anthony North	Hospital	1153	3	0.82%	905	3	0.73%
Maxar Technologies	Satellite Imaging	954	4	0.68%			
Health One: North Suburban Medical Center	Medical and Rehabilitation Clinic	850	5	0.60%	880	5	0.71%
Wal-Mart / Sam's Club (3 locations)	Retail	817	6	0.58%	896	4	0.72%
Mtech Mechanical Technologies	Mechanical Contractor	557	7	0.40%			
King Soopers (3 locations)	Grocery Retailer	549	8	0.39%			
Tri State Generation	Electric Utilities Generation	473	9	0.34%	522	9	0.42%
Bread Financial (formerly Alliance Data Systems)	Credit Card Processing	317	10	0.23%	490	10	0.39%
Avaya, Inc.	Telecommunications Research and Development				1305	1	1.05%
DISH Network/EchoStar Communications	Satellite Television Service Provider				645	6	0.52%
Kaiser Permanente	Health Maintenance Provider				585	7	0.47%
American Furniture Warehouse	Furniture Retailer				536	8	0.43%
		10,070		7.16%	7,820		6.29%

Sources:

Adams & Broomfield County Economic Development (Employer Data)
 State of Colorado, Division of Labor and Employment, Labor Market information
 City of Thornton, Westminster, Federal Heights & Northglenn

Note:

(1) Seasonal Employer

State/local government agencies not included.

OPERATING INFORMATION

Full-time Equivalent District Employees by Category

ADAMS 12 FIVE STAR SCHOOLS

Operating Information Schedule 16

Full-time Equivalent District Employees by Category

Last Ten Fiscal Years

As of June 30,

Employee Category	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 ⁽¹⁾
Educational Services										
Executive Directors	3.0	4.0	3.0	4.0	4.0	6.0	5.0	8.0	9.0	10.0
Directors	5.0	10.0	8.4	8.0	11.0	12.0	13.0	12.0	12.0	11.0
Principals	49.1	49.1	49.0	49.0	49.0	52.0	51.0	52.0	54.0	50.0
Assistant Principals	44.6	51.0	51.5	53.0	61.0	62.0	63.3	65.5	63.5	67.1
Dean of Students	12.1	16.4	15.5	16.1	21.0	21.0	22.0	25.0	26.0	29.1
Teachers	2023.8	2008.3	1963.0	1942.4	1970.9	2156.3	2147.3	2114.0	2100.6	2165.8
Counselors	59.6	65.1	64.6	67.5	71.6	73.0	78.0	80.5	80.2	80.9
Library Media Specialists	19.0	18.5	17.0	16.0	14.5	13.5	11.5	11.0	7.5	6.0
Social Workers	17.3	20.2	25.9	28.9	36.0	35.3	34.8	43.0	39.5	45.8
Secretaries/Bookkeepers/Office Clerks	181.0	166.0	165.1	164.5	162.8	169.1	163.1	169.8	172.6	172.7
Campus Supervisors	22.5	22.3	23.8	25.3	37.5	42.5	38.5	45.8	45.3	47.4
Physical/Occupational/Speech Therapists	71.0	85.3	82.9	94.8	102.1	110.4	108.1	113.0	108.9	108.7
Psychologists	38.4	41.9	35.6	34.7	40.0	41.2	44.0	43.9	45.4	41.9
Nurses	13.7	16.4	16.5	18.1	20.4	20.1	24.6	22.7	22.3	23.4
ParaEducator Classified	502.3	603.2	565.9	571.3	580.5	579.0	565.3	568.0	611.4	658.8
Childcare ParaEducators Classified	107.9	108.3	173.1	139.3	133.5	106.5	70.7	75.5	90.9	75.1
Coordinators	19.9	38.9	33.8	44.1	47.6	47.1	42.9	45.6	45.6	46.8
Other ⁽²⁾	27.3	13.5	15.5	9.9	10.4	9.0	4.3	5.5	7.6	6.9
Substitute Teachers ⁽³⁾⁽⁴⁾	658.0	557.0	616.0	623.0	681.0	555.0	628.0	730.0	789.0	787.0
Classified Substitutes ⁽³⁾	199.0	136.0	140.0	161.0	164.0	183.0	185.0	124.0	137.0	145.0
Total Educational Services	4074.5	4031.4	4065.9	4070.7	4218.6	4293.9	4300.4	4354.6	4468.0	4579.3
Support Services										
Executive Directors	3.0	2.0	1.0	0.0	0.0	1.0	2.0	2.0	2.0	1.0
Directors	17.0	11.0	11.0	11.0	9.0	10.0	11.0	12.0	11.0	17.0
Supervisors	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	5.0	6.0
Managers	31.5	30.5	25.5	30.0	30.0	34.0	30.0	29.0	28.0	26.1
Information Systems - Administrative	36.8	34.8	35.5	35.3	35.3	37.1	33.3	34.3	46.3	46.3
Technicians/Specialists Classified	73.7	77.8	64.5	66.7	68.7	65.5	65.0	67.3	71.0	73.7
Professional/Technical	58.8	72.1	70.3	69.9	73.1	70.5	74.4	80.3	83.9	90.4
Secretaries	12.9	12.1	16.3	10.9	10.9	14.0	12.8	10.4	11.6	13.1
Custodians	181.2	169.7	168.3	170.7	169.0	173.2	173.2	170.5	177.3	181.3
Crafts/Trades/Services	78.0	79.0	89.0	95.0	95.8	89.8	83.0	84.0	84.2	81.5
Food Service Managers	26.3	30.0	26.6	30.0	36.4	39.0	36.0	36.7	40.9	43.5
Food Service Classified	112.1	104.7	95.6	83.6	79.1	90.2	57.2	61.9	61.2	71.9
Bus Drivers	81.4	95.1	109.8	104.7	109.1	93.5	72.3	83.4	80.8	87.2
Other ⁽²⁾	16.0	19.4	27.7	16.5	17.7	17.3	12.3	17.5	18.3	23.0
Custodial Substitutes ⁽³⁾	8.0	14.0	15.0	16.0	11.0	9.0	5.0	13.0	21.0	22.0
Total Support Services	741.6	757.2	761.0	746.3	750.9	749.9	673.3	695.9	722.6	783.7
Districtwide Leadership										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Superintendent	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Operations Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Academic Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Human Resource Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Communication Officer	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Chief Financial Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Information Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Counsel	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Districtwide	7.0	7.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0
Charter School Employees	484.8	331.4	282.0	303.1	286.9	310.9	342.7	326.0	312.1	264.9
Grand Total	5085.4	5127.0	5117.0	5128.1	5264.4	5363.7	5325.4	5385.5	5511.7	5636.9

Source: District HR Department Staffing Reports

Notes:

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

Operating Statistics

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

Fiscal Year	District 12 Expenses ⁽¹⁾	District 12 Head Count ⁽²⁾	Cost per Pupil	Teaching Staff ⁽³⁾	Pupil Teacher Ratio	High School Graduates ⁽⁴⁾
2015	402,456,919	38,701	10,399	2,024	19.12	2,047
2016	425,625,145	39,287	10,834	2,008	19.56	2,116
2017	654,420,287	38,818	16,859	1,963	19.77	2,261
2018	678,429,381	38,870	17,454	1,942	20.02	2,317
2019	358,032,507	39,282	9,114	1,971	19.93	2,438
2020	369,754,143	38,707	9,553	2,156	17.95	2,556
2021	331,196,707	36,654	9,036	2,147	17.07	2,397
2022	356,429,104	36,078	9,879	2,114	17.07	2,682
2023	635,038,056	35,747	17,765	2,101	17.02	2,717
2024	633,430,474	34,998	18,099	2,166	16.16	2,469

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

Notes:

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

School Building Information`

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

	2015	2016	2017	2018	2019
30 Elementary Schools					
Total square feet	1,678,322	1,678,914	1,693,335	1,693,335	1,705,218
Total program capacity	15,690	15,570	15,090	14,802	14,610
Enrollment	15,980	15,942	15,805	15,590	15,170
4 K-8 Schools					
Total square feet	301,440	301,440	301,440	301,440	414,383
Total program capacity	1,904	1,979	2,251	1,856	2,892
Enrollment	1,938	2,007	2,058	2,000	2,567
7 Middle Schools					
Total square feet	907,720	916,365	916,365	916,365	916,365
Total program capacity	8,275	8,173	8,125	8,350	8,410
Enrollment	7,311	7,398	7,281	7,255	7,004
5 High Schools & 2 Vocational Schools ⁽¹⁾					
Total square feet	1,404,285	1,404,293	1,404,293	1,404,293	1,389,957
Total program capacity	10,572	10,572	10,572	10,627	10,572
Enrollment	9,840	9,893	10,030	10,122	10,185
3 Alternative Schools ⁽²⁾					
Total square feet	100,751	100,751	100,751	100,751	100,751
Total program capacity	310	650	700	700	700
Enrollment	641	630	744	715	740
4 Charter Schools					
Enrollment	2,991	3,417	2,900	3,188	3,616
District wide Facilities					
Total square feet	625,004	625,004	610,582	610,582	610,582

Source: District Business Services Department

Notes:

(1) Future Forward at Washington Square Opened at the Beginning of the 2020-21 School Year

(2) Five Star Online Academy Opened at the Beginning of the 2023-24 School Year

2020	2021	2022	2023	2024
1,708,453	1,706,988	1,726,570	1,720,841	1,704,715
13,506	13,554	13,980	13,995	13,572
14,344	12,772	12,814	12,710	12,295
441,435	440,917	422,620	422,158	435,460
2,826	2,820	3,100	3,140	2,956
2,933	2,930	2,913	2,920	2,918
916,365	934,038	931,479	924,644	925,288
8,410	8,410	8,553	8,489	8,553
6,943	6,601	6,219	5,944	5,781
1,388,461	1,437,100	1,436,801	1,426,112	1,428,802
10,572	12,057	11,757	11,830	11,707
10,068	9,920	9,680	9,656	9,392
100,751	100,936	100,936	100,936	108,186
700	700	650	715	700
746	736	702	733	798
3,673	3,695	3,750	3,784	3,814
610,582	610,590	610,592	584,868	585,130

Single Audit Section





**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams 12 Five Star Schools (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2024. Our report includes a reference to other auditors who audited the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School – Thornton Charter School, as described in our report on the District's financial statements. The financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School – Thornton Charter School were not audited in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School – Thornton Charter School that are reported on separately by those auditors who audited the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School – Thornton Charter School.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Broomfield, Colorado
December 10, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Adams 12 Five Star Schools' (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities 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 other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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.

Board of Education
Adams 12 Five Star Schools

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.



CliftonLarsonAllen LLP

Broomfield, Colorado
December 10, 2024

**Adams 12 Five Star Schools
Schedule of Expenditures of Federal Awards
For the year to date ended June 30, 2024**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Identifying Number	To Date Expenditures
<u>U.S. Department of Education</u>			
Direct:			
Indian Education	84.060	N/A	31,411
Passed through Colorado Department of Education:			
<u>Elementary and Secondary Education Act (ESEA) Programs</u>			
Title I Grants to Local Educational Agencies	84.010	4010, 5010, 92xx	6,444,910
Migrant Education	84.011	4011	25,000
Education for Homeless Children and Youths	84.196A	5196	78,382
Twenty-First Century Community Learning Centers	84.287	7287, 8287, 8288	1,193,017
English Language Acquisition	84.365	4365, 7365	572,744
Supporting Effective Instruction State Grants	84.367A	4367	949,895
Student Support and Academic Enrichment Program	84.424	4424	405,645
<u>Special Education Cluster</u>			
Special Education	84.027	4027	7,008,968
Special Education-Preschool	84.173	4173	174,196
Total Special Education Cluster			7,183,164
<u>Education Stabilization Fund:</u>			
Governor's Emergency Education Relief Fund	84.425C	6427	41,443
American Rescue Plan – Elementary and Secondary School Emergency Relief	84.425U	4413, 4414, 4418, 4434, 4438, 4449, 4445, 4462, 9414, 9418	9,812,879
American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W	8425, 8426	162,589
Total Education Stabilization Fund			10,016,911
Passed through Colorado Community College System:			
Career and Technical Education	84.048A	4048	265,510
U.S. Department of Education Total			27,166,589
<u>Federal Communications Commission</u>			
Direct:			
Emergency Connectivity Fund Program	32.009	N/A	7,753,300
Federal Communications Commission Total			7,753,300

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Identifying Number</u>	<u>To Date Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Colorado Department of Education: Cooperative Agreement for Emergency Response CDC Nursing Workforce	93.354	7354	120,583
Passed through Colorado Department of Education: Refugee and Entrant Assistance	93.566	7566	733,671
<u>Child Care and Development Fund Cluster</u>			
Child Care and Development Block Grant	93.575	7575	740,506
Total Child Care and Development Fund Cluster			<u>740,506</u>
U.S. Department of Health and Human Services Total			<u>1,594,760</u>
<u>Department of the Treasury</u>			
Passed through Adams County: Coronavirus State and Local Fiscal Recovery Funds	21.027	7130, 8127	735,471
U.S. Department of Treasury Total			<u>735,471</u>
<u>Environmental Protection Agency</u>			
Direct: Clean School Bus Program	66.045	N/A	200,000
Environmental Protection Agency Total			<u>200,000</u>
<u>U.S. Department of Agriculture</u>			
<u>Child Nutrition Cluster</u>			
Passed through Colorado Department of Human Services: Donated Commodities	10.555	4555	1,084,959
Passed through Colorado Department of Education: School Breakfast Program	10.553	4553, 5553 4555, 5555,	1,958,166
National School Lunch Program	10.555	6555	8,084,809
Summer Food Service Program for Children	10.559	4559	85,042
Total Child Nutrition Cluster			<u>11,212,974</u>
National School Lunch Equipment Assistance	10.579	5579	50,645
Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs	10.649	4649	6,180
U.S. Department of Agriculture Total			<u>11,269,799</u>
Total Expenditures of Federal Awards			<u>48,719,919</u>

NOTES ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Adams 12 Five Star Schools (the district). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the district, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the district.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the district's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 NONCASH PROGRAMS

Commodities donated to the district by the U.S. Department of Agriculture (USDA) of \$1,084,959 are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue and expenses when received and are reported as part of the National School Lunch Program (Assistance Listing Number 10.555).

NOTE 4 INDIRECT COST RATE

The district's negotiated restricted indirect cost rate for fiscal year 2023-2024 is 6.45% and unrestricted indirect cost rate of 17.61%, as provided by the Colorado Department of Education. The district has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 5 SUBRECIPIENTS

The district did not provide federal awards to subrecipients during the fiscal year ended June 30, 2024.

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.027, 84.173	Special Education Grants to States, Special Education Preschool Grants
32.009	Emergency Connectivity Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u> 1,461,598 </u>
Auditee qualified as low-risk auditee?	<u> x </u> yes _____ no

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2024

Adams 12 Five Star Schools respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2024

Audit Period: 2023

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no financial statement audit findings in the prior year.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

Questions regarding this schedule, please contact Gina Lanier, CFO.