



ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ended June 30, 2022

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

Annual Comprehensive Financial Report

For the Year Ended June 30, 2022

Prepared by:

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Accountant

Cherie Paul

Bond Accountant

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Face and Stripes
Artist: Arianna Pacheco
School: Cherry Drive Elementary



Rainbow Bunnies
Artist: Reise Zuel
School: Mountain View Elementary



Untitled
Artist: Tobie Garcia
School: Northglenn Middle School

INTRODUCTORY SECTION

**ADAMS 12 FIVE STAR SCHOOLS
BOARD OF EDUCATION FISCAL YEAR 2021-2022**

BOARD OF EDUCATION FISCAL YEAR 2021-2022



From left to right: Courtney Potter, Director, District 3; Jamey L. Lockley, Secretary, District 2;
Lori B. Goldstein, President, District 1; Laura Mitchell, Vice President, District 5;
Amira Assad-Lucas, Director, District 4

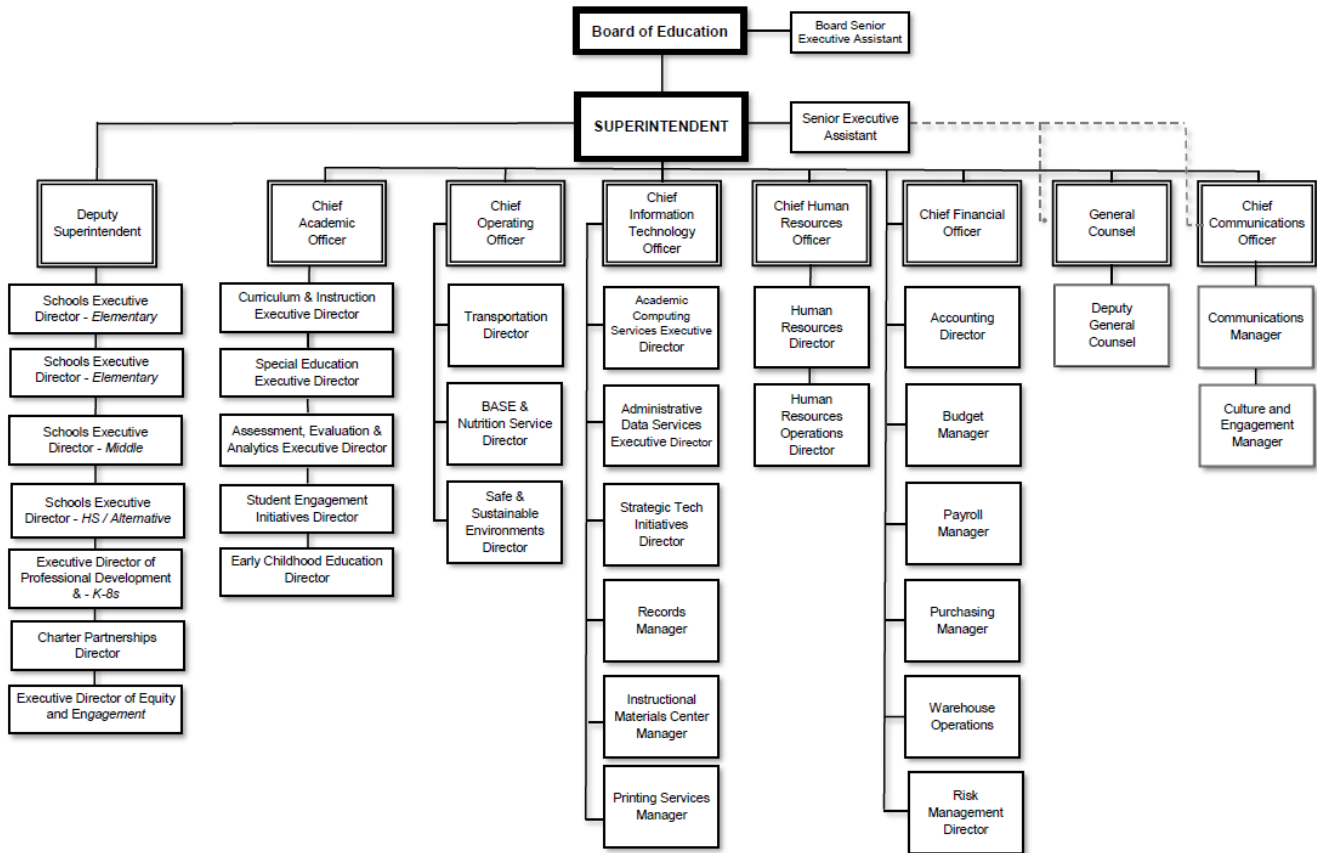
CABINET FOR FISCAL YEAR 2021 - 2022

Christopher Gdowski	Superintendent of Schools
Priscilla Straughn	Deputy Superintendent
Beau Foubert	Chief Academic Officer
Joe Ferdani	Chief Communications Officer
Pat Hamilton	Chief Operating Officer
Myla Shepard	Chief Human Resource Officer
Greg Mortimer	Chief Information Technology Officer
Suzanne DeYoung	Chief Financial Officer
Philip Spare	General Counsel
Marie McKenzie	Executive Director of Equity and Engagement

ADAMS 12 FIVE STAR SCHOOLS ORGANIZATIONAL CHART



District Organizational Chart



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

The Annual Comprehensive Financial Report (ACFR) of Adams 12 Five Star Schools, ("district"), for the Fiscal Year June 30, 2022, is hereby submitted. The ACFR has been prepared in conformity with Statement No. 34 of the Governmental Accounting Standards Board. Statement No. 34 is titled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities into a single total column for government-wide activities.

The district’s Financial Services department prepared this report which contains management’s representations concerning the finances of the district. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects, reported in a manner to present fairly the financial position and results of operations of the district’s funds. Disclosures necessary to enable the reader to gain an understanding of such financial operations have been included. Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The district’s MD&A can be found immediately following the report of the independent auditor in the Financial Section on pages 21-37.

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

The role of the auditors is to audit the financial statements to determine if the basic financial statements are free of material misstatements and to assess the accounting principles followed. Based on their findings, they express an opinion of the fairness of the statements and disclose any material weaknesses. District management assumes full responsibility for the completeness and reliability of the information contained in the ACFR, based upon a comprehensive framework of internal control that has been established for this purpose.

CliftonLarsonAllen LLP, Certified Public Accountants have issued an unmodified opinion on the district’s financial statements for the year ended June 30, 2022. The independent auditors’ report is located at the front of the financial section of this report and the independent auditor’s report on Internal Control over Financial Reporting is located at the front of the single audit section of this report.

Profile of the Adams 12 Five Star Schools

Adams 12 Five Star Schools was formed in 1950 when parts of six other districts were consolidated into one district encompassing 47.5 square miles of Adams County and 14.5 square miles of the City and County of Broomfield, Colorado. The district is a legally separate, primary government entity that operates under a publicly elected five-member Board of Education. The Board of Education is the policy-making body of the district. The Board of Education voted in 2000 to adopt the Policy Governance model of board governance. The Board of Education adopts the budget, employs all personnel required to maintain the operations, monitors the performance of educational programs provided by the district, and is primarily accountable for fiscal matters. Board members are elected to alternating four-year terms with elections held every two years. Board members represent a specific area of the district but are elected at large.

The district provides a full range of educational programs and services authorized by Colorado state statutes to approximately 32,327 students via 52 different schools, along with 3,751 students at four charter schools. Included are basic 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. There were four charter schools authorized by the district's Board of Education during the 2021-2022 school year that were legally separate entities. While charter schools are funded under the School Finance Act of Colorado and are under the general supervision of the Board of Education, the charter schools meet the requirement to be presented as discrete component units.

Economic Condition and Outlook

Adams 12 Five Star Schools 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 a superior ground and air transportation network and have access to a skilled workforce, comprehensive educational resources, and many established business parks.

On December 19, 2022, the Colorado Legislative Council Staff issued the quarterly issue of the Economic and Revenue Forecast, which can be found at leg.colorado.gov/economicforecasts. The following excerpts provide an overview of the economic information relevant to the district.

The past year brought challenges that jeopardized the post-pandemic economic recovery. To this point, the U.S. and Colorado economies have demonstrated resilience, and a path for continued economic expansion remains. This forecast anticipates continued slow growth in Colorado and the nation through 2023, and a return to a more moderate pace of expansion in 2024.

Over the latter half of the year, the primary risk to the economic expansion has been the Federal Reserve's aggressive steps to rein in inflation by raising interest rates and reducing the money supply. The intent of this monetary policy "tightening" is to suppress economy-wide demand, dampening prices and slowing inflation. The Fed's approach risks both underreacting, in which case it would fail to contain inflation, and overreacting, in which case it would depress demand so severely as to trigger a downturn.

Prior to the pandemic-induced recession, Colorado had enjoyed more than a decade of strong economic growth, outpacing most other states in the nation across economic indicators, including employment, personal income, and GDP growth. Coming off a period of very strong increases, growth rates for the state may trend closer to the nationwide average.

The labor market in Colorado remains strong, with overall employment well exceeding pre-pandemic levels. While Colorado continues to outpace the nation on most labor market measures, there are some indications of softening as tightening monetary policy cools labor demand and slows the pace of the Great Resignation. Elevated job openings continue to indicate that there is room to reign in inflationary pressures without decreasing employment levels, although pathways to a soft landing are increasingly narrow, with elevated downside risks as confidence erodes and uncertainty mounts. Employment levels in Colorado reached pre-pandemic levels in February 2022, and will reach pre-COVID trend levels in late 2023 as employment growth slows.

Some inflationary pressures have started to wane. Additionally, demand pressure may abate as consumers shift their consumption activity in response to growing prices and higher interest rates, and as the global economy slows. However, other sources of inflationary pressure are expected to remain as rising costs ripple through the economy. The war in Ukraine continues to pose risks to the inflation outlook, with damage to infrastructure in the area and the impact of sanctions on the global economy likely to outlast the on-the-ground conflict. After beginning to rise sharply in early 2021, headline inflation appears to have peaked in Colorado. Headline prices for U.S. urban consumers are expected to rise by 8.1 percent in 2022 and 4.6 percent in 2023. Headline inflation in the Denver-Aurora-Lakewood combined statistical area is also expected at 8.1 percent in 2022, and at a slightly higher 4.9 percent in 2023.

Colorado's diverse seven-county metro Denver region holds the largest share of the state's population, representing more than 60 percent of the state's workers. Nonresidential construction continues to improve in 2022 despite facing significant headwinds facing the industry. However, the region, specifically Denver and Boulder, continue to struggle with housing affordability, causing potential homeowners to look for homes outside these counties, and in turn slowing the region's residential construction activity. The metro Denver region's labor market continues to add jobs at a steady pace. Job growth has been seen across most major industries, especially in the professional and business services and leisure and hospitality sectors. After spiking to average 7.1 percent in 2020, the region's average unemployment rate dropped to 5.4 percent in 2021. The unemployment rate has steadily continued to tick down, averaging 3.3 percent through September 2022, although it still remains higher than the pre-pandemic low of 2.5 percent.

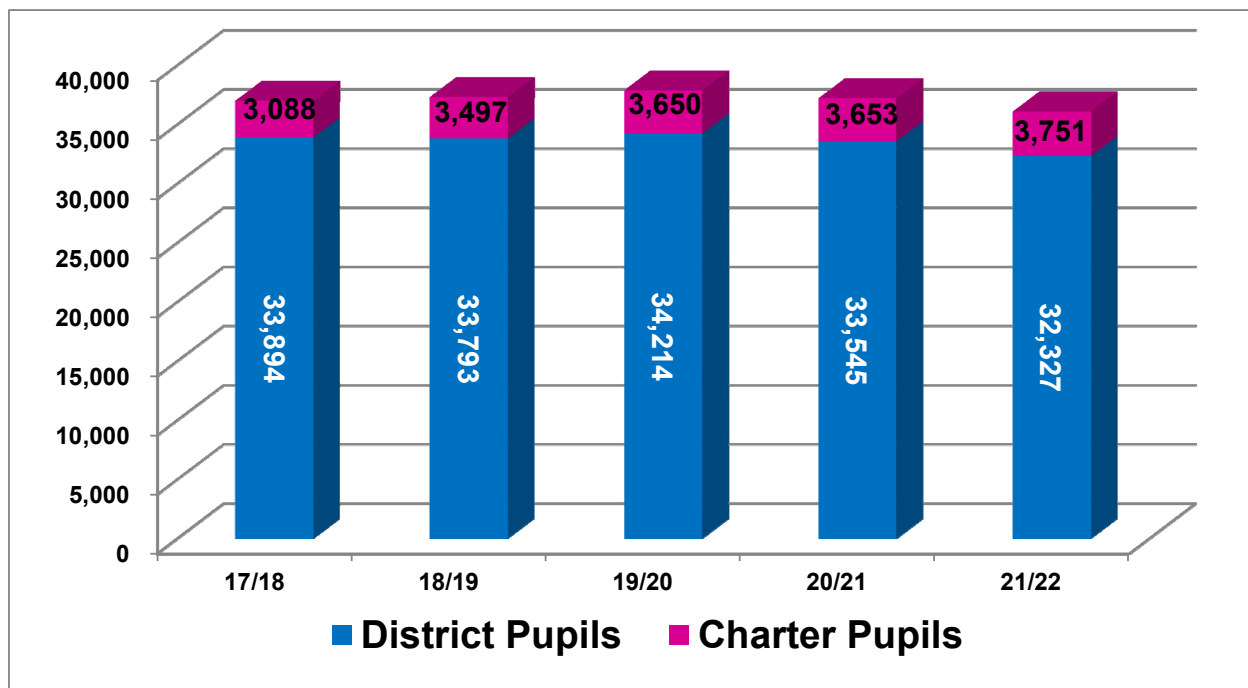
Enrollment

Adams 12 Five Star Schools' enrollment (headcount) decreased by 576 students compared to the prior school year to put the district at 36,078 students for the 2021-2022 school year. The breakdown of those students includes 13,630 in kindergarten - 5th grade; 7,291 in grades 6 - 8; 10,347 in grades 9 - 12; 3,751 in the district's charter schools; and 1,059 preschool students.

While district schools have experienced a decrease in enrollment, funded pupil count declined by only 381 pupils as compared to the prior year. This is due to Colorado Revised Statute (C.R.S.) 22-54-104 which provides for determining funding for school districts. Accordingly, in effort to soften funding reduction when districts experience fluctuation in enrollment, averaging is performed on two, three, four or five years in order to reduce variances a district would see when pupil count results lessen. The district's fiscal year 2022-2023 enrollment has decreased by 580 pupils and can be attributed to the decline in birth rates and net migration seeking more affordable housing costs.

Charter schools experienced a growth of 3 funded pupils in the fiscal year 2022-2023 over the prior school year, as a result of working towards obtaining enrollment goals to meet school facility capacity.

The following graph illustrates the past history of the district's funded pupil count.



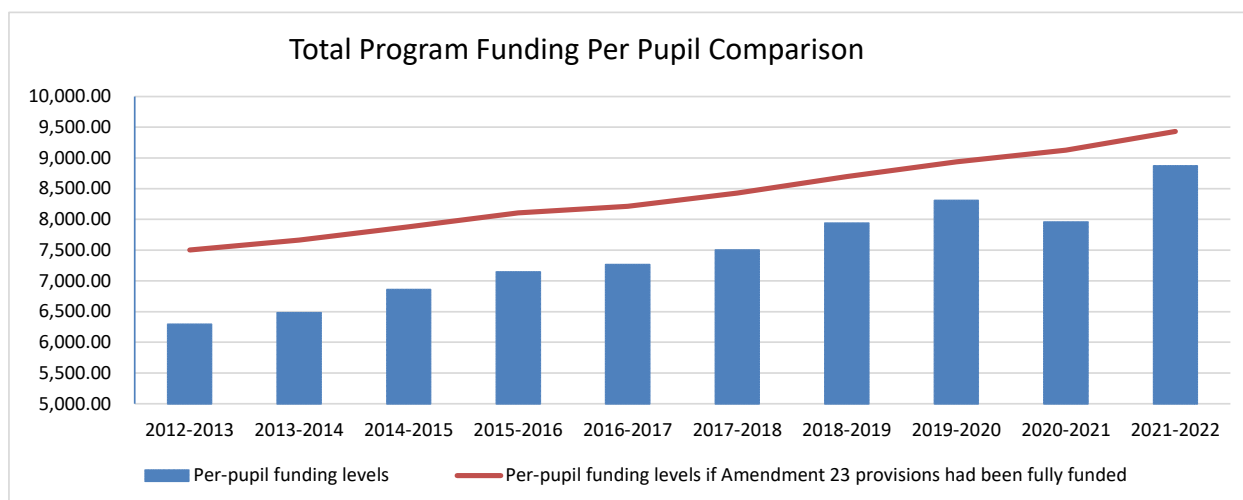
School Finance Issues

The primary revenue sources for the district are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes including voter-approved mill levy budget overrides of \$64.2 million, specific ownership taxes from vehicle registration, and state equalization aid is approximately 95.5 percent of the district's General Fund revenues for the Fiscal Year 2021-2022.

Voters approved Amendment 23 to the Colorado Constitution in November 2000, which provided for funding increases per student of at least the Denver-Boulder-Greeley Consumer Price Index rate plus 1 percent through the 2010-2011 Fiscal Year. Amendment 23 was not fully implemented due to the economic downturn and Colorado's budget crisis. Beginning with the 2009-2010 school year, the legislature applied the "budget stabilization factor", as part of the School Finance Act which reduced K-12 statewide funding and eliminated the growth anticipated from Amendment 23. The net result of the budget stabilization factor was an approximate \$0.5 billion reduction of K-12 funding for the 2021-2022 school year across all 178 school districts in Colorado.

The base per-pupil funding for the 2021-2022 school year was increased by the Consumer Price Index of 2.0 percent. However, due to the lack of available resources at the State level and the budget stabilization factor, the State continues to fund the district at a level significantly lower than what was anticipated under the Amendment 23 formula.

The following graph depicts the amount of per-pupil funding that the district has received over the past decade. Per-pupil funding has increased 10.0 percent in aggregate since fiscal 2011-2012 prior to the budget stabilization factor being implemented, while costs continue to increase at a greater rate for instructional programming, utilities, healthcare, and the State's retirement plan.



The continued impact of the State's budget stabilization factor resulted in reduced funding to the district of approximately \$23.3 million in the Fiscal Year 2021-2022. As a result of the reduction in funding at the State level, the district planned for the use of General Fund reserves to mitigate this funding shortfall. The reserve was available as the result of positive budget variances and cost containment in prior fiscal years.

For the 2022-23 fiscal year, the legislature increased base per pupil funding by 3.5% for PK-12 public education as well as provided additional dollars for statewide student growth. The Budget Stabilization Factor reduced by \$182.0 million to \$321.2 million over the prior fiscal year. With lower than expected enrollment and increased expectations for property tax revenues the current economic forecast could allow for more flexibility in funding for K-12 education in 2021-2023 fiscal year and beyond allowing the potential for additional reductions to the budget stabilization factor.

Over the years, districts have been challenged in part by financial restrictions of two State constitutional amendments: TABOR and the Gallagher Amendment. The TABOR amendment limits the growth in both revenues and expenditures for the State, local governments and school districts. The annual percentage increase in state revenues and expenditures is limited by TABOR to the total of the inflation rate and the increase in the state population. If revenue exceeds this restricted level, the excess must be refunded to taxpayers.

Historically, the revisions to assessed property values required by the 1982 Gallagher Amendment would limit increases in the residential assessed values on which district taxes are levied, even though actual property values for most residential properties have increased substantially. The Amendment required that the residential property share of the total assessed value of real property in the State be stabilized at approximately 45% of the total. However, on November 3, 2020, Colorado voters passed Amendment B repealing the Gallagher Amendment, which effectively freezes the Residential Assessment Rate (RAR) at 7.15%. Then on May 16, 2022 the Governor signed Senate Bill 238 that reduces the residential assessment rate to 6.765% for 2023 property taxes and the commercial assessment rate is reduced to 27.9% for the same time period. As a result, Colorado will see reductions to both assessment rates, and potential reduction to local property taxes, a major component of revenue within the School Finance Act.

In an effort to equalize per-pupil funding across the state, the 1988 School Finance Act shifted the responsibility of setting a district's property tax mill levy rate (per \$1,000 assessed valuation) from the local school boards to the State's General Assembly. The system required each district to first rely on its "local share" funding produced by a district's local tax rate, with the State share back-filling, or "equalizing" funding for districts that did not raise enough money locally.

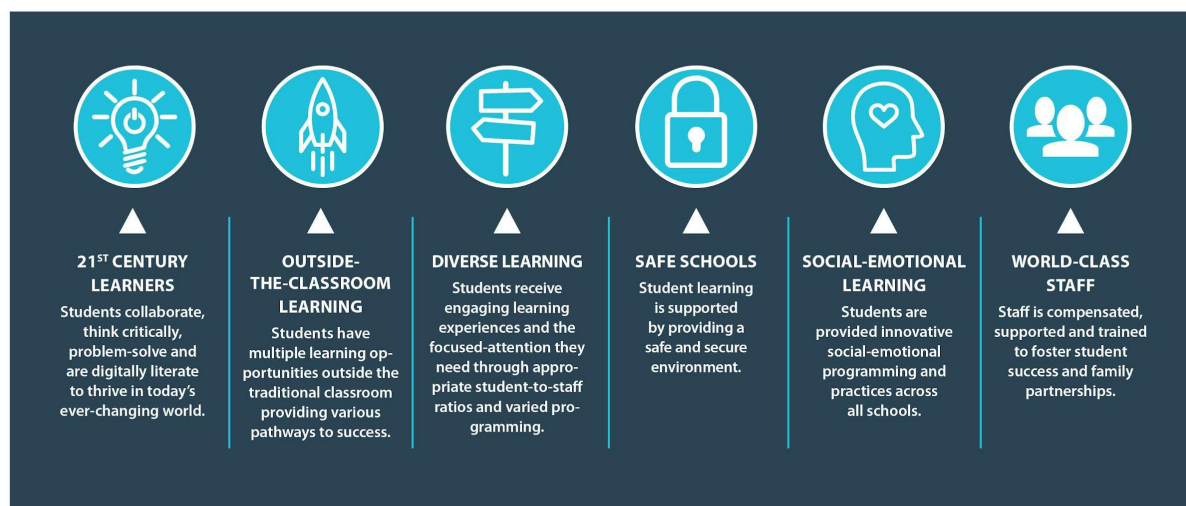
In 1992, TABOR limited school districts from retaining any revenues that exceed inflation plus student enrollment growth. In response to TABOR, the School Finance Act of 1994 established a new formula requiring districts to impose a mill levy at the same level as the preceding year, unless that particular number of mills generated revenues that exceeded TABOR's growth limits. In school districts with rising property values and growth that outpaced TABOR's restrictions, districts were required to lower their mill levy rates, reducing districts' local shares and increasing the amount of State equalization funding.

Because of the foregoing dynamics, the state's contribution to K-12 funding increased from 43% in 1989 to 64% in 2007. The legislature adopted a law in 2007, Senate Bill 07-199, which "froze" basic mill levies for the majority of Colorado school districts at the same level as in place for the 2006-2007 school year. School districts with basic mill levies in excess of 27 mills at that time, including Adams 12 Five Star Schools, had their levies reduced to 27 mills and frozen at that level. The legislature's objective in making this change was to stabilize local school mill levies and reduce the state's contribution to K-12 funding.

Areas of Focus

Adams 12 Five Star Schools is a caring, inclusive, and engaging district which exists so the students it serves can attain the knowledge and skills necessary to pursue the future of their choosing and are equipped to navigate and thrive in our rapidly changing world.

The [district's 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 2022-2023 supports our educational commitments of student learning, professional practice, and collective responsibility.

2016 Bond Program

In November 2016, the Five Star community made a significant investment in students and schools when it passed a \$350 million bond issue to improve every school in the district. This five-year plan is now nearing completion with a final round of construction work planned for Summer 2023. The bond continues to invest in aging school buildings, relieve overcrowding, address programming needs and ensure all students in the Five Star District learn in a safe, warm, and dry environment. Work that took place in Summer 2022 included:

- Completion of secured entrance improvements at each district school
- Completion of interior renovation work at each district school
- Ongoing roof replacement and restoration work at various district schools and facilities (this work will conclude in Summer 2023)
- Concrete replacement at ThunderVista P-8 due to soil expansion (study completed Summer 2021)
- Five Star Stadium renovation project including turf repair
- Completion of the district's new self-provisioned fiber network

The district has begun the work of planning for capital needs with the Long Range Planning Advisory Committee and several subgroups in the new Blueprint process.

Financial Information

Adams 12 Five Star Schools management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from theft, loss, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) and statutory requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit: As a recipient of federal financial assistance, the district is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

Budgetary Controls: The district maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. Activities of all funds are included in the district's financial plan. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level.

The district's financial plan, adopted in June of the year prior to the budget year, may be amended by the Board of Education or management. The Board of Education may revise the budget due to unforeseen circumstances which did not exist at the time of the original budget adoption, such as emergencies or unanticipated revenues.

Accounting Policies: Detailed descriptions of the district's accounting policies are contained in the Notes to Basic Financial Statements on pages 49-98 and are an integral part of this report. These policies describe the basis of accounting, funds, and accounts used, valuation policies for inventories and adjustments and other significant accounting information.

The district implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, (GASB 87) during fiscal year 2022. As a result of implementing this new accounting standard, the district presents a lease receivable and a deferred inflow of resources for lease agreements where the district is lessor. In addition, previously presented capital leases were reclassified as financed purchases as these agreements are classified as financed purchases under GASB 87. The district updated its policy for recognizing revenues as available in governmental funds attributable to state and federal reimbursement from 120 days to 180 to better align with the timing of expected reimbursements from these sources.

Other Information

Under the provisions of the Colorado statutes, an annual audit of the district's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of CliftonLarsonAllen LLP was selected to perform the audit for the fiscal year ended June 30, 2022. In addition to meeting the requirements of Colorado statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Independent Auditors' Report on the basic financial statements and schedules and supplementary information included in the financial section is on pages 16-19 of the Financial Section. The Independent Auditors' Report related specifically to the single audit is included in the Single Audit Reports Section.

Under Colorado Revised Statute (C.R.S) 29-1-606 School districts are required to have a completed audit submitted to the District's Board of Education (BOE) within five months after the close of the fiscal year. Due to delays associated with transitions in staff in the district's accounting department, the district requested an extension from the District's BOE and the Colorado Office of the State Auditor (OSA) to postpone issuing the 2021-2022 ACFR. The district's request was approved by both the BOE and the OSA based on known factors of the delay and the district's desire to issue a complete audit to include both the financial and single audit as a combined report.

The OSA granted a sixty-day extension and the district and audit firm will meet the revised time period by issuing this report on February 20, 2023 to the BOE.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its ACFR for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, the district published an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement program requirements and will submit it to GFOA to determine eligibility for another certificate.

The Association of School Business Officials (ASBO) awarded its Meritorious Budget Award to the district for the fiscal year 2021-2022 budget document. The fiscal year 2022-2023 budget document continues to meet Meritorious Budget Award standards and the district was notified of the award from ASBO on October 12, 2022.

Acknowledgment

The preparation of the Annual Comprehensive Financial Report on a timely basis could not be accomplished without the efficient and dedicated service of the entire staff of the Financial Services Division. We would also like to express our sincere appreciation to all members of the accounting team for their contributions to 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. 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,

A handwritten signature in black ink, appearing to read "Chris Gdowski".

Christopher E. Gdowski
Superintendent of Schools

A handwritten signature in black ink, appearing to read "Suzanne DeYoung".

Suzanne DeYoung
Chief Financial Officer

**ADAMS 12 FIVE STAR SCHOOLS
GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**



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, 2021

Christopher P. Morill

Executive Director/CEO

Owl
Artist: Bridget Janssen
School: Rocky Top Middle School



Hobbitat
Artist: Madison Brown
School: Mountain Range High School

Cityscape Sunrise
Artist: Seydi Castro
School: McElwain Elementary



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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Governmental Designated-Purpose Grants – Special Revenue Fund 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. 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 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 schedules, the combining component unit statements, the Auditor's Integrity Report, 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 February 20, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Broomfield, Colorado
February 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Management's Discussion and Analysis

As of and For the Fiscal Year Ended June 30, 2022

As management of the Adams County School District No. 12, Adams County, Colorado ("district"), we offer readers of the district's Annual Comprehensive Financial Report (ACFR) this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2022. 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 3-12.

FINANCIAL HIGHLIGHTS

- As of June 30, 2022, the liabilities and deferred inflows of resources of the district exceed its assets and deferred outflows of resources by \$162.4 million (net position). The net position deficit is due primarily to a June 30, 2022, net pension liability and Other Postemployment Benefits (OPEB) liability of \$503.8 million and \$24.4 million respectively, related deferred inflows of resources of \$295.0 million, offset by related deferred outflows of resources of \$183.4 million, as required by GASB No. 68 and 75, which established reporting requirements for governments that provide their employees with pension and OPEB benefits. The district reports its proportionate share of participation in PERA, the state's cost-sharing multi-employer defined benefit pension plan and health care trust fund.
- Total net position increased by \$230.2 million during fiscal year 2022, with reductions to pension and OPEB related expenses accounting for \$183.0 million of the increase.
- At the end of the current fiscal year, the district's governmental funds reported a combined fund balance of \$313.9 million, an increase of \$13.7 million over the prior year.
- During the current year, the district's General Fund reported an increase in fund balance of \$16.7 million resulting in an ending fund balance of \$94.1 million.
- The district's capital assets decreased \$8.0 million during fiscal year 2022 to \$692.6 million. This decrease is due to a net \$26.2 million of additions and deletions, offset by \$34.2 million of depreciation expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the district's basic financial statements. This document also provides a comparison to the prior year's activity. The basic financial statements, presented on pages 38-98, are comprised of three components: 1.) government-wide financial statements, 2.) fund financial statements and 3.) notes to the basic financial statements. This Annual Comprehensive Financial Report also contains other supplementary information in addition to the basic financial statements themselves.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net position presents information about all of the district's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the net position of the district changed during the current fiscal year. Changes in net position are recorded on the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The government-wide financial statements consolidate governmental activities that are supported by taxes and intergovernmental revenues and include the General Fund, Bond Redemption-Debt Service Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund, Governmental Designated- Purpose Grants Special Revenue, and other governmental special revenue funds.

Also presented on the government-wide financial statements are component units, representing the district's four charter schools. While the charter schools have independent governing boards, they are financially dependent on the district for most of their funding. Accounting principles prescribe a discrete presentation of the component units, meaning separate presentation from their primary government. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices; please see page 36.

The government-wide financial statements can be found on pages 38-39.

FUND FINANCIAL STATEMENTS

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for special objectives. Fund financial statements for the district include one fund type: governmental.

Governmental funds account for similar information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

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

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The district maintains eleven different governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, which includes sub-fund Risk Management (Insurance Reserve), Bond Redemption-Debt Service Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund and Governmental Designated-Purpose Grant Special Revenue Fund, which are considered to be major funds. Data from the remaining six governmental funds are combined into a single aggregated presentation. Individual fund presentations for each of these nonmajor governmental funds is presented as other supplementary information in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The district adopts an annual appropriated budget for each of the governmental funds. Budgetary comparison statements for the General Fund and the Governmental Designated-Purpose Grant Special Revenue Fund are included in the fund financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds' budgetary comparisons are reported as other supplementary information.

The basic governmental fund financial statements can be found on pages 40-45 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 49-98 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the district's obligation to provide pension and OPEB benefits to its employees which can be found in Note 9 and Note 11.

The combining statements referred to earlier in connection with nonmajor governmental and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 110-121 of this report.

The combining statements of component units are presented immediately following the district's supplementary information of combining and individual fund statements and schedules. Component unit combining statements can be found on pages 123-125 of this report.

The State Required Report immediately follows the component unit combining statements. The Auditors Integrity report can be found on page 127 of this report.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The assets of the district are classified as either current assets or capital assets. Cash, receivables, inventories and prepaid costs are current assets. These assets are available to provide resources for the near-term operations of the district. The majority of the current assets are the result of unspent bond proceeds and the property tax collection process; the district receives a majority of the annual property tax assessment from March through June each year.

Capital assets are used in the operation of the district. These assets include land, buildings, equipment, and vehicles. Capital assets are discussed in detail in the section titled, Capital Assets and Debt Administration, on pages 33-34 of this report.

Current and noncurrent liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenue and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2021-2022. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2021-2022.

A useful indicator of the district's financial position is the net position; and as previously noted, liabilities and deferred inflows of resources exceed assets and deferred outflows of resources resulting in a total net position of (\$162.4 million). Of the net position, \$12.3 million has been restricted to comply with the TABOR Amendment.

Current and other assets increased \$11.0 million due primarily to an increase in accounts receivable of \$8.7 million, with the majority of the increase in the receivable balance associated with recognition of leases receivable due to the implementation and application of GASB No. 87.

Capital assets net of depreciation decreased \$8.0 million due to \$26.2 million of capital project outlays, and \$34.2 million of depreciation expense.

Compensated absences liabilities of \$34.0 million represent amounts due to staff for estimated accumulated leave payments and amounts due to retired staff for other post-termination benefits in accordance with negotiated agreements. Under governmental fund accounting, long term compensated absences, which also include post-termination benefits for staff that meet contractual agreements and accept the terms upon retirement, are not recorded in governmental funds as a liability because they are not payable with current funds.

Other liabilities decreased \$10.7 million primarily due to decreases of \$5.3 million in accounts payable and \$1.0 million in retainage related to construction work relating to the timing of capital projects.

Noncurrent liabilities decreased \$42.2 million primarily as a result paying down debt service principal of \$36.5 million on general obligation bonds and \$1.9 million for certificates of deposits, and recognizing \$6.0 million for amortized premiums.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The net pension liability decreased \$261.2 million, deferred inflows related to pensions decreased \$37.9 million, and deferred outflows of resources related to pensions decreased \$119.2 million due to the application of GASB No. 68, which requires the district to report its proportionate share of participation in the Public Employees' Retirement Association of Colorado (PERA), the State's cost-sharing multi-employer defined benefit pension plan.

Net OPEB liability decreased \$3.5 million, deferred inflows related to OPEB increased \$0.4 million and outflows of resources related to OPEB increased \$0.1 million due to the application of GASB No. 75, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer health care trust fund.

**Comparative Summary of Net Position
June 30, 2022 and 2021**

	Governmental Activities	
	2022	2021
Assets		
Current and Other Assets	\$ 373,906,058	\$ 362,948,398
Capital Assets Net of Depreciation	692,606,346	700,592,128
Total Assets	1,066,512,404	1,063,540,526
Deferred Outflows of Resources		
Deferred Charges on Refunding	6,428,480	8,336,854
Deferred Outflows Related to Pensions	178,967,171	298,147,628
Deferred Outflows Related to OPEB	4,383,437	4,332,670
Total Deferred Outflows of Resources	189,779,088	310,817,152
Liabilities		
Other Liabilities	47,359,635	58,047,326
Noncurrent Liabilities	541,423,978	583,592,238
Net Pension Liability	503,798,315	764,998,892
Net OPEB liability	24,373,919	27,831,619
Total Liabilities	1,116,955,847	1,434,470,075
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	284,952,966	322,899,654
Deferred Inflows Related to OPEB	10,025,369	9,579,406
Deferred Inflows Related to Leases	6,722,217	-
Total Deferred Inflows of Resources	301,700,552	332,479,060
Net Position		
Net Investment in Capital Assets	225,561,525	219,760,340
Restricted:		
Capital Projects	-	58,970,177
Debt Service	124,807,437	112,379,860
TABOR	12,280,115	11,011,444
Food Service	10,820,338	6,479,302
Unrestricted	(535,834,322)	(801,192,580)
Total Net Position	\$ (162,364,907)	\$ (392,591,457)

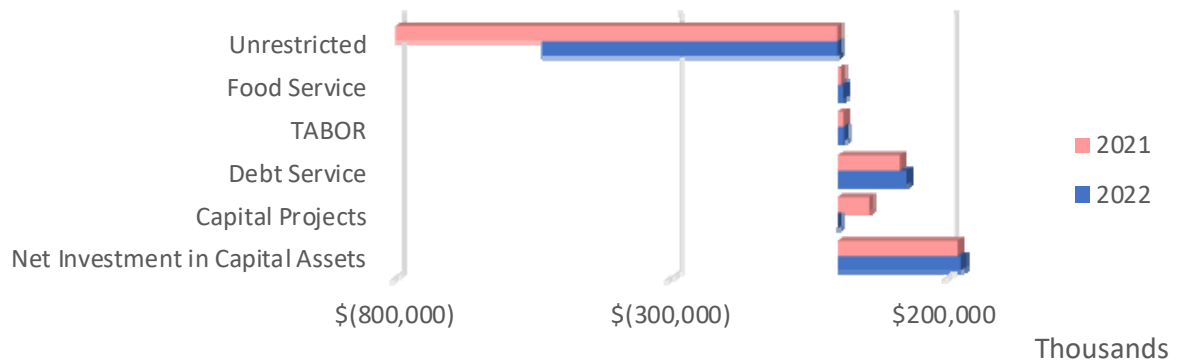
**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

As of June 30, 2022, the net position of the district's governmental activities reports (\$162.4) million which includes \$225.6 million net investment in capital assets (land, buildings, equipment, and vehicles), less outstanding debt used to acquire these assets. This balance increased \$12.7 million primarily due to the progress and completion of projects as part of the voter-approved 2016 Bond and the pay-down of debt service requirements.

Restricted net position of \$147.9 million, which restricts spending for specific purposes related to debt service payments, TABOR and food service operations increased by \$16.8 million. This increase is primarily due to a \$12.4 million increase in amounts reserved for future debt service payment and \$4.4 million increase in amounts reserved for student food service programming.

Unrestricted net position of \$(535.8) million increased over the prior year by \$265.4 million primarily due to the application of GASB 68 and 75 reporting for PERA's pension and health care trust fund.

**Government-Wide Net Position
June 30, 2022 and 2021**



GOVERNMENT-WIDE ACTIVITIES

Governmental activities total net position of the district increased by \$230.2 million from the prior year related to the following:

REVENUE

Charges for services increased \$5.1 million primarily because of full-time return of schools in fiscal year 2021-2022 after the pandemic caused school closures in fiscal year 2020-2021, suspending student fees for courses and activities, and from paid school lunches and breakfasts. In response to the COVID-19 pandemic, the district had limited in person learning between the months of August 2020 and March 2021 which limited services for preschool and the Before, After, and Summer Enrichment Programs. In response to the pandemic, the U.S. Department of Agriculture enacted a temporary change in rules which applied to both the 2021-2022 and 2020-2021 fiscal years, under which the district is reimbursed for all meals served or distributed, regardless of eligibility requirements typically required for such distributions. Charges to students for courses and other optional fees related to direct instruction increased \$1.5 million.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Operating grants and contributions increased \$29.9 million primarily due to continued spending for responding to and mitigation of the COVID-19 pandemic. Elementary and Secondary School Emergency Relief (ESSER) Fund provided for \$19.0 million (an increase of \$4.7 million from the prior year) under three separate awards passed through the Colorado Department of Education. Current year spending includes costs related to health aide para-educators, air purifiers, COVID-19 testing and vaccine clinics, hazard pay stipends, simultaneous live instruction, and summer school. The U.S. Department of Agriculture rule change allowed for continued increased funding levels, and a total of \$17.0 million was received from the U.S. Department of Agriculture, passed through the Colorado Department of Education, to support all student meals, regardless of eligibility status.

Local property taxes increased \$18.9 million primarily due to increasing property values. As property values increase, the required mills assessed lowers, due to the bulk of property tax collections occurring between March and June annually delinquencies affect the overall collection rate at fiscal year-end. The district estimates a projected receivable based of the certified mills as compared to actual receipts.

Specific ownership taxes related to automobile registrations decreased \$0.9 million.

State Equalization funding increased by \$23.7 million. Pupil funding increased by \$911.20 per pupil over the prior year and funded pupils (after averaging) declined 369 pupils over the prior year (net of CSI schools).

Earnings on investment declined by \$2.1 million over the prior year. This is primarily due to spending down the required proceeds of the 2016 Bond Project Fund in combination with earning a lower interest rate due to the Federal Reserve to maintaining lower interest rates and unrealized losses on debt securities.

EXPENSES

Direct Instruction, Indirect Instruction, and Other Support Programs expenses increased \$18.7 million primarily due to in expenses related to return to full-time instruction and activities in the 2021-2022 fiscal year after the decreased activities related to school closures in fiscal year 2020-2021 fiscal year in response to the COVID-19 pandemic, offset by decreases in the net changes in pension and OPEB expenses related to GASB No. 68 and 75 of \$18.0 million.

Charter school funding increased \$4.2 million from the prior year due an increase in per pupil funding by \$911.20 per pupil over the prior year.

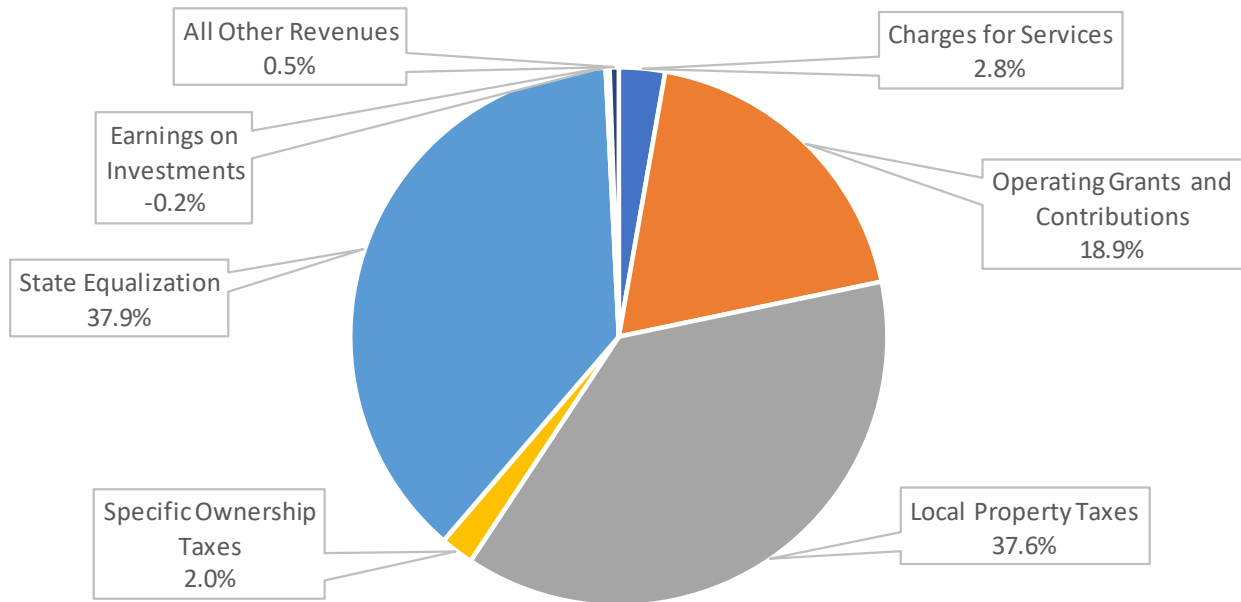
**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

**Comparative Schedule of Change in Net Position
June 30, 2022 and 2021**

	Governmental Activities	
	2022	2021
Revenues		
Program Revenues:		
Charges for Services	\$ 16,931,769	\$ 11,799,450
Operating Grants and Contributions	115,418,303	85,517,592
General Revenues:		
Taxes:		
Local Property Taxes	228,979,094	211,350,903
Specific Ownership Taxes	12,142,272	13,025,604
State Equalization	230,882,915	207,217,662
Earnings on Investments	(1,471,779)	557,281
All Other Revenues	3,343,766	154,936
Total Revenues	<u>606,226,340</u>	<u>529,623,428</u>
Expenses		
Governmental Activities:		
Direct Instruction	183,496,770	162,505,387
Indirect Instruction	57,709,132	78,091,543
Other Support Programs	72,290,089	54,184,925
Charter School Funding	38,619,459	34,423,655
Interest Expense, Unallocated	23,884,340	20,702,263
Total Expenses	<u>375,999,790</u>	<u>349,907,773</u>
Change in Net Position	230,226,550	179,715,655
Net Position - Beginning of Year	<u>(392,591,457)</u>	<u>(572,307,112)</u>
Net Position - End of Year	<u><u>\$ (162,364,907)</u></u>	<u><u>\$ (392,591,457)</u></u>

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

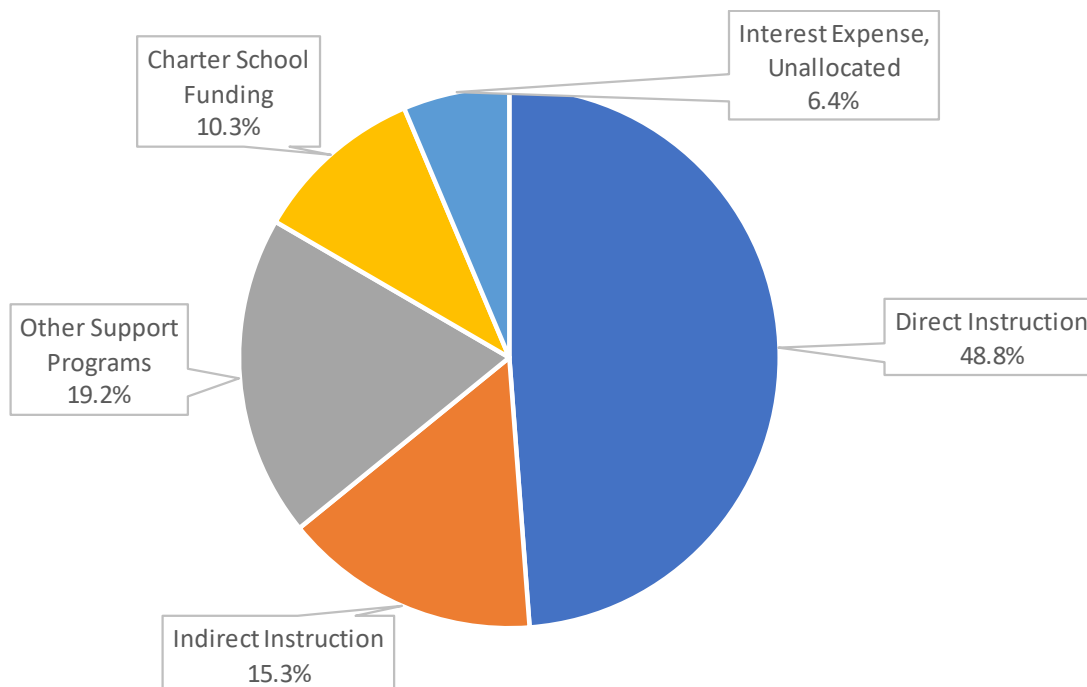
**Government-Wide Revenues
Fiscal Year Ended June 30, 2022**



The Colorado Public School Finance Act (SFA) provides for the majority of the funding of local school districts based on a funded pupil count formula and a maximum property tax mill levy determined for each school district. Funding for the SFA comes from property taxes, specific ownership tax, and state equalization. For the district, state equalization provided 37.9% of the governmental revenue, which was a decrease of 1.0% from the prior year. Local property taxes provided 37.6% and specific ownership tax provided for 2.0% of the governmental revenue, a decrease of 2.6% from the prior year. The district certified mill levies for fiscal year 2021-2022 were 68.677 and were comprised of 27.000 mills for school finance, 0.756 for abatement, 19.256 for override mills for an annual collection of \$64.2 million and 21.665 for debt service, which is restricted for future debt service payments. The remaining governmental revenue comes from charges for services of 2.8%, which includes revenue from sources related to before, after, and summer enrichment programs, food service programs, athletic activities, school activities, and building usage rentals. Operating grants and contributions, which is funding through federal, state and local grants provided 18.9% of government revenue while other revenue, which is local revenue that cannot be categorized as above, provided 0.3%.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

**Government-Wide Expenses
Fiscal Year Ended June 30, 2022**



Direct governmental instructional expenses make up 49.3% of the total government expenses. This category relates to direct instruction of students and costs associated with paying teaching staff and the purchase of supplies and materials. Indirect governmental instruction expenses are 15.3% of the total government expenses and these costs are associated with supporting staff and students, which includes school administration staff, instructional training and curriculum development. Other support governmental programs, which is 18.7% of expenses, include costs associated with district-wide staff that include staff in food services, before, after, and summer enrichment programs, transportation services, information technology, custodial, operations, and general administration. This category also includes the expenses associated with building, maintaining and repairing school buildings, district buildings, equipment, and vehicles. Debt service expenses account for 6.4% of total governmental expenses.

The district authorizes four Charter schools and is required to transfer funding based on funded pupil count for their operational needs. For fiscal year 2021-2022, the Charter count totaled 3,751 pupils and accounts for 10.3% of expenses.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

As noted earlier, the district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the district's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The General Fund is the chief operating fund of the district.

As of the end of the current fiscal year, the district's governmental funds reported a combined ending fund balance of \$313.9 million, an increase of \$14.0 million in comparison with the prior year. Fund balance in the Building-Capital Projects Fund declined by \$22.1 million over the prior year as the 2016 Bond Project nears completion. This fund accounts for voter approved bond proceeds from which had two issuances, one in December of 2016 and one in 2018. The Capital Reserve fund balance declined by \$0.2 million primarily due to capital outlay and debt service in excess of revenue, transfers and lease proceeds. The Governmental Designated Purpose Grants fund balance decreased \$2.3 million due to unavailable revenue balance of \$2.3 million.

The above fund balance declines were offset by increases to the General Fund, Bond Redemption Fund, and Other Governmental (Special Revenue Funds). The General Fund experienced an increase in fund balance of \$16.7 million, which is primarily a result of an increase of 11.4% in per pupil funding, offset by a decline in funded pupils by 369. The Bond Redemption Fund accounts for revenues generated from property tax collections as approved by voters to pay down general obligation bond expenditures. The current assessed mill is 21.665 per \$1,000 assessed valuation. The district experienced an 8% growth in assessed values increasing collections by \$5.4 million over the prior year. The reason the fund balance grew by \$12.7 million is due to the required debt service payments being lower than the current mill assessed rate. Other Funds increased in fund balance by \$9.2 million net due mainly to funding received in the Food Service Fund due to the rule change issued by the U.S. Department of Agriculture, increases in student charges and transfers in excess of expenditures in instructional special revenue fund.

Fund balances are either categorized as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable, which represents those assets held in inventory or for resources paid in advance for services, accounts for 0.8% of total fund balance. Approximately 12.4% of the fund balance is restricted for Building-Capital Projects as approved by the 2016 Bond and an additional 50.3% is restricted for TABOR, multi-year commitments, future debt service payments, and food service. Committed fund balance accounts for 21.4% of the fund balance and assigned accounts for 12.1% of the fund balance. The remaining 3.1% (\$9.6 million) of the fund balance is considered unassigned fund balance, which is available for the district's discretionary spending.

The General Fund is the primary operating fund of the district with the majority of funding received from the School Finance Act in the form of per pupil revenue and property taxes. The ending fund balance of the General Fund increased by \$16.7 million in fiscal year 2021-2022. The increase can be attributed to the increase in per pupil funding.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The Bond Redemption-Debt Service Fund has adequate resources accumulated to make the December 2022 principal and interest payments. The mill levy to accumulate resources for the June 2023 interest payment will be certified in December 2022. In compliance with Senate Bill 237, the district has contracted with a third-party custodian to administer bond principal and interest payments. The ending fund balance of the Bond Redemption-Debt Service Fund increased by \$12.7 million in fiscal year 2021- 2022.

The Building-Capital Projects Fund accounts for the major capital outlay for facilities and improvements funded by the proceeds of the general obligation bonds issued in December 2016 and in December 2018. As this fund is restricted for a specific purpose, expenditures are expected to decline year-over-year until the original proceeds are fully spent. The district anticipates a majority of the projects to be completed by the end of fiscal year 2022-2023. The fund balance decreased \$22.1 million from the prior year.

The Capital Reserve-Capital Projects Fund is funded by an annual allocation from the General Fund as well as building rental revenue. The funding is used to purchase equipment, maintain and renovate buildings and for debt service payments on certificates of participation. The fund balance decreased \$0.2 million due to reserve planning in accordance with district policy.

The Governmental Designated-Purpose Grant Special Revenue Fund operates mainly on a reimbursement basis. Expenditures not reimbursed as of June 30, 2022, are recorded as receivable amounts. Revenue paid in advance, but not earned, is recorded as unearned revenue. Fund deficit at year-end is \$2.3 million due to unavailable revenue balance of \$2.3 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

Colorado local laws require that the board of education adopt a budget and an appropriation resolution for each fiscal year prior to the beginning of the fiscal year. Total expenditures may not exceed the amount appropriated. All appropriations lapse at the end of each fiscal year. Supplemental budget and an appropriation resolution that alter total expenditures of any fund must be approved by the board of education.

The board of education adopted the 2021-2022 budget in June 2021 and approved the amended budget in January 2022. The total General Fund budget increased by a net \$10.0 million to account for an increase in the beginning fund balance of \$9.0 million, an increase in revenue of \$1.0 million, and increased expenditures and transfers of \$10.1 million. In June of 2021 the district's Board of Education approve a contract change for certified staff, which resulted in a saving in the prior year of \$12.9 million to the general fund. This was offset by a reduction in property tax valuations, specific ownership tax collections and outside agency billing. Assessed valuation results were lower than originally budgeted, therefore a \$1.0 million reduction was included, specific ownership was reduced by \$0.5 million to align to run rate at that point in time, and outside billing was reduced by \$0.2 million to account for transportation service shortages.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The General Fund expenditure budget was increased \$18.9 million to right size the general fund budget in order to reverse a negative contingency reserve. The original budget planned for an offset of funding to support the response to and mitigation of COVID-19. At amended budget, all expenditure budgets were moved to the Governmental Designated Purpose Grants Fund. An additional \$0.6 million increase to expenditures was added to recognize a change in the funding for charter schools and insurance costs. Transfers to other funds increased by \$2.3 million in order to provide necessary support to special revenue funds that saw large decline in funding sources due to the pandemic.

Revenue, as defined in the School Finance Act, includes property taxes, specific ownership taxes, and state equalization. For fiscal year 2021-2022, total program and mill levy override funding increased by \$47.1 million, from \$366.8 million in fiscal year 2020-2021 to \$413.9 million in fiscal year 2021-2022. Expenditures in the General Fund increased \$30.4 million, from \$373.1 million in fiscal year 2020-2021 to \$403.5 million in fiscal year 2021-2022, which can primarily be attributed to increases across all expenditures related to full return to school in 2021-2022.

As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. For fiscal year 2021-2022, expenditures came in under budget appropriations by \$9.3 million. The final budget totaled \$412.9 million and actual expenditures totaled \$403.5 million. Due to full return to schools in 2021-2022, direct instruction expenditures exceeded budget by \$11.4 million, offset by underspend in indirect and other support expenditures of \$22.2 million.

Total fund balance represents 23.3 percent of General Fund expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The district's investment in capital assets for governmental activities as of June 30, 2022, is \$692.6 million (net of accumulated depreciation). Capital assets include land, buildings, vehicles, equipment, and construction projects in process.

Major capital events during the year include the following:

- Roof replacements completed at Glacier Peak Elementary, STEM Launch K-8, Arapahoe Ridge Elementary, North Mor Elementary, and Northglenn High school
- Due to ground settlement under concrete pads behind the Thunder Vista K-8 building; site remediation, leveling, and major repair work was completed
- Five Star Stadium upgrades continued throughout the year, including new home and visitor bleachers, a new artificial turf playing field, resurfacing of the existing track, new stadium lighting, and new ticket booths
- Continued districtwide improvements to HVAC temperature controls and door access security hardware across all school sites
- Began replacement of intercom systems and security intrusion panels at a number of school locations

Additional information on the district's capital assets can be found in Note 6.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

**Capital Assets (Net of Accumulated Depreciation)
Years Ended June 30, 2022 and 2021**

	Governmental Activities	
	2022	2021
Land	\$ 34,922,561	\$ 34,922,561
Buildings and Land Improvements	548,347,376	538,136,863
Construction in Progress	64,177,264	77,096,074
Equipment and Vehicles	45,159,145	50,436,630
Total Capital Assets	<u>\$ 692,606,346</u>	<u>\$ 700,592,128</u>

As of June 30, 2022, the district had total bonded debt outstanding of \$446.2 million backed by the full faith and credit of the district. Additionally, the district has long-term debt obligations for financed purchases and certificates of participation in the amount of \$16.6 million still outstanding at the end of the current fiscal year. These amounts do not include unamortized bond and COP premiums, discounts and other deferred charges.

During the current fiscal year, the district repaid \$36.5 million of principal on general obligation bonds, \$1.9 million of principal on certificates of participation. Financed purchases of \$3.7 million reflect the outstanding obligation of financed purchases the District after implementation of GASB Statement No. 87, *Leases*, which were previously presented as capital leases prior to implementation of GASB 87.

For the 2018 general obligation Series 2018, the district received ratings of "Aa2" from Moody's and "AA" from Standard & Poor's.

**General Obligation Bonds, Financed Purchases, and Certificates of Participation
Years Ended June 30, 2022 and 2021**

	Governmental Activities	
	2022	2021
General Obligation Bonds	\$ 446,180,000	\$ 482,680,000
Financed Purchases	3,665,721	2,097,692
Certificates of Participation	12,890,000	14,775,000
Total	<u>\$ 462,735,721</u>	<u>\$ 499,552,692</u>

Additional information on the district's long-term obligations can be found in Note 8.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

ECONOMIC FACTORS AND FISCAL YEAR 2022-2023 BUDGETS

Each year Adams 12 Five Star Schools prepares a budget plan with the focus on utilizing available resources to best support educational success. The budget plan encompasses instruction at each school, transportation, food services, maintenance, administration and more.

The district follows a multi-step budget development process that involves receiving input on values and priorities from staff, parents and community members. District leadership prepares a budget plan that balances priorities of the community with federal, state and local mandates, desired academic outcomes, student safety and fiscal responsibility. The budget plan for fiscal year 2021-2022 supports the educational commitments of student learning, professional practice, and collective responsibility.

Due to the economic downturn and Colorado's associated budget crisis, the School Finance Act implemented a budget stabilization factor (formerly called the negative factor) for program funding in fiscal year 2009-2010. The impact of the budget stabilization factor for Adams 12 Five Star Schools has been substantial and has resulted in more than \$486.5 million decreased funding over the past thirteen years.

After a number of years of reduced funding resulting in budget reductions for school districts across the state, the state of Colorado restored some funding for public education that had previously been cut. Current state economic assumptions show a rebound in general fund revenue and therefore the budget stabilization factor for fiscal year 2022-2023 is expected to decline from 6.7% to 3.7%, estimated to be \$14.8 million less in funding for the Adams 12 Five Star Schools.

For fiscal year 2022-2023, the statewide base per pupil funding was increased for inflation by 3.5%. The statewide average per pupil base funding for fiscal year 2022-2023 is 7,478; the Adams 12 Five Star Schools per pupil revenue is \$9,488, which equates to an increase of \$616 per pupil over fiscal year 2021-2022. This increase is partly in response to a change in legislation that changed the definition of at-risk pupils by adding those pupils eligible for reduced-price lunch under the federal school lunch program and removing the subset of English Language Learner (ELL) pupils and applying those students to a new ELL factor in total funding.

Planned budgetary expenditure increases for fiscal year 2022-2023 consist of compensation increases including a certified step and a step equivalent for administrators and classified staff and a 0.5 percent increase to the PERA contribution rate. Other expenditure increases include cost associated with an online school program to support those families who are not ready to return to in-person learning, health insurance premiums, and increased information technology costs such as licenses, cybersecurity and family tech support.

At June 30, 2022, total fund balance in the General Fund is \$94.1 million (including the reserve for Risk Management). The district budget for the 2022-2023 fiscal year anticipates the transfer of \$12.3 million of General Fund balance to other funds. The district continues its policy to maintain 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.

**ADAMS 12 FIVE STAR SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 shall be addressed to:

Adams 12 Five Star Schools
Office of Financial Services
1500 East 128th Avenue
Thornton, CO 80241

BASIC FINANCIAL STATEMENTS

ADAMS 12 FIVE STAR SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government Governmental Activities	Component Units Charter Schools
ASSETS		
Cash and Investments - Unrestricted	\$ 175,967,319	\$ 16,719,585
Cash and Investments - Restricted	156,972,031	10,896,263
Accounts Receivable	9,466,129	359,736
Prepaid Expenses	1,286,476	408,666
Property Taxes Receivable	11,922,120	-
Accrued Interest Receivable	210,528	-
Due from Primary Government	-	2,046,337
Due from Other Governments	16,552,941	-
Inventories	1,528,514	-
Capital Assets, Not Being Depreciated:		
Land and Construction in Progress	99,099,825	12,478,256
Capital Assets, Net of Accumulated Depreciation:		
Buildings	548,347,376	78,375,404
Equipment and Vehicles	45,159,145	908,842
Total Assets	<u>1,066,512,404</u>	<u>122,193,089</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding	6,428,480	43,629
Deferred Outflows Related to Pensions	178,967,171	12,915,443
Deferred Outflows Related to OPEB	4,383,437	703,706
Total Deferred Outflows of Resources	<u>189,779,088</u>	<u>13,662,778</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	16,666,488	1,376,465
Retainages Payable	783,388	-
Payroll Withholdings Payable	1,176,212	-
Accrued Expenses	-	10,263
Accrued Salaries and Benefits	21,673,354	2,178,659
Accrued Interest Payable	955,273	778,057
Due to Component Units	2,046,337	-
Unearned Revenue	4,058,583	189,293
Total Current Liabilities	<u>47,359,635</u>	<u>4,532,737</u>
Noncurrent Liabilities:		
Due Within One Year:		
Compensated Absences	16,475,749	83,586
General Obligation Bonds	44,087,446	1,433,515
Certificates of Participation	2,225,738	-
Contracts Payable	569,958	153,495
Due in More than One Year:		
Compensated Absences	17,501,873	140,419
General Obligation Bonds	445,254,649	92,749,739
Certificates of Participation	12,212,802	-
Contracts Payable	3,095,763	179,924
Net Pension Liability	503,798,315	36,920,389
Net OPEB Liability	24,373,919	1,786,221
Total Noncurrent Liabilities	<u>1,069,596,212</u>	<u>133,447,288</u>
Total Liabilities	<u>1,116,955,847</u>	<u>137,980,025</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	284,952,966	16,558,897
Deferred Inflows Related to OPEB	10,025,369	634,147
Deferred Inflows Related to Leases	6,722,217	-
Total Deferred Inflows of Resources	<u>301,700,552</u>	<u>17,193,044</u>
NET POSITION		
Net Investment in Capital Assets	225,561,525	(2,288,281)
Restricted for:		
Debt Service	124,807,437	8,989,150
TABOR	12,280,115	1,257,668
Food Service	10,820,338	-
Special Education	-	525,000
Unrestricted	(535,834,322)	(27,800,739)
Total Net Position	<u>\$ (162,364,907)</u>	<u>\$ (19,317,202)</u>

See accompanying Notes to Basic Financial Statements.

**ADAMS 12 FIVE STAR SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	Component
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Units
					Governmental Activities	Charter Schools
Governmental Activities:						
Direct Instruction	\$ 183,496,770	\$ 6,507,333	\$ 97,026,733	\$ -	\$ (79,962,704)	
Indirect Instruction	57,709,132	153,085	17,709,455	-	(39,846,592)	
Other Support Programs	72,290,089	8,289,791	682,115	-	(63,318,183)	
Charter School Funding	38,619,459	1,981,560	-	-	(36,637,899)	
Interest Expense	23,884,340	-	-	-	(23,884,340)	
Total Governmental Activities	<u>\$ 375,999,790</u>	<u>\$ 16,931,769</u>	<u>\$ 115,418,303</u>	<u>\$ -</u>	(243,649,718)	
Component Units-Charter Schools	<u>\$ 35,702,272</u>	<u>\$ 1,926,918</u>	<u>\$ 4,181,998</u>	<u>\$ 736,494</u>		\$ (28,856,862)
General Revenues						
Taxes:						
Local Property Taxes					228,979,094	-
Specific Ownership Taxes					12,142,272	-
State Equalization					230,882,915	33,125,118
Other Revenues					3,339,933	7,055,011
Gain on Sale of Assets					3,833	-
Earnings on Investments					(1,471,779)	-
Total General Revenues					<u>473,876,268</u>	<u>40,180,129</u>
Change in Net Position					230,226,550	11,323,267
Net Position - Beginning of Year					<u>(392,591,457)</u>	<u>(30,640,469)</u>
Net Position - End of Year					<u>\$ (162,364,907)</u>	<u>\$ (19,317,202)</u>

See accompanying Notes to Basic Financial Statements.

**ADAMS 12 FIVE STAR SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Bond Redemption - Debt Service	Building - Capital Projects	Capital Reserve - Capital Projects	Governmental Designated Purpose Grants Special Revenue	Other Governmental Funds	Total
ASSETS							
Cash and Investments - Unrestricted	\$ 111,109,458	\$ -	\$ 7,205,915	\$ 26,894,105	\$ -	\$ 30,757,841	\$ 175,967,319
Cash and Investments - Restricted	-	122,454,428	32,648,447	1,869,156	-	-	156,972,031
Accounts Receivable	2,663,593	-	1,376,979	5,145,052	-	280,505	9,466,129
Property Taxes Receivable	8,465,835	3,456,285	-	-	-	-	11,922,120
Accrued Interest Receivable	126,418	-	84,110	-	-	-	210,528
Due from Other Governments	113,376	-	-	-	14,698,854	1,740,711	16,552,941
Due from Other Funds	6,119,321	-	-	-	-	-	6,119,321
Inventories	1,364,136	-	-	-	-	164,378	1,528,514
Prepaid Items	793,801	-	-	726	-	491,949	1,286,476
Total Assets	<u>\$ 130,755,938</u>	<u>\$ 125,910,713</u>	<u>\$ 41,315,451</u>	<u>\$ 33,909,039</u>	<u>\$ 14,698,854</u>	<u>\$ 33,435,384</u>	<u>\$ 380,025,379</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 11,367,641	\$ 148,003	\$ 3,771,005	\$ 238,033	\$ 654,725	\$ 487,081	\$ 16,666,488
Retainage Payable	-	-	661,707	95,054	26,627	-	783,388
Payroll Withholdings Payable	1,176,212	-	-	-	-	-	1,176,212
Accrued Salaries and Benefits	18,871,158	-	1,514	3,339	2,577,298	220,045	21,673,354
Due to Other Funds	-	-	-	-	6,119,321	-	6,119,321
Due to Component Units	3,951	-	-	377,023	1,665,363	-	2,046,337
Unearned Revenue - Other	97,980	-	-	-	3,655,520	305,083	4,058,583
Total Liabilities	<u>31,516,942</u>	<u>148,003</u>	<u>4,434,226</u>	<u>713,449</u>	<u>14,698,854</u>	<u>1,012,209</u>	<u>52,523,683</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	2,809,243	1,385,896	-	-	-	-	4,195,139
Unavailable Revenue - Long-Term Receivable	-	-	-	350,063	-	-	350,063
Unavailable Revenue - Grants	-	-	-	-	2,294,998	-	2,294,998
Deferred Inflows - Leases	<u>2,358,790</u>	<u>-</u>	<u>-</u>	<u>4,363,427</u>	<u>-</u>	<u>-</u>	<u>6,722,217</u>
Total Deferred Inflows of Resources	<u>5,168,033</u>	<u>1,385,896</u>	<u>-</u>	<u>4,713,490</u>	<u>2,294,998</u>	<u>-</u>	<u>13,562,417</u>

See accompanying Notes to Basic Financial Statements.

**ADAMS 12 FIVE STAR SCHOOLS
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Bond Redemption - Debt Service	Building - Capital Projects	Capital Reserve - Capital Projects	Governmental Designated Purpose Grants Special Revenue	Other Governmental Funds	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (CONTINUED)							
FUND BALANCES							
Nonspendable:							
Inventory	\$ 1,364,136	\$ -	\$ -	\$ -	\$ -	\$ 164,378	\$ 1,528,514
Prepaid Items	793,801	-	-	726	-	491,949	1,286,476
Restricted for:							
Tabor 3% Emergency Reserve	11,511,871	-	-	171,241	-	597,003	12,280,115
Multi-Year Obligations	10,216,410	-	-	-	-	-	10,216,410
Debt Service	-	124,376,814	-	-	-	-	124,376,814
Capital Projects	-	-	36,881,225	1,869,156	-	-	38,750,381
Food Service	-	-	-	-	-	10,820,338	10,820,338
Committed to:							
Contingency Reserve - 3% Per Board Policy	11,511,871	-	-	-	-	-	11,511,871
Capital Projects	-	-	-	26,440,977	-	-	26,440,977
Activity Special Revenue	-	-	-	-	-	17,543,089	17,543,089
Risk Management	4,348,686	-	-	-	-	-	4,348,686
Information Technology	4,407,617	-	-	-	-	-	4,407,617
Child Care	-	-	-	-	-	2,559,476	2,559,476
Athletics	-	-	-	-	-	246,942	246,942
Assigned to:							
Assigned	38,036,781	-	-	-	-	-	38,036,781
Unassigned:	11,879,790	-	-	-	(2,294,998)	-	9,584,792
Total Fund Balances	<u>94,070,963</u>	<u>124,376,814</u>	<u>36,881,225</u>	<u>28,482,100</u>	<u>(2,294,998)</u>	<u>32,423,175</u>	<u>313,939,279</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 130,755,938</u>	<u>\$ 125,910,713</u>	<u>\$ 41,315,451</u>	<u>\$ 33,909,039</u>	<u>\$ 14,698,854</u>	<u>\$ 33,435,384</u>	<u>\$ 380,025,379</u>

See accompanying Notes to Basic Financial Statements.

ADAMS 12 FIVE STAR SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2022

Total Governmental Fund Balances	\$ 313,939,279
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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.	1,129,871,336
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(437,264,990)
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.	4,195,139
Long-term receivables are not collected in the period of availability and, therefore, are not reported in the funds.	350,063
Unavailable grants receivable are not collected in the period of availability and, therefore, are not reported in the funds.	2,294,998
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	(489,342,095)
Financed Purchases	(3,665,721)
Certificates of Participation	(14,438,540)
Deferred Loss on Refunding	6,428,480
Compensated Absences Payable	(33,977,622)
	(534,995,498)
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.	(955,273)
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	(503,798,315)
Net OPEB Liability	(24,373,919)
	(528,172,234)
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	178,967,171
Deferred Inflows of Resources	(284,952,966)
	(105,985,795)
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	4,383,437
Deferred Inflows of Resources	(10,025,369)
	(5,641,932)
Net Position of Governmental Activities	\$ (162,364,907)

See accompanying Notes to Basic Financial Statements.

ADAMS 12 FIVE STAR SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Bond Redemption - Debt Service	Building - Capital Projects	Capital Reserve - Capital Projects	Governmental Designated Purpose Grants Special Revenue	Other Governmental Funds	Total
REVENUES							
Taxes:							
Property	\$ 157,355,757	\$ 72,387,950	\$ -	\$ -	\$ -	\$ -	\$ 229,743,707
Ownership	12,142,272	-	-	-	-	-	12,142,272
Delinquent Taxes and Interest	487,683	218,853	-	-	-	-	706,536
Mineral Leases	15,727	-	-	-	-	-	15,727
State	256,086,984	-	-	-	8,311,336	104,465	264,502,785
Federal	-	-	-	-	40,897,008	17,008,476	57,905,484
Local	2,816,445	-	-	3,889,877	-	13,487,778	20,194,100
Investment Earnings	(1,718,965)	(408,682)	141,908	505,848	-	8,112	(1,471,779)
Miscellaneous	322,507	-	899,611	237,089	-	241,315	1,700,522
Total Revenues	427,508,410	72,198,121	1,041,519	4,632,814	49,208,344	30,850,146	585,439,354
EXPENDITURES							
Current:							
Direct Instruction	212,802,294	-	-	-	25,907,243	9,010,079	247,719,616
Indirect Instruction	77,245,196	-	-	-	13,074,473	834,477	91,154,146
Other Support Programs	74,880,379	-	-	-	12,521,626	18,022,565	105,424,570
Charter School Funding	38,619,459	-	-	-	-	-	38,619,459
Capital Outlay:							
Sites, Buildings, and Ground Improvements	-	-	4,134,474	4,415,970	-	-	8,550,444
School Additions, Improvements, and Repairs	-	-	8,344,501	508,206	-	-	8,852,707
Equipment, Vehicles, and Operation Systems	-	-	10,651,496	-	-	7,000	10,658,496
Debt Service:							
Principal Retirement	-	36,500,000	-	1,885,000	-	-	38,385,000
Interest and Fiscal Charges	-	22,963,150	-	999,275	-	-	23,962,425
Bond Issuance and Other Costs	-	15,251	-	-	-	-	15,251
Total Expenditures	403,547,328	59,478,401	23,130,471	7,808,451	51,503,342	27,874,121	573,342,114
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,961,082	12,719,720	(22,088,952)	(3,175,637)	(2,294,998)	2,976,025	12,097,240

See accompanying Notes to Basic Financial Statements.

ADAMS 12 FIVE STAR SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	General	Bond Redemption - Debt Service	Building - Capital Projects	Capital Reserve - Capital Projects	Governmental Designated Purpose Grants Special Revenue	Other Governmental Funds	Total
OTHER FINANCING SOURCES (USES)							
Transfers In	\$ -	\$ -	\$ -	\$ 1,075,226	\$ -	\$ 6,210,315	\$ 7,285,541
Transfers Out	(7,285,541)	-	-	-	-	-	(7,285,541)
Financed Purchase Proceeds	-	-	-	1,923,816	-	-	1,923,816
Total Other Financing Sources (Uses)	<u>(7,285,541)</u>	<u>-</u>	<u>-</u>	<u>2,999,042</u>	<u>-</u>	<u>6,210,315</u>	<u>1,923,816</u>
Net Change in Fund Balances	16,675,541	12,719,720	(22,088,952)	(176,595)	(2,294,998)	9,186,340	14,021,056
Fund Balances - Beginning of Year	<u>77,395,422</u>	<u>111,657,094</u>	<u>58,970,177</u>	<u>28,658,695</u>	<u>-</u>	<u>23,236,835</u>	<u>299,918,223</u>
Fund Balances (Deficits) - End of Year	<u>\$ 94,070,963</u>	<u>\$ 124,376,814</u>	<u>\$ 36,881,225</u>	<u>\$ 28,482,100</u>	<u>\$ (2,294,998)</u>	<u>\$ 32,423,175</u>	<u>\$ 313,939,279</u>

See accompanying Notes to Basic Financial Statements.

**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
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances, Governmental Funds \$ 14,021,056

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 expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period.

Capital Outlay	26,218,099
Depreciation Expense, Net	(34,194,970)
	(7,976,871)

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.

(8,911)

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.

(1,471,004)

Grant revenue not collected within the period of availability are not recognized in the governmental funds. This amount represents change in unavailable grant revenue.

2,294,998

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.

38,740,787

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	5,973,183
Deferred Gains (Losses) on Refunding	(1,908,374)
	4,064,809

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.

78,085

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.

(621,895)

Governmental funds report the issuance of debt, including premiums and discounts, as an other financial source. In the governmental activities, however, the issuance of debt is reflected as a liability instead.

(1,923,816)

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	179,966,808
Net OPEB Expense	3,062,504
	183,029,312

Change in Net Position of Governmental Activities	\$ 230,226,550
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See accompanying Notes to Basic Financial Statements.

ADAMS 12 FIVE STAR SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGET BASIS) – GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes:				
Property	\$ 147,579,310	\$ 153,297,627	\$ 157,355,757	\$ 4,058,130
Ownership	12,442,479	11,914,116	12,142,272	228,156
Delinquent Taxes and Interest	-	-	487,683	487,683
Mineral Leases	-	-	15,727	15,727
State:				
Equalization Entitlement	233,682,942	228,680,168	230,882,915	2,202,747
Education of the Handicapped	8,903,258	9,318,902	9,695,333	376,431
Vocational Education	1,431,443	2,159,507	2,151,324	(8,183)
Gifted and Talented Education	374,713	375,628	375,628	-
State Transportation	2,136,790	2,136,790	2,151,439	14,649
Other State	6,231,432	6,250,959	10,830,345	4,579,386
Local	1,375,638	1,380,599	2,816,445	1,435,846
Investment Earnings	520,885	189,042	(1,718,965)	(1,908,007)
Miscellaneous	281,400	281,400	357,399	75,999
Total Revenues	414,960,290	415,984,738	427,543,302	11,558,564
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	60,661,295	57,417,115	59,942,419	(2,525,304)
K-8 Education	13,597,214	13,151,827	12,613,094	538,733
Middle School Education	26,965,018	26,184,968	29,760,958	(3,575,990)
High School Education	40,755,840	39,658,402	47,921,278	(8,262,876)
Other Regular Education	25,104,707	27,774,969	24,607,915	3,167,054
Special Programs	38,801,166	40,250,435	37,956,630	2,293,805
Total Direct Instruction	205,885,240	204,437,716	212,802,294	(8,364,578)
Indirect Instruction:				
Pupil Support Services	22,296,384	22,760,543	21,881,763	878,780
Instructional Staff Services	26,243,525	27,379,588	24,277,995	3,101,593
School Administration	28,610,730	32,907,192	31,085,438	1,821,754
Total Indirect Instruction	77,150,639	83,047,323	77,245,196	5,802,127
Other Support Programs:				
General Administration	2,878,934	2,814,203	1,966,176	848,027
Business and Fiscal Services	3,205,796	3,555,886	903,170	2,652,716
Procurement and Warehouse	1,370,770	1,559,544	1,704,965	(145,421)
Printing, Publishing, and Duplicating	-	16,391	6,478	9,913
Operations and Maintenance	19,183,390	20,607,300	20,087,625	519,675
Pupil Transportation Services	11,715,196	12,289,625	10,747,511	1,542,114
Energy and Utilities	8,087,447	8,097,284	9,165,779	(1,068,495)
Safety Services	4,492,040	4,683,600	4,507,604	175,996
Communications Division	623,101	623,838	1,519,303	(895,465)
Staff Services	5,109,050	4,989,016	2,973,290	2,015,726
Information Technology	17,420,651	16,810,705	14,633,764	2,176,941

See accompanying Notes to Basic Financial Statements.

ADAMS 12 FIVE STAR SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGET BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES (CONTINUED)				
Current (Continued):				
Other Support Programs (Continued):				
Other Support Services	\$ 14,885,205	\$ 7,353,371	\$ 1,909,956	\$ 5,443,415
Community Programs	298,166	393,525	312,392	81,133
Facilities - Planning and Development	313,410	327,066	355,558	(28,492)
Risk Management Services	4,198,160	4,133,007	4,086,808	46,199
Total Other Support Programs	93,781,316	88,254,361	74,880,379	13,373,982
Charter School Funding	36,368,622	37,137,420	38,619,459	(1,482,039)
Total Expenditures	413,185,817	412,876,820	403,547,328	9,329,492
Excess of Revenues Over Expenditures	1,774,473	3,107,918	23,995,974	20,888,056
OTHER FINANCING SOURCES (USES)				
Transfers Out	(192,052)	(8,284,441)	(7,285,541)	998,900
Total Other Financing Sources (Uses)	(192,052)	(8,284,441)	(7,285,541)	998,900
Net Change in Fund Balances	1,582,421	(5,176,523)	16,710,433	21,886,956
Fund Balances - Beginning of Year	68,337,971	77,395,422	77,395,422	-
Fund Balances - End of Year	<u>\$ 69,920,392</u>	<u>\$ 72,218,899</u>	94,105,855	<u>\$ 21,886,956</u>
Less Unearned Revenues Related to Forward Delivery Agreement at June 30, 2022			(34,892)	
Fund Balance (GAAP Basis) - End of Year			<u>\$ 94,070,963</u>	

See accompanying Notes to Basic Financial Statements.

ADAMS 12 FIVE STAR SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GOVERNMENTAL DESIGNATED PURPOSE GRANTS SPECIAL
REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
State	\$ 11,930,626	\$ 11,930,626	\$ 8,311,336	\$ (3,619,290)
Federal	69,577,914	69,577,914	40,897,008	(28,680,906)
Total Revenues	81,508,540	81,508,540	49,208,344	(32,300,196)
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	11,088,075	11,088,075	8,429,334	2,658,741
K-8 Education	331,157	331,157	-	331,157
Middle School Education	805,518	805,518	1,834,659	(1,029,141)
High School Education	874,474	874,474	2,554,283	(1,679,809)
Other Regular Education	30,795,257	30,795,257	4,998,798	25,796,459
Special Programs	8,472,417	8,472,417	8,090,169	382,248
Total Direct Instruction	52,366,898	52,366,898	25,907,243	26,459,655
Indirect Instruction:				
Pupil Support Services	8,780,526	8,780,526	7,488,541	1,291,985
Instructional Staff Services	8,760,129	8,760,129	5,495,302	3,264,827
School Administration	21,531	21,531	90,630	(69,099)
Total Indirect Instruction	17,562,186	17,562,186	13,074,473	4,487,713
Other Support Programs:				
General Administration	-	-	1,360,179	(1,360,179)
Business and Fiscal Services	5,471,762	5,471,762	2,885,773	2,585,989
Operations and Maintenance	-	-	456,805	(456,805)
Pupil Transportation Services	54,537	54,537	87,887	(33,350)
Safety Services	383,565	383,565	271,977	111,588
Staff Services	2,920,021	2,920,021	2,011,039	908,982
Information Technology	-	-	3,520,866	(3,520,866)
Community Programs	1,006,054	1,006,054	951,998	54,056
Facilities - Planning and Development	1,743,517	1,743,517	969,289	774,228
Food Service Operations	-	-	5,813	(5,813)
Total Other Support Programs	11,579,456	11,579,456	12,521,626	(942,170)
Total Expenditures	81,508,540	81,508,540	51,503,342	30,005,198
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	-	-	(2,294,998)	(2,294,998)
Net Change in Fund Balances	-	-	(2,294,998)	(2,294,998)
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,294,998)</u>	<u>\$ (2,294,998)</u>

See accompanying Notes to Basic Financial Statements.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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 applicable to governmental units. A summary of Adams 12 Five Star School's (the District) significant accounting policies consistently applied in the preparation of these financial statements follows:

A. Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes:

“The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the exercise of financial accountability over such agencies by the governmental unit's elected officials. Financial accountability is derived from the governmental unit's power and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Financial accountability implies that a governmental unit is dependent on another, and the dependent unit should be reported as part of the other.”

The District is the lowest level of government that has financial accountability and control over all activities related to public school education in School District No. 12, Adams County, Colorado. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined by GASB since the Board of Education members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

For financial reporting purposes, in conformance with GASB, the District (primary government) includes all funds, agencies, boards, and commissions that are controlled by or dependent on the Board of Education. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District, obligation of the District to finance any debts that may occur, or receipt of significant subsidies from the District.

The accompanying financial statements present the District and its component units, entities for which the District is considered financially accountable. Discretely presented component units are aggregated in the government-wide financial statements and shown in separate columns in the supplementary information to emphasize that it is legally separate from the District.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

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 statutes define these contracted schools as “charter schools.” Charter schools are financed from a portion of the District’s School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the District’s Board of Education must approve all charter school applications and budgets. During fiscal year 2021-2022, the District had four charter schools in operation. The charter schools are discretely presented component units because the District is financially accountable for them.

Each charter school issues separate financial statements for the fiscal year ended June 30, 2022. Complete financial statements for each of the individual component units may be obtained at the entity’s administrative offices:

Stargate Charter School
14530 Washington Street
Thornton, CO 80023

Westgate Community Charter School
12500 Washington Street
Thornton, CO 80233

New America Charter School
Thornton Campus
8978 Washington Street
Thornton, CO 80229

Prospect Ridge Academy
2555 Preble Creek Parkway
Broomfield, CO 80023

Government-Wide and Fund 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 primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a specific function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Government-Wide and Fund Financial Statements (Continued)

Major individual governmental funds (General Fund, Bond Redemption-Debt Service Fund, Building-Capital Projects Fund, Capital Reserve-Capital Projects Fund, and Governmental Designated-Purpose Grants Special Revenue Fund) and combined other governmental funds (Pupil Activity Special Revenue Fund, Other Special Revenue Fund, Instructional Special Revenue Fund, Food Service Special Revenue Fund, Before, After, and Summer Enrichment Special Revenue Fund, and Interscholastic Athletic Special Revenue Fund) are reported as separate columns in the fund financial statements.

B. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate 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 equity, revenues, and expenditures, or expenses, as appropriate. 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 major funds presented in the accompanying basic financial statements are as follows:

Major Governmental Funds

General Fund

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.

Bond Redemption-Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Building-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 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).

Governmental Designated-Purpose Grants Special Revenue Fund

This fund is used to account for the proceeds of state and federal fiscal grant revenue that are legally restricted to expenditures for specified purposes.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting, Measurement Focus, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented 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.

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Property tax revenue is considered to be available if collected by the district within 30 days after year-end. Revenue attributable to state and federal reimbursement is considered to be available if collected within 180 days after year-end. All other revenue is considered to be available if collected within 60 days after year-end.

Property taxes are reported as receivables and deferred inflows of resources when levied and as revenues when determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements are met.

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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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

Is 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 amount to have been spent first out of committed, then assigned, and finally unassigned funds, as needed.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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. 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 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

F. 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 9 and Note 11.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deferred Outflows and Inflows of Resources (Continued)

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 two carrying items that qualify 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. The Capital Reserve-Capital Projects Fund reports unavailable revenue from a development project that has yet to begin but contains a clause for expiration in 2029. These amounts are deferred and recognized as an inflow of resources in the period they become available.

G. 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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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.

Major Governmental Funds:	
General Fund	\$ 5,208,292
Debt Service Funds:	
Bond Redemption	3,000
Capital Projects Funds:	
Building	11,060,317
Capital Reserve	<u>3,611,635</u>
Subtotal Capital Project Funds	14,671,952
Governmental Designated Purpose Grants	5,562,195
Nonmajor Governmental Fund:	
Special Revenue Funds:	
Pupil Activity Special Revenues	77,396
Athletic Special Revenues	64
Other Special Revenues	75,493
Before, After, and Summer Enrichment	2,586
Food Service	<u>42,568</u>
Subtotal Special Revenue Funds	<u>198,107</u>
Total	<u><u>\$ 25,643,546</u></u>

I. 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.
 - a. 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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Budget and Budgetary Accounting (Continued)

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) except for the General Fund which has a different basis for recognition of the forward delivery agreement.
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.

J. 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.

K. 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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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.

M. 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.)

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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences (Continued)

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. Unearned Revenue

Unearned revenues include the carrying balance of the forward delivery agreement (see Note 8), Governmental Designated-Purpose Grant funds that have been collected but the corresponding expenditures have not been incurred, community use rentals, tuition and fees received in advance.

P. 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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Leases (Continued)

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 has elected to recognize 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.

Q. Net Pension Liability

The District's governmental activities report a net pension liability as of June 30, 2022. The District is required to report its proportionate share of PERA's unfunded pension liability. Refer to Note 9 for additional information.

R. 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 equal to \$225 million. 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 9 for additional information.

S. 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 11 for additional information.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH DEPOSITS AND INVESTMENTS

A. Deposits

The District and the discretely presented component units' investment policies 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 and the discretely presented component units do not have a deposit policy for custodial credit risk. At June 30, 2022, the District's carrying amount of the deposits is \$23,423,712. The component units carrying amount of the deposits is \$10,811,955. All of the District's and its component units' 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, 2022, are classified in the accompanying financial statements as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Governmental Activities:			
Cash and Investments -			
Unrestricted	\$ 175,967,319	\$ 16,719,585	\$ 192,686,904
Cash and Investments -			
Restricted	156,972,031	10,896,263	167,868,294
Total Governmental Activities	<u>\$ 332,939,350</u>	<u>\$ 27,615,848</u>	<u>\$ 360,555,198</u>

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

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

As of June 30, 2022, cash and investment balances in the financial statements consisted of the following:

	Primary Government	Component Units	Total
Cash and Investments:			
Cash and Deposit Balance	\$ 23,423,712	\$ 10,811,955	\$ 34,235,667
Investments	309,515,638	16,803,893	326,319,531
Total Cash and Investments	<u>\$ 332,939,350</u>	<u>\$ 27,615,848</u>	<u>\$ 360,555,198</u>

B. Investments

As of June 30, 2022, the District had the following investments. Investments held in repurchase agreements are not a part of pooled 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	\$ 233,652,849	75.49 %	AAAm/f	\$ 233,652,849	\$ -	\$ -
Money Market Fund:		0.00				
U.S. Bank	307,753	0.10	NR	307,753	-	-
UMB	1,742,948	0.56	NR	1,742,948	-	-
Municipal Bond and Note	5,286,459	1.71	AA+	-	2,881,651	2,404,808
Federal Agency Bond/Note	16,576,368	5.36	AA+	4,374,717	7,358,026	4,843,625
Federal Agency Bond/Note	14,065,277	4.54	AAA	10,937,952	3,127,325	-
Federal Agency Bond/Note	4,966	0.00	A1	-	4,966	-
Corporate Notes	499,365	0.16	AAA	499,365	-	-
Corporate Notes	672,971	0.22	AA+	672,971	-	-
Corporate Notes	499,665	0.16	AA2	499,665	-	-
United States Treasury Bond and Note	34,046,453	11.00	AAA	7,477,175	13,389,559	13,179,719
United States Treasury Bills	2,160,564	0.70	A-1+	2,160,564	-	-
Total	<u>\$ 309,515,638</u>	<u>100.00 %</u>		<u>\$ 262,325,959</u>	<u>\$ 26,761,527</u>	<u>\$ 20,428,152</u>

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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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, 2022:

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Municipal Bond and Note	\$ 5,286,459	\$ -	\$ 5,286,459	\$ -
Federal Agency Bond and Note	30,646,611	-	30,646,611	-
Corporate Notes	1,672,001	-	1,672,001	-
United States Treasury Bond	34,046,453	34,046,453	-	-
United States Treasury Bills	2,160,564	2,160,564	-	-
Total Investments by Fair Value Level	73,812,088	<u>\$ 36,207,017</u>	<u>\$ 37,605,071</u>	<u>\$ -</u>
Measured at Net Asset Value				
ColoTrust (External Investment Pool)	233,652,849			
Money Market Fund	2,050,701			
Total Investments	<u>\$ 309,515,638</u>			

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Fair Value (Continued)

As of June 30, 2022, the District had invested \$233,652,849 in the Colorado Liquid Asset Trust (ColoTrust), with \$223,693,592 invested in ColoTrust Plus and \$9,959,257 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 AAAf by Fitch Ratings. For ColoTrust Plus, there are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. For ColoTrust Edge, there are no unfunded commitments, the redemption frequency is weekly, and there is a five business day redemption notice period.

At June 30, 2022, the discretely presented component unit charter schools had investments of approximately \$16.8 million in various money markets with maturities of less than one year.

	<u>Fair Value</u>	<u>Concentration</u>	<u>S&P Rating</u>	<u>Maturity 12 Months or Less</u>
Component Units:				
Fidelity Government Portfolio				
Money Market Fund	\$ 3,007,454	17.9 %	AAAm	\$ 3,007,454
Morgan Stanley	692,492	4.1	AAAm	692,492
ColoTrust Plus (External				
Investment Pool)	13,103,947	78.0	AAAm	13,103,947
Total	<u>\$ 16,803,893</u>	<u>100.0 %</u>		<u>\$ 16,803,893</u>

In accordance with Section 22-45-103, C.R.S., the District's bond redemption fund custodian for fiscal year 2021-2022 is UMB Corporate Trust Services, a third party. The amounts held by the custodian were \$122,454,428 at June 30, 2022.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 RECEIVABLES

A. Property Taxes Receivables and Intergovernmental Receivables

Property taxes levied in 2021 but not yet collected in 2022 are identified as Property Taxes Receivable and Deferred Inflows of Resources in the governmental funds balance sheet at June 30, 2022, and are presented in the amount of \$11,922,120 and \$4,195,139 respectively. Intergovernmental receivables of \$14,698,854 in the Governmental Designated-Purpose Grants Special Revenue Fund, and \$1,740,711 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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 919,964	\$ 305,555	\$ 1,225,519
2024	998,837	240,579	1,239,416
2025	500,876	181,134	682,010
2026	352,657	153,523	506,180
2027	396,600	124,765	521,365
2028-2030	1,397,117	165,402	1,562,519
Total	<u>\$ 4,566,051</u>	<u>\$ 1,170,958</u>	<u>\$ 5,737,009</u>

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

Total future lease payments under the agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 134,437	\$ 107,423	\$ 241,860
2024	127,758	101,515	229,273
2025	119,648	95,545	215,193
2026	111,448	90,114	201,562
2027	120,476	84,780	205,256
2028-2032	771,216	324,549	1,095,765
2033-2037	785,844	142,938	928,782
2038-2040	199,908	8,354	208,262
Total	<u>\$ 2,370,735</u>	<u>\$ 955,218</u>	<u>\$ 3,325,953</u>

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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 30 days, whether or not budgeted. The 2022 fiscal year property tax calendar for Adams and Broomfield Counties was as follows:

Levy Date	December 15, 2021
Lien Date	January 1, 2022
Tax Bills Mailed	January 15, 2022
First Installment Due	February 28, 2022
Second Installment Due	June 15, 2022
If Paid in Full, Due	April 30, 2022
Tax Sale: Delinquent Property Taxes	November 17, 2022

Property Tax Revenue recognized in the statement of revenues, expenditures, and changes in fund balance – governmental funds during fiscal year 2021-2022 was \$229,743,707. The General Fund recognized \$157,355,757 and the Bond Redemption-Debt Service Fund recognized \$72,387,950.

As of June 30, 2022, the balance sheet reported for the General Fund \$8,465,835 and for the Bond Redemption-Debt Service Fund \$3,456,285 as property tax revenue due.

NOTE 5 GOVERNMENTAL AND INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Balance of interfund receivables, payables, and transfers at June 30, 2022:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 7,285,541
Major Governmental Fund:		
Capital Reserve-Capital Projects Fund	1,075,226	-
Nonmajor Governmental Fund:		
Pupil Activity Special Revenue Fund	235,322	-
Other Special Revenue Fund		
Instructional Special Revenue Fund	4,457,756	-
Interscholastic Athletic Special Revenue Fund	1,517,237	-
Total	<u>\$ 7,285,541</u>	<u>\$ 7,285,541</u>

The District transferred from the General Fund \$4,457,756, \$235,322, and \$1,517,237, respectively, to the Instructional Special Revenue Fund, Pupil Activity Special Revenue Fund, and the Interscholastic Athletic Special Revenue Fund to meet operational needs.

The General Fund transferred \$1,075,226 to the Capital Reserve-Capital Projects Fund to meet current and future capital needs.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental Activities:				
Nondepreciable Assets:				
Land	\$ 34,922,561	\$ -	\$ -	\$ 34,922,561
Construction in Progress	77,096,074	24,232,567	(37,151,377)	64,177,264
Total Nondepreciable Assets	112,018,635	24,232,567	(37,151,377)	99,099,825
Depreciable Assets:				
Buildings	897,527,396	35,337,991	-	932,865,387
Equipment and Vehicles	95,053,109	3,798,918	(945,903)	97,906,124
Total Depreciable Assets	992,580,505	39,136,909	(945,903)	1,030,771,511
Less: Accumulated Depreciation for:				
Buildings	(359,390,533)	(25,127,478)	-	(384,518,011)
Equipment and Vehicles	(44,616,479)	(9,067,492)	936,992	(52,746,979)
Total Accumulated Depreciation	(404,007,012)	(34,194,970)	936,992	(437,264,990)
Total Capital Assets, Net	<u>\$ 700,592,128</u>	<u>\$ 29,174,506</u>	<u>\$ (37,160,288)</u>	<u>\$ 692,606,346</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Instruction	\$ 26,068,379
School Administration	8,511
Business Services	177,430
Transportation	950,936
District-Wide	6,989,714
Total Depreciation Expense - Governmental Activities	<u>\$ 34,194,970</u>

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 CHANGES IN CAPITAL ASSETS (CONTINUED)

A summary of changes in Component Unit Charter Schools capital assets is as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Component Unit:				
Nondepreciable Assets:				
Land	\$ 10,835,388	\$ -	\$ -	10,835,388
Construction in Progress	246,379	1,521,845	(125,356)	1,642,868
Total Nondepreciable Assets	11,081,767	1,521,845	(125,356)	12,478,256
Depreciable Assets:				
Buildings and Site Improvements	93,015,807	152,437	-	93,168,244
Equipment and Vehicles	1,271,115	462,340	-	1,733,455
Total Depreciable Assets	94,286,922	614,777	-	94,901,699
Less: Accumulated Depreciation for:				
Buildings and Site Improvements	(12,080,458)	(2,712,382)	-	(14,792,840)
Equipment and Vehicles	(529,049)	(295,564)	-	(824,613)
Total Accumulated Depreciation	(12,609,507)	(3,007,946)	-	(15,617,453)
Total Capital Assets, Net	<u>\$ 92,759,182</u>	<u>\$ (871,324)</u>	<u>\$ (125,356)</u>	<u>\$ 91,762,502</u>

Depreciation expense was charged to function/programs of the component units as follows:

Component Unit:	
Operations and Maintenance	<u>\$ 3,007,946</u>
Total Depreciation Expense - Component Unit	<u>\$ 3,007,946</u>

NOTE 7 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, 2022, are estimated to be \$21,673,354. 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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 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	\$ 72,425,000	\$ -	\$ 13,355,000	\$ 59,070,000	\$ 14,035,000
General Obligation Refunding Bonds, Series 2014	20,090,000	-	-	20,090,000	-
General Obligation Refunding Bonds, Series 2014B	42,940,000	-	2,110,000	40,830,000	2,195,000
General Obligation Refunding Bonds, Series 2015	-	-	-	-	-
General Obligation Refunding Bonds, Series 2016A	12,705,000	-	6,195,000	6,510,000	6,510,000
General Obligation Refunding Bonds, Series 2016B	269,520,000	-	-	269,520,000	-
General Obligation Refunding Bonds, Series 2018	65,000,000	-	14,840,000	50,160,000	15,660,000
Unamortized Bond Premiums	48,849,541	-	5,687,446	43,162,095	5,687,446
Total General Obligation Bonds	531,529,541	-	42,187,446	489,342,095	44,087,446
Certificates of Participation, Series 2016	14,775,000	-	1,885,000	12,890,000	1,940,000
Unamortized COP Premiums	1,834,278	-	285,738	1,548,540	285,738
Total Certificates of Participation	16,609,278	-	2,170,738	14,438,540	2,225,738
Contracts Payable	2,097,692	1,923,816	355,787	3,665,721	569,958
Compensated Absences	33,355,727	17,096,818	16,474,923	33,977,622	16,475,749
Total	<u>\$ 583,592,238</u>	<u>\$ 19,020,634</u>	<u>\$ 61,188,894</u>	<u>\$ 541,423,978</u>	<u>\$ 63,358,891</u>

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

The changes in long-term liabilities for the component units for the year ended June 30, 2022, were as follows:

Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loan Payable	\$ 6,877	\$ -	\$ 6,877	\$ -	\$ -
Charter School Revenue Bonds	95,072,298	7,615,000	9,013,696	93,673,602	1,433,515
Unamortized Bond Premium	-	509,652	-	509,652	-
Total Bonds Payable	95,072,298	8,124,652	9,013,696	94,183,254	1,433,515
Leases Payable	260,899	237,621	165,101	333,419	153,495
Compensated Absences	137,238	245,877	159,110	224,005	83,586
Total	<u>\$ 95,216,413</u>	<u>\$ 8,608,150</u>	<u>\$ 9,344,784</u>	<u>\$ 94,740,678</u>	<u>\$ 1,670,596</u>

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

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:

<u>Description</u>	<u>Amount</u>
\$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%.	\$ 59,070,000
\$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%.	40,830,000
\$34,845,000 General Obligation Refunding Bonds, Series 2016A (refunded Series 2006A) due in semi-annual installments with payments of \$5,255,000 to \$6,510,000 through December 15, 2022. Interest rate 2.00% to 5.00%	6,510,000
\$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, 2036. Interest rate 2.00% to 5.00%.	269,520,000
\$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%.	<u>50,160,000</u>
Total	<u><u>\$ 446,180,000</u></u>

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

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, 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 38,400,000	\$ 21,084,575	\$ 59,484,575
2024	24,375,000	19,674,175	44,049,175
2025	25,340,000	18,559,250	43,899,250
2026	25,385,000	17,291,125	42,676,125
2027	28,660,000	15,940,000	44,600,000
2028-2032	133,725,000	59,956,651	193,681,651
2033-2037	170,295,000	22,380,851	192,675,851
Total	<u>\$ 446,180,000</u>	<u>\$ 174,886,627</u>	<u>\$ 621,066,627</u>

On November 8, 2016, voters approved a ballot measure authorizing the District to issue general obligation bonds in an amount not to exceed \$350,000,000. The bonds may be sold in one or more series and are for the purpose of funding capital projects outlined in the District's Facilities Master Plan. On December 20, 2017, the District issued \$285,000,000 of General Obligation Bonds, Series 2016B. On December 5, 2018, the District issued \$65,000,000 of General Obligation Bonds, Series 2018.

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. Component Unit Revenue Bonds

Stargate Charter School reported on April 2015, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$42,010,000 Charter School Improvement Revenue Bonds, Series 2015A. Bond proceeds were loaned to the Foundation to acquire land and construct a new school campus consisting of elementary and secondary school buildings. The School is obligated under a lease agreement to make monthly lease payments to the Foundation for using the facilities. The Foundation is required to make equal loan payments to the trustee, for payment of the bonds. Interest accrues on the bonds at 5.4% per annum and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1.

On June 27, 2018, CECFA issued \$40,780,000 Charter School Refunding Revenue Bonds, Series 2018A and Taxable Series 2018B. Proceeds were used to refund the outstanding Series 2015A Bonds. Stargate Charter School is obligated under a lease agreement to make monthly lease payments to the Corporation for using the facilities. The Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. Interest accrues on the bonds at rates ranging from 4.0% to 5.0% on the Series A Bonds and from 2.33% to 4.08% on the Taxable Series B bonds and is payable semi-annually on December 1 and June 1. Principal payments are due annually on December 1, from 2018 through 2048.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

D. Component Unit Revenue Bonds (Continued)

Westgate Community Charter School reported on May 1, 2016, the Public Finance Authority issued \$6,362,887 Charter School Refunding and Improvement Revenue Bonds (Westgate Community School Project) Series 2016A, and \$2,726,952 Charter School Refunding and Improvement Revenue Bonds (Westgate Community School Project) Series 2016B (Taxable). These bonds were issued to refund the Charter School Revenue Bonds, Series 2012, fund the debt services reserve, accrued interest account, pay certain issuance costs and fund the project account. Both Series mature on May 2, 2026. Interest on the Series 2016A and Series 2016B (Taxable) accrues at 3.896% and 5.565% per annum, respectively. The Bonds may be called at various dates beginning May 3, 2016 through May 20, 2021, at rates ranging from 105% to 101% and 100% after May 3, 2021.

Westgate Community Charter School is obligated to make monthly lease payments to the Westgate Charter School Building Corporation for use of the building. Westgate Community Charter School is required to make equal loan payments to the Trustee for payment of the bonds.

On April 23, 2020, Prospect Ridge Academy Charter School reported that CECFA issued the \$33,860,000 Charter School Refunding and Improvement Revenue Bonds, Series 2020A and \$915,000 Charter School Refunding and Improvement Revenues Bonds, Federally Taxable Series 2020B. Proceeds of the bonds were used to refund the Charter School Revenues Bond Series 2017 and 2016, fund the debt service reserve and accrued interest accounts, pay certain issuance costs, and to fund the project account.

Prospect Ridge Academy Charter School is obligated to make monthly lease payments to the Corporation for use of the building. The Corporation is required to make equal debt service payments to the Trustee, for payment of the bonds. Interest on the bonds accrues at rates ranging from 4% to 5%. Interest payments are due semi-annually on March 15 and September 15. Principal payments are due annually on March 15 beginning on March 15, 2023, through March 15, 2055.

In October 2018, CECFA issued \$6,150,000 in Charter School Revenue Bonds, Series 2018. Proceeds of the bonds were used to purchase the School's educational facility. New America School - Thornton Charter School is required to make lease payments to the Building Corporation for the use of the building. The Building Corporation is required to make equal lease payments to the trustee for payment of the bonds. Interest accrues at a rate of 4.41% per annum. Principal and interest payments are due monthly beginning in November 2018 through September 2028. A balloon payment in the amount of \$4,470,789 is due in October 2028.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

E. Component Unit Summary of Debt Service Requirements to Maturity

The following schedule reflects the debt service requirements to maturity of the Charter school's revenue bonded debt as of June 30, 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,587,010	\$ 3,942,345	\$ 5,529,355
2024	1,678,896	3,865,091	5,543,987
2025	1,644,931	3,781,051	5,425,982
2026	1,684,131	3,701,138	5,385,269
2027	1,762,500	3,618,219	5,380,719
2028-2032	13,852,665	16,032,623	29,885,288
2033-2037	7,495,000	13,551,525	21,046,525
2038-2042	13,650,000	10,822,250	24,472,250
2043-2047	8,045,000	8,648,025	16,693,025
2048-2052	30,010,000	3,990,275	34,000,275
2053-2057	5,795,000	588,750	6,383,750
Total	<u>\$ 87,205,133</u>	<u>\$ 72,541,292</u>	<u>\$ 159,746,425</u>

F. Forward Delivery Agreement

In April 2004, the District's General Fund received a net payment of \$6,344,000 pursuant to a forward delivery agreement. In exchange for this amount, the District agreed to make payments into a bank trust account (UMB Corporate Trust Services) from its Bond Redemption-Debt Service Fund revenues for subsequent purchases of investment securities from a third party (ColoTrust). The securities mature at such times as are required for meeting the District's debt service payment obligations over the 20-year contract period. Should the District terminate the agreement for any reason, it would be obligated to repay a portion of the \$6,344,000 received and an additional amount to compensate for loss of economic benefits based on market conditions existent at the time the agreement is dissolved.

The amount received under this agreement is being amortized over the term of the agreement for GAAP purposes, rather than in full for budgetary purposes.

The following GAAP-basis schedule shows the amounts of revenue recognized and the remaining balances treated as unearned revenue for each year through the current year:

<u>Fiscal Year Ending June 30,</u>	<u>Revenue Recognized</u>	<u>Balance (Unearned Revenue)</u>
2023	\$ 34,892	\$ -

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

G. 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 begin 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 begin 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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 569,958	\$ 52,554	\$ 622,512
2024	578,531	46,415	624,946
2025	602,249	40,400	642,649
2026	366,769	37,028	403,797
2027	128,407	34,308	162,715
2028-2032	734,569	126,182	860,751
2033-2037	685,238	39,054	724,292
Total	<u>\$ 3,665,721</u>	<u>\$ 375,941</u>	<u>\$ 4,041,663</u>

H. 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:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,940,000	\$ 523,300	\$ 2,463,300
2024	2,020,000	444,100	2,464,100
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	<u>\$ 12,890,000</u>	<u>\$ 1,840,650</u>	<u>\$ 14,730,650</u>

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

I. Compensated Absences

At June 30, 2022, compensated absence liabilities of the District included \$2,369,104 for vacation pay with an associated amount of \$495,143 for PERA benefits at 20.90% and \$34,352 for Medicare benefits at 1.45%, and \$12,306,542 for reimbursable leave with \$178,445 of associated Medicare; and \$18,594,036 in early retirement benefits for 494 employees who are eligible for such retirement benefits as of June 30, 2022.

J. Computation of Legal Debt Margin

The computation for the District's legal debt margin as of June 30, 2022, is as follows:

Actual Value of Taxable Property in the District	\$ 36,769,522,004
Debt Limitation – 6% of Actual Value of Taxable Property	2,206,171,320
Total Bonded Debt	446,180,000
Less: Amount Set Aside to Repay General Debt	<u>(124,376,814)</u>
Total Net Debt Applicable to Debt Limit	<u>321,803,186</u>
Legal Debt Margin	<u><u>\$ 1,884,368,134</u></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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLAN

Pensions

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

General Information about the Pension Plan

A. 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 (IRC). 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 that can be obtained at www.copera.org/investments/pera-financial-reports.

B. Benefits Provided as of December 31, 2021

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

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

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

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Benefits Provided as of December 31, 2021 (Continued)

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

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 five 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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Contribution Provisions as of June 30, 2022

Eligible employees of Adams 12 Five Star Schools and the state are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq., and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	July 1, 2021 Through <u>June 30, 2022</u>
Employer Contribution Rate ¹	10.90 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)
Amount Apportioned to the SCHDTF ¹	9.88
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	4.50
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	<u>5.50</u>
Total Employer Contribution Rate to the SCHDTF ¹	<u><u>19.88 %</u></u>

¹Contribution 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 Adams 12 Five Star Schools were \$54,604,479 for the year ended June 30, 2022.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Contribution Provisions as of June 30, 2022 (Continued)

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 \$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. In addition to the \$225 million direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the state treasurer to issue a warrant to PERA in the amount of \$380 million, upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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

The net pension liability for the SCHDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The Adams 12 Five Star Schools proportion of the net pension liability was based on Adams 12 Five Star Schools contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the state as a nonemployer contributing entity.

At June 30, 2022, the district reported a liability of \$503,798,315 for its proportionate share of the net pension liability that reflected a reduction for support from the state as a nonemployer contributing entity. The amount recognized by the Adams 12 Five Star Schools 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 Adams 12 Five Star Schools were as follows:

Adams 12 Five Star Schools Proportionate Share of the Net Pension Liability	\$ 503,798,315
The State's Proportionate Share of the Net Pension Liability as a Nonemployer Contributing Entity	
Associated with the Adams 12 Five Star Schools	<u>57,754,042</u>
Total	<u><u>\$ 561,552,357</u></u>

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2021, the Adams 12 Five Star Schools proportion was 4.329% percent, which was a decrease of 0.731048% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(151,931,898) and revenue of \$6,165,981 for support from the state as a nonemployer contributing entity. At June 30, 2022, Adams 12 Five Star Schools 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	\$ 19,287,418	\$ -
Changes in Assumptions or Other Inputs	38,461,240	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	189,413,117
Changes in Proportion and Difference Between Contributions Recognized and Proportionate Share of Contributions	93,183,603	95,539,849
Contributions Subsequent to the Measurement Date	28,034,910	-
Total	<u>\$ 178,967,171</u>	<u>\$ 284,952,966</u>

\$28,034,910 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 7,708,026
2024	(60,303,081)
2025	(58,434,953)
2026	(22,990,697)
Total	<u>\$ (134,020,705)</u>

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increase, 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 January 1, 2017	1.25%
PERA Benefit Structure Hired After December 31, 2006 ¹	Financed by the Annual Increase Reserve

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

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

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

Post-retirement nondisabled 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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

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

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

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

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

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

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

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

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 %	

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%.

F. Discount Rate

The discount rate used to measure the total pension liability 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 Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

F. Discount Rate (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, 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.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. Sensitivity of the District Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 741,549,916	\$ 503,798,315	\$ 305,403,479

H. Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF's FNP is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

Component Unit Defined Benefit Pension Plan information is not included in the district Notes to Basic Financial Statements. Readers who wish to view component unit data may visit each charter school's website under Financial Transparency.

Westgate Community Charter School:
<http://www.westgateschool.org/apps/pages/Financial-transparency>

Stargate Charter School:
<http://charter.stargateschool.org/financial-transparency>

Prospect Ridge Academy Charter School:
https://www.prospectridgeacademy.org/apps/pages/index.jsp?uREC_ID=799787&type=d&pREC_ID=968850

New America School - Thornton Charter School:
https://newamericaschool.org/apps/pages/index.jsp?uREC_ID=450410&type=d

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

A. Plan Description

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

B. Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$2,700,531 for the Voluntary Investment Program.

NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The District participates in the HCTF, a cost-sharing, multiple-employer defined benefit OPEB fund administered by 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 healthcare participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan

A. 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. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

B. Benefits Provided

The HCTF provides a healthcare premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA healthcare plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The healthcare 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 healthcare 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 healthcare plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

B. Benefits Provided (Continued)

Enrollment in the PERACare 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.

C. 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 basis for 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 on behalf of benefit recipients not covered by Medicare Part A.

D. 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 Adams 12 Five Star Schools were \$2,801,638 for the year ended June 30, 2022.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

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

At June 30, 2022, the district reported a liability of \$24,373,919 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the district proportion was 2.8266007%, which was a decrease of 0.1023497% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the district recognized OPEB expense of \$(1,624,093). At June 30, 2022, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 37,142	\$ 5,779,353
Changes in Assumptions or Other Inputs	504,633	1,322,142
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	1,508,755
Changes in Proportion and Difference Between Contributions Recognized and Proportionate Share of Contributions	2,403,251	1,415,119
Contributions Subsequent to the Measurement Date	1,438,411	-
Total	<u>\$ 4,383,437</u>	<u>\$ 10,025,369</u>

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEB (Continued)**

\$1,438,411 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (2,023,702)
2024	(2,023,068)
2025	(1,814,084)
2026	(764,339)
Thereafter	(67,830)
Total	<u>\$ (6,693,023)</u>

F. Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
Actuarial Cost Method			Entry Age	
Price Inflation			2.30%	
Real Wage Growth			0.70%	
Wage Inflation			3.00%	
Salary Increase, 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%	
Healthcare Cost Trend Rates PERA Benefit Structure:				
Service-Based Premium Subsidy			0.00%	
PERACare Medicare Plans			4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029	
Medicare Part A Premiums			3.75% in 2021, gradually increasing to 4.50% in 2029	

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

F. Actuarial Assumptions (Continued)

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

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

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

The 2021 Medicare Part A premium is \$471 per month.

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

Healthcare 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, healthcare 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.

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

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

F. Actuarial Assumptions (Continued)

The PERA benefit structure healthcare cost trend rates used to measure the total OPEB liability are summarized in the table below:

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

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

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

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

Post-retirement nondisabled 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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

F. Actuarial Assumptions (Continued)

Disabled mortality assumptions for members other than State Troopers 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 following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

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

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

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

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

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

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

F. Actuarial Assumptions (Continued)

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 %	

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%.

**G. Sensitivity of the District Proportionate Share of the Net OPEB Liability to
Changes in the Healthcare Cost Trend Rates**

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	3.50 %	4.50 %	5.50 %
Ultimate PERACare Medicare Trend Rate	3.50	4.50	5.50
Initial Medicare Part A Trend Rate	2.75	3.75	4.75
Ultimate Medicare Part A Trend Rate	3.50	4.50	5.50
Net OPEB Liability	\$ 23,673,968	\$ 24,373,919	\$ 25,184,758

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

H. Discount Rate

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

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. 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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 11 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

I. Sensitivity of the District 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	\$ 28,307,756	\$ 24,373,919	\$ 21,013,741

J. OPEB Plan Fiduciary Net Position

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

NOTE 12 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 comprised 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 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.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 RISK MANAGEMENT (CONTINUED)

B. Workers' Compensation

Beginning July 1, 2019, the threshold for losses increased to \$500,000 per claim with a maximum aggregate of \$1.5 million in total claims. There is also an 8% claim handling fee that is applied to each claim up to the deductible. This change 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 13 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments. Article X calls for various spending and revenue limitations and other restrictions to growth in government. Compliance may ultimately be determined by numerous legal opinions and court interpretations. However, the District believes it is in compliance with Article X, Section 20 of the Colorado Constitution and recognizes this in its reservation for emergencies of fund balance in the General Fund for 3% of fiscal year 2021-2022 spending.

In November 1999, the voters of the district approved a ballot issue authorizing the District to "...collect, retain, and expend all revenues and other funds collected in the current fiscal year and each subsequent year without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution or any other law."

NOTE 14 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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Construction Contract Commitments

Commitments for construction and improvement contracts in the Building-Capital Projects Fund totals \$30,200,292 as of June 30, 2022.

NOTE 15 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, 2022, were \$1,239,435.

The District's Food Services program is a member of a food co-operative along with other school districts in the state of Colorado. During the year ended June 30, 2022, the District paid \$1,525,614 for food related costs. Administrative costs were paid by membership fees.

REQUIRED SUPPLEMENTARY INFORMATION

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN – SCHOOL DIVISION TRUST FUND
LAST 10 YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	4.3291439%	5.0601915%	4.1272599%	4.0690374%	4.6958516%	4.8777381%	4.8314652%	4.8866711%	5.1084488%
District's Proportionate Share of the Net Pension Liability	\$ 503,798,315	\$ 764,998,892	\$ 616,603,671	\$ 720,506,652	\$ 1,518,471,530	\$ 1,452,291,268	\$ 738,938,497	\$ 662,308,071	\$ 651,581,259
State's Proportionate Share of the Net Pension Liability Associated with the District **	57,754,042	-	78,208,332	98,519,279	-	-	-	-	-
Total	<u>\$ 561,552,357</u>	<u>\$ 764,998,892</u>	<u>\$ 694,812,003</u>	<u>\$ 819,025,931</u>	<u>\$ 1,518,471,530</u>	<u>\$ 1,452,291,268</u>	<u>\$ 738,938,497</u>	<u>\$ 662,308,071</u>	<u>\$ 651,581,259</u>
District's Covered Payroll	\$ 270,560,898	\$ 270,853,534	\$ 242,510,888	\$ 223,695,798	\$ 216,614,182	\$ 218,921,565	\$ 210,551,876	\$ 204,716,575	\$ 206,170,605
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.21%	282.44%	254.26%	322.09%	701.00%	663.38%	350.95%	323.52%	316.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.20%	62.80%	64.06%

*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.

Note: Information prior to 2013 was not available to report.

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERA PENSION PLAN – SCHOOL DIVISION TRUST FUND
LAST 10 FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily Required Contribution	\$ 54,604,479	\$ 52,369,684	\$ 51,976,002	\$ 44,958,386	\$ 41,212,203	\$ 39,735,628	\$ 38,564,555	\$ 34,508,020	\$ 33,093,081	\$ 30,951,475
Contribution in Relation to the Statutorily Required Contribution	<u>(54,604,479)</u>	<u>(52,369,684)</u>	<u>(51,976,002)</u>	<u>(44,958,386)</u>	<u>(41,212,203)</u>	<u>(39,735,628)</u>	<u>(38,564,555)</u>	<u>(34,508,020)</u>	<u>(33,093,081)</u>	<u>(30,951,475)</u>
Annual Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 274,670,416	\$ 263,428,993	\$ 268,194,022	\$ 231,913,692	\$ 218,250,104	\$ 216,169,864	\$ 217,388,594	\$ 204,298,944	\$ 207,042,843	\$ 205,348,253
Contribution as a Percentage of Covered Payroll	19.88%	19.88%	19.38%	19.39%	18.88%	18.38%	17.74%	16.89%	15.98%	15.07%

*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.

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND
LAST 10 YEARS***

	2021	2020	2019	2018	2017	2016
District's Proportion of the Net OPEB Liability	2.8266007%	2.9289504%	2.6970879%	2.6448842%	2.6681662%	2.7725640%
District's Proportionate Share of the Net OPEB Liability	\$ 24,373,919	\$ 27,831,618	\$ 30,315,215	\$ 35,984,761	\$ 34,675,488	\$ 35,947,235
District's Covered Payroll	\$ 270,560,898	\$ 270,853,534	\$ 242,510,888	\$ 223,695,798	\$ 216,614,182	\$ 218,921,565
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	9.01%	10.28%	12.50%	16.61%	16.01%	16.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

*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.

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND
LAST 10 FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 2,801,638	\$ 2,686,976	\$ 2,735,579	\$ 2,365,520	\$ 2,226,151	\$ 2,204,933	\$ 2,217,364	\$ 2,083,849	\$ 2,111,837	\$ 2,094,552
Contribution in Relation to the Contractually Required Contribution	<u>(2,801,638)</u>	<u>(2,686,976)</u>	<u>(2,735,579)</u>	<u>(2,365,520)</u>	<u>(2,226,151)</u>	<u>(2,204,933)</u>	<u>(2,217,364)</u>	<u>(2,083,849)</u>	<u>(2,111,837)</u>	<u>(2,094,552)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 274,670,416	\$ 263,428,993	\$ 268,194,022	\$ 231,913,692	\$ 218,250,104	\$ 216,169,864	\$ 217,388,594	\$ 204,298,944	\$ 207,042,843	\$ 205,348,253
Contribution as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 FISCAL YEARS***

NOTE 1 NET PENSION LIABILITY – CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 FISCAL YEARS***

NOTE 1 NET PENSION LIABILITY – CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 FISCAL YEARS***

NOTE 1 NET PENSION LIABILITY – CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

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 2 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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.

**ADAMS 12 FIVE STAR SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 FISCAL YEARS***

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

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.

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. This fund was created in fiscal year 2016-2017 to more accurately track these types of activities. Prior to fiscal year 2016-2017, these activities were included in the Pupil Activity Agency Fund.
- 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. This fund was created in fiscal year 2016-2017 to more accurately differentiate and track these types of activities. Prior to fiscal year 2016-2017, these activities were included in the Pupil Activity Agency Fund.
- 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
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Pupil Activity Special Revenue	Other Special Revenue	Instructional Special Revenue	Food Service Special Revenue	Before, After, and Summer Enrichment Special Revenue	Interscholastic Athletic Special Revenue	Total Nonmajor Governmental Funds
ASSETS							
Cash and Investments	\$ 4,937,728	\$ 2,888,658	\$ 10,289,444	\$ 9,392,700	\$ 2,890,488	\$ 358,823	\$ 30,757,841
Accounts Receivable	1,439	77,857	-	11,565	146,115	43,529	280,505
Due from Other Governments	-	-	-	1,740,711	-	-	1,740,711
Inventories	-	1,271	-	163,107	-	-	164,378
Prepaid Items	-	-	487,624	1,500	-	2,825	491,949
Total Assets	<u>\$ 4,939,167</u>	<u>\$ 2,967,786</u>	<u>\$ 10,777,068</u>	<u>\$ 11,309,583</u>	<u>\$ 3,036,603</u>	<u>\$ 405,177</u>	<u>\$ 33,435,384</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 165,338	\$ 89,464	\$ 16,381	\$ 136,713	\$ 70,424	\$ 8,761	\$ 487,081
Accrued Salaries and Benefits	1,890	29,266	16,995	37,517	60,791	73,586	220,045
Unearned Revenue - Other	-	-	-	124,693	180,390	-	305,083
Total Liabilities	<u>167,228</u>	<u>118,730</u>	<u>33,376</u>	<u>298,923</u>	<u>311,605</u>	<u>82,347</u>	<u>1,012,209</u>
FUND BALANCES							
Nonspendable:							
Inventory	-	1,271	-	163,107	-	-	164,378
Prepaid Items	-	-	487,624	1,500	-	2,825	491,949
Restricted for:							
Tabor 3% Emergency Reserve	125,863	64,684	142,156	25,715	165,522	73,063	597,003
Food Service	-	-	-	10,820,338	-	-	10,820,338
Committed to:							
Pupil Activity Special Revenue	4,646,076	-	-	-	-	-	4,646,076
Other Special Revenue	-	2,783,101	-	-	-	-	2,783,101
Instructional Special Revenue	-	-	10,113,912	-	-	-	10,113,912
Child Care	-	-	-	-	2,559,476	-	2,559,476
Athletics	-	-	-	-	-	246,942	246,942
Total Fund Balances	<u>4,771,939</u>	<u>2,849,056</u>	<u>10,743,692</u>	<u>11,010,660</u>	<u>2,724,998</u>	<u>322,830</u>	<u>32,423,175</u>
Total Liabilities and Fund Balances	<u>\$ 4,939,167</u>	<u>\$ 2,967,786</u>	<u>\$ 10,777,068</u>	<u>\$ 11,309,583</u>	<u>\$ 3,036,603</u>	<u>\$ 405,177</u>	<u>\$ 33,435,384</u>

ADAMS 12 FIVE STAR SCHOOLS
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022

	Pupil Activity Special Revenue	Other Special Revenue	Instructional Special Revenue	Food Service Special Revenue	Before, After, and Summer Enrichment Special Revenue	Interscholastic Athletic Special Revenue	Total Nonmajor Governmental Funds
REVENUES							
State	\$ -	\$ 832	\$ -	\$ 103,633	\$ -	\$ -	\$ 104,465
Federal	-	-	-	17,008,476	-	-	17,008,476
Local	3,956,914	2,060,307	280,794	754,867	5,517,350	917,546	13,487,778
Investment Earnings	2,848	1,600	-	2,997	-	667	8,112
Miscellaneous	360	232,482	-	8,412	61	-	241,315
Total Revenues	3,960,122	2,295,221	280,794	17,878,385	5,517,411	918,213	30,850,146
EXPENDITURES							
Current:							
Direct Instruction:							
Elementary Education	195,670	49,223	1,253,504	-	-	3,343	1,501,740
K-8 Education	88,275	2,171	-	-	-	82	90,528
Middle School Education	130,609	3,897	-	-	-	6,286	140,792
High School Education	608,498	7,548	189,572	-	-	2,009,491	2,815,109
Other Regular Education	2,588,540	827,390	695,289	-	-	88,653	4,199,872
Special Programs	6,498	999	84,713	-	-	169,828	262,038
Total Direct Instruction	3,618,090	891,228	2,223,078	-	-	2,277,683	9,010,079
Indirect Instruction:							
Pupil Support Services	22	35,661	-	-	-	-	35,683
Instructional Staff Services	2,955	101,881	236,135	-	-	184,499	525,470
School Administration	35,428	237,896	-	-	-	-	273,324
Total Indirect Instruction	38,405	375,438	236,135	-	-	184,499	834,477
Other Support Programs:							
General Administration	-	-	-	-	-	-	-
Business/Fiscal Services	-	2,782	-	-	-	-	2,782
Procurement and Warehouse	-	56,031	-	-	-	-	56,031
Operations and Maintenance	120	484,649	-	-	3,995	-	488,764
Pupil Transportation Services	2,483	7,007	-	-	-	-	9,490
Staff Services	-	2,625	-	-	-	-	2,625

ADAMS 12 FIVE STAR SCHOOLS
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Pupil Activity Special Revenue	Other Special Revenue	Instructional Special Revenue	Food Service Special Revenue	Before, After, and Summer Enrichment Special Revenue	Interscholastic Athletic Special Revenue	Total Nonmajor Governmental Funds
EXPENDITURES (CONTINUED)							
Current (Continued):							
Other Support Programs (Continued):							
Other Support Services	\$ -	\$ -	\$ -	\$ 209,713	\$ 54,541	\$ -	\$ 264,254
Community Programs	-	67,600	-	-	-	19,241	86,841
Facilities - Planning and Development	-	6,250	-	-	-	-	6,250
Food Service Operations	-	14,795	-	13,273,701	-	-	13,288,496
Child Care Operations	-	8,424	-	-	3,808,608	-	3,817,032
Total Other Support Programs	<u>2,603</u>	<u>650,163</u>	<u>-</u>	<u>13,483,414</u>	<u>3,867,144</u>	<u>19,241</u>	<u>18,022,565</u>
Capital Outlay:							
Equipment/Vehicles/Operation Systems	<u>7,000</u>			<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Total Expenditures	<u>3,666,098</u>	<u>1,916,829</u>	<u>2,459,213</u>	<u>13,483,414</u>	<u>3,867,144</u>	<u>2,481,423</u>	<u>27,874,121</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	294,024	378,392	(2,178,419)	4,394,971	1,650,267	(1,563,210)	2,976,025
OTHER FINANCING SOURCES (USES)							
Transfers In	<u>235,322</u>	-	<u>4,457,756</u>	-	-	<u>1,517,237</u>	<u>6,210,315</u>
Total Other Financing Sources (Uses)	<u>235,322</u>	-	<u>4,457,756</u>	-	-	<u>1,517,237</u>	<u>6,210,315</u>
Net Change in Fund Balances	529,346	378,392	2,279,337	4,394,971	1,650,267	(45,973)	9,186,340
Fund Balances - Beginning of Year	<u>4,242,593</u>	<u>2,470,664</u>	<u>8,464,355</u>	<u>6,615,689</u>	<u>1,074,731</u>	<u>368,803</u>	<u>23,236,835</u>
Fund Balances - End of Year	<u>\$ 4,771,939</u>	<u>\$ 2,849,056</u>	<u>\$ 10,743,692</u>	<u>\$ 11,010,660</u>	<u>\$ 2,724,998</u>	<u>\$ 322,830</u>	<u>\$ 32,423,175</u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
BOND REDEMPTION – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes:				
Property	\$ 67,031,448	\$ 67,031,448	\$ 72,387,950	\$ 5,356,502
Ownership	-	-	-	-
Delinquent Taxes and Interest	-	-	218,853	218,853
State	-	-	-	-
Federal	-	-	-	-
Local	-	-	-	-
Investment Earnings	-	-	(408,682)	(408,682)
Miscellaneous	-	-	-	-
Total Revenues	67,031,448	67,031,448	72,198,121	5,166,673
EXPENDITURES				
Debt Service:				
Principal Retirement	36,500,000	36,500,000	36,500,000	-
Interest and Fiscal Charges	22,963,150	22,963,150	22,963,150	-
Bond Issuance and Other Costs	16,000	16,000	15,251	749
Total Expenditures	59,479,150	59,479,150	59,478,401	749
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	7,552,298	7,552,298	12,719,720	5,167,422
Net Change in Fund Balances	7,552,298	7,552,298	12,719,720	5,167,422
Fund Balances - Beginning of Year	112,352,210	111,657,094	111,657,094	-
Fund Balances - End of Year	<u>\$ 119,904,508</u>	<u>\$ 119,209,392</u>	<u>\$ 124,376,814</u>	<u>\$ 5,167,422</u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
BUILDING – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ 125,587	\$ 125,587	\$ 141,908	\$ 16,321
Miscellaneous	3,577,832	3,577,832	899,611	(2,678,221)
Total Revenues	3,703,419	3,703,419	1,041,519	(2,661,900)
EXPENDITURES				
Capital Outlay:				
Sites, Buildings, and Ground Improvements	4,684,125	4,684,125	4,134,474	549,651
School Additions, Improvements, and Repairs	9,453,848	9,453,848	8,344,501	1,109,347
Equipment, Vehicles, and Operation Systems	12,067,543	12,067,543	10,651,496	1,416,047
Total Expenditures	26,205,516	26,205,516	23,130,471	3,075,045
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(22,502,097)	(22,502,097)	(22,088,952)	413,145
Net Change in Fund Balances	(22,502,097)	(22,502,097)	(22,088,952)	413,145
Fund Balances - Beginning of Year	58,727,004	58,970,177	58,970,177	-
Fund Balances - End of Year	<u>\$ 36,224,907</u>	<u>\$ 36,468,080</u>	<u>\$ 36,881,225</u>	<u>\$ 413,145</u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
CAPITAL RESERVE – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local	\$ 1,618,085	\$ 3,685,085	\$ 3,889,877	\$ 204,792
Investment Earnings	50,000	50,000	505,848	455,848
Miscellaneous	-	-	237,089	237,089
Total Revenues	1,668,085	3,735,085	4,632,814	897,729
EXPENDITURES				
Capital Outlay:				
Sites, Buildings, and Ground Improvements	3,165,896	7,721,121	4,415,970	3,305,151
School Additions, Improvements, and Repairs	700,000	700,000	508,206	191,794
Debt Service:				
Principal Retirement	1,885,000	1,885,000	1,885,000	-
Interest and Fiscal Charges	589,125	589,125	999,275	(410,150)
Total Expenditures	6,340,021	10,895,246	7,808,451	3,086,795
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,671,936)	(7,160,161)	(3,175,637)	3,984,524
OTHER FINANCING SOURCES (USES)				
Transfers In	4,316,365	2,075,226	1,075,226	(1,000,000)
Proceeds from Lease Purchase	-	-	1,923,816	1,923,816
Total Other Financing Sources (Uses)	4,316,365	2,075,226	2,999,042	923,816
Net Change in Fund Balances	(355,571)	(5,084,935)	(176,595)	4,908,340
Fund Balances - Beginning of Year	23,324,758	28,658,694	28,658,695	1
Fund Balances - End of Year	<u>\$ 22,969,187</u>	<u>\$ 23,573,759</u>	<u>\$ 28,482,100</u>	<u>\$ 4,908,341</u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
PUPIL ACTIVITY – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local	\$ 3,731,074	\$ 3,731,074	\$ 3,956,914	\$ 225,840
Investment Earnings	4,500	4,500	2,848	(1,652)
Miscellaneous	-	-	360	360
Total Revenues	3,735,574	3,735,574	3,960,122	224,548
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	-	-	195,670	(195,670)
K-8 Education	-	-	88,275	(88,275)
Middle School Education	-	-	130,609	(130,609)
High School Education	222,129	222,129	608,498	(386,369)
Other Regular Education	4,475,729	4,475,729	2,588,540	1,887,189
Special Programs	-	-	6,498	(6,498)
Total Direct Instruction	4,697,858	4,697,858	3,618,090	1,079,768
Indirect Instruction:				
Pupil Support Services	-	-	22	(22)
Instructional Staff Services	-	-	2,955	(2,955)
School Administration	-	-	35,428	(35,428)
Total Indirect Instruction	-	-	38,405	(38,405)
Other Support Programs:				
Operations and Maintenance	-	-	120	(120)
Pupil Transportation Services	-	-	2,483	(2,483)
Total Other Support Programs	-	-	2,603	(2,603)
Capital Outlay:				
Equipment/Vehicles/Operation Systems	-	-	7,000	(7,000)
Total Expenditures	4,697,858	4,697,858	3,666,098	1,031,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	(962,284)	(962,284)	294,024	1,256,308
OTHER FINANCING SOURCES (USES)				
Transfers In	222,129	235,322	235,322	-
Total Other Financing Sources (Uses)	222,129	235,322	235,322	-
Net Change in Fund Balances	(740,155)	(726,962)	529,346	1,256,308
Fund Balances - Beginning of Year	4,387,054	4,242,727	4,242,593	(134)
Fund Balances - End of Year	<u>\$ 3,646,899</u>	<u>\$ 3,515,765</u>	<u>\$ 4,771,939</u>	<u>\$ 1,256,174</u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
State	\$ -	\$ -	\$ 832	\$ 832
Local	842,776	842,776	2,060,307	1,217,531
Investment Earnings	-	-	1,600	1,600
Miscellaneous	1,068,480	1,068,480	232,482	(835,998)
Total Revenues	1,911,256	1,911,256	2,295,221	383,965
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	35,739	35,739	49,223	(13,484)
K-8 Education	48,700	48,700	2,171	46,529
Middle School Education	800	800	3,897	(3,097)
High School Education	2,093	2,093	7,548	(5,455)
Other Regular Education	1,146,213	1,146,213	827,390	318,823
Special Programs	1,600	1,600	999	601
Total Direct Instruction	1,235,145	1,235,145	891,228	343,917
Indirect Instruction:				
Pupil Support Services	124,974	124,974	35,661	89,313
Instructional Staff Services	170,213	170,213	101,881	68,332
School Administration	255,200	255,200	237,896	17,304
Total Indirect Instruction	550,387	550,387	375,438	174,949
Other Support Programs:				
Business/Fiscal Services	1,400	1,400	2,782	(1,382)
Procurement and Warehouse	-	-	56,031	(56,031)
Operations and Maintenance	603,125	603,125	484,649	118,476
Pupil Transportation Services	-	-	7,007	(7,007)
Safety Services	-	-	-	-
Staff Services	-	-	2,625	(2,625)
Information Technology	-	-	-	-
Community Programs	61,251	61,251	67,600	(6,349)
Facilities: Planning & Development	-	-	6,250	(6,250)
Food Service Operations	-	-	14,795	(14,795)
Child Care Operations	-	-	8,424	(8,424)
Total Other Support Programs	665,776	665,776	650,163	15,613
Total Expenditures	2,451,308	2,451,308	1,916,829	534,479
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(540,052)	(540,052)	378,392	918,444
Net Change in Fund Balances	(540,052)	(540,052)	378,392	918,444
Fund Balances - Beginning of Year	2,501,882	2,470,487	2,470,664	177
Fund Balances - End of Year	<u>\$ 1,961,830</u>	<u>\$ 1,930,435</u>	<u>\$ 2,849,056</u>	<u>\$ 918,621</u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
INSTRUCTIONAL SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local	\$ -	\$ -	\$ 280,794	\$ 280,794
Total Revenues	-	-	280,794	280,794
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	629,742	629,742	1,253,504	(623,762)
Middle School Education	1,035,177	1,035,177	-	1,035,177
High School Education	2,379,352	2,341,624	189,572	2,152,052
Other Regular Education	44,422	44,422	695,289	(650,867)
Special Programs	-	-	84,713	(84,713)
Total Direct Instruction	4,088,693	4,050,965	2,223,078	1,827,887
Indirect Instruction:				
Instructional Staff Services	415,752	453,480	236,135	217,345
Total Indirect Instruction	415,752	453,480	236,135	217,345
Total Expenditures	4,504,445	4,504,445	2,459,213	2,045,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,504,445)	(4,504,445)	(2,178,419)	2,326,026
OTHER FINANCING SOURCES (USES)				
Transfers In	4,286,011	4,457,756	4,457,756	-
Total Other Financing Sources (Uses)	4,286,011	4,457,756	4,457,756	-
Net Change in Fund Balances	(218,434)	(46,689)	2,279,337	2,326,026
Fund Balances - Beginning of Year	6,511,399	8,464,354	8,464,355	1
Fund Balances - End of Year	<u>\$ 6,292,965</u>	<u>\$ 8,417,665</u>	<u>\$ 10,743,692</u>	<u>\$ 2,326,027</u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
FOOD SERVICE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
State	\$ 78,012	\$ 103,633	\$ 103,633	\$ -
Federal	11,571,484	14,939,672	17,008,476	2,068,804
Local	1,249,699	1,076,109	754,867	(321,242)
Investment Earnings	13,000	13,000	2,997	(10,003)
Miscellaneous	10,000	10,000	8,412	(1,588)
Total Revenues	<u>12,922,195</u>	<u>16,142,414</u>	<u>17,878,385</u>	<u>1,735,971</u>
EXPENDITURES				
Other Support Programs:				
Other Support Services	142,584	142,584	209,713	(67,129)
Food Service Operations	<u>12,537,354</u>	<u>13,940,752</u>	<u>13,273,701</u>	<u>667,051</u>
Total Other Support Programs	<u>12,679,938</u>	<u>14,083,336</u>	<u>13,483,414</u>	<u>599,922</u>
Total Expenditures	<u>12,679,938</u>	<u>14,083,336</u>	<u>13,483,414</u>	<u>599,922</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>242,257</u>	<u>2,059,078</u>	<u>4,394,971</u>	<u>2,335,893</u>
Net Change in Fund Balances	<u>242,257</u>	<u>2,059,078</u>	<u>4,394,971</u>	<u>2,335,893</u>
Fund Balances - Beginning of Year	<u>5,953,694</u>	<u>6,615,690</u>	<u>6,615,689</u>	<u>(1)</u>
Fund Balances - End of Year	<u><u>\$ 6,195,951</u></u>	<u><u>\$ 8,674,768</u></u>	<u><u>\$ 11,010,660</u></u>	<u><u>\$ 2,335,892</u></u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
BEFORE, AFTER, AND SUMMER ENRICHMENT (BASE) SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Tuition	\$ 6,071,362	\$ 6,071,362	\$ 5,517,350	\$ (554,012)
Miscellaneous	-	-	61	61
Total Revenues	6,071,362	6,071,362	5,517,411	(553,951)
EXPENDITURES				
Other Support Programs:				
Operations and Maintenance	-	-	3,995	(3,995)
Other Support Services	35,745	35,745	54,541	(18,796)
Child Care Operations	6,045,856	6,045,856	3,808,608	2,237,248
Total Expenditures	6,081,601	6,081,601	3,867,144	2,214,457
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,239)	(10,239)	1,650,267	1,660,506
OTHER FINANCING SOURCES (USES)				
Transfers In	238,420	-	-	-
Total Other Financing Sources (Uses)	238,420	-	-	-
Net Change in Fund Balances	228,181	(10,239)	1,650,267	1,660,506
Fund Balances - Beginning of Year	467,912	1,074,731	1,074,731	-
Fund Balances - End of Year	<u>\$ 696,093</u>	<u>\$ 1,064,492</u>	<u>\$ 2,724,998</u>	<u>\$ 1,660,506</u>

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL –
INTERSCHOLASTIC ATHLETIC SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes:				
Local	\$ 950,750	\$ 950,750	\$ 917,546	\$ (33,204)
Investment Earnings	2,400	2,400	667	(1,733)
Total Revenues	953,150	953,150	918,213	(34,937)
EXPENDITURES				
Current:				
Direct Instruction:				
Elementary Education	-	-	3,343	(3,343)
K-8 Education	3,600	3,600	82	3,518
Middle School Education	11,544	10,733	6,286	4,447
High School Education	504,597	504,597	2,009,491	(1,504,894)
Other Regular Education	1,448,115	1,448,926	88,653	1,360,273
Special Programs	390,459	390,459	169,828	220,631
Total Direct Instruction	2,358,315	2,358,315	2,277,683	80,632
Indirect Instruction:				
Instructional Staff Services	166,374	166,374	184,499	(18,125)
Other Support Programs:				
Operations and Maintenance	7,000	7,000	-	7,000
Community Programs	18,353	18,353	19,241	(888)
Total Other Support Programs	25,353	25,353	19,241	6,112
Total Expenditures	2,550,042	2,550,042	2,481,423	68,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,596,892)	(1,596,892)	(1,563,210)	33,682
OTHER FINANCING SOURCES (USES)				
Transfers In	1,517,237	1,517,237	1,517,237	-
Total Other Financing Sources (Uses)	1,517,237	1,517,237	1,517,237	-
Net Change in Fund Balances	(79,655)	(79,655)	(45,973)	33,682
Fund Balances - Beginning of Year	366,271	368,804	368,803	(1)
Fund Balances - End of Year	<u>\$ 286,616</u>	<u>\$ 289,149</u>	<u>\$ 322,830</u>	<u>\$ 33,681</u>

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, 2022

	Stargate Charter School	Westgate Community Charter School	Prospect Ridge Academy Charter School	New America School - Thornton Charter School	Total Charter Schools
ASSETS					
Cash and Investments - Unrestricted	\$ 6,041,168	\$ 3,546,818	\$ 6,286,221	\$ 845,378	\$ 16,719,585
Cash and Investments - Restricted	3,007,454	692,492	6,958,415	237,902	10,896,263
Accounts Receivable	722,068	280,998	1,165,539	237,468	2,406,073
Prepaid Expenses	139,829	53,919	205,620	9,298	408,666
Due from Primary Government	-	-	-	-	-
Capital Assets, Not Being Depreciated:					
Land and Construction in Progress	3,243,069	2,834,000	6,401,187	-	12,478,256
Capital Assets, Net of Accumulated Depreciation:					
Buildings	39,021,417	7,267,057	26,646,727	5,440,203	78,375,404
Equipment and Vehicles	505,752	11,109	354,694	37,287	908,842
Total Assets	<u>52,680,757</u>	<u>14,686,393</u>	<u>48,018,403</u>	<u>6,807,536</u>	<u>122,193,089</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	-	-	43,629	-	43,629
Deferred Outflows Related to Pensions	5,192,563	1,792,377	4,968,044	962,459	12,915,443
Deferred Outflows Related to OPEB	250,181	216,562	214,683	22,280	703,706
Total Deferred Outflows of Resources	<u>5,442,744</u>	<u>2,008,939</u>	<u>5,226,356</u>	<u>984,739</u>	<u>13,662,778</u>

ADAMS 12 FIVE STAR SCHOOLS
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (CONTINUED)
JUNE 30, 2022

	Stargate Charter School	Westgate Community Charter School	Prospect Ridge Academy Charter School	New America School - Thornton Charter School	Total Charter Schools
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 516,457	\$ 26,826	\$ 825,314	\$ 7,868	\$ 1,376,465
Accrued Expenses	10,263	-	-	-	10,263
Accrued Salaries and Benefits	1,191,294	232,559	672,630	82,176	2,178,659
Accrued Interest Payable	145,200	131,913	500,944	-	778,057
Due to Primary Government	-	-	-	-	-
Unearned Revenue	-	17,867	100,012	71,414	189,293
Total Current Liabilities	1,863,214	409,165	2,098,900	161,458	4,532,737
Noncurrent Liabilities:					
Due within One Year:					
Compensated Absences	44,913	-	38,673	-	83,586
Revenue Bonds	715,000	110,000	445,000	163,515	1,433,515
Leases payable	53,856	-	99,639	-	153,495
Due in More than One Year:					
Compensated Absences	-	-	140,419	-	140,419
Revenue Bonds	40,017,409	8,014,652	39,274,479	5,443,199	92,749,739
Leases payable	82,589	-	97,335	-	179,924
Net Pension Liability	14,777,041	5,008,428	14,460,984	2,673,936	36,920,389
Net OPEB Liability	714,918	242,310	699,627	129,366	1,786,221
Total Noncurrent Liabilities	56,405,726	13,375,390	55,256,156	8,410,016	133,447,288
Total Liabilities	58,268,940	13,784,555	57,355,056	8,571,474	137,980,025
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pensions	6,514,217	2,025,409	6,390,183	1,629,088	16,558,897
Deferred Inflows Related to OPEB	252,544	70,968	247,148	63,487	634,147
Total Deferred Inflows of Resources	6,766,761	2,096,377	6,637,331	1,692,575	17,193,044
NET POSITION					
Net Investment in Capital Assets	1,901,384	1,987,514	(6,285,857)	108,678	(2,288,281)
Restricted for:					
Debt Service	2,862,254	560,579	5,328,415	237,902	8,989,150
TABOR	460,456	196,000	499,011	102,201	1,257,668
Special Education	200,000	200,000	125,000	-	525,000
Unrestricted	(12,336,294)	(2,129,693)	(10,414,197)	(2,920,555)	(27,800,739)
Total Net Position	\$ (6,912,200)	\$ 814,400	\$ (10,747,628)	\$ (2,471,774)	\$ (19,317,202)

**ADAMS 12 FIVE STAR SCHOOLS
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED JUNE 30, 2022**

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Schools:					
Stargate Charter School	\$ 14,511,326	\$ 413,126	\$ 1,494,991	\$ -	\$ (12,603,209)
Westgate Community Charter School	5,377,387	321,759	576,646	242,263	(4,236,719)
Prospect Ridge Academy Charter School	13,728,305	1,191,030	1,257,880	426,349	(10,853,046)
New America School-Thornton Charter School	2,085,254	1,003	852,481	67,882	(1,163,888)
	<u>\$ 35,702,272</u>	<u>\$ 1,926,918</u>	<u>\$ 4,181,998</u>	<u>\$ 736,494</u>	<u>(28,856,862)</u>
Total Expenditures					
General Revenues					
School Finance Act:					
Stargate Charter School					13,228,748
Westgate Community Charter School					4,870,948
Prospect Ridge Academy Charter School					12,975,898
New America School-Thornton Charter School					2,049,524
Other:					
Stargate Charter School					3,596,322
Westgate Community Charter School					849,627
Prospect Ridge Academy Charter School					2,228,861
New America School-Thornton Charter School					380,201
Total General Revenues					<u>40,180,129</u>
Change in Net Position					11,323,267
Net Position - Beginning of Year					<u>(30,640,469)</u>
Net Position - End of Year					<u>\$ (19,317,202)</u>

STATE REQUIRED REPORT

COLORADO DEPARTMENT OF EDUCATION AUDITOR'S ELECTRONIC FINANCIAL DATA INTEGRITY CHECK FIGURES

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.

ADAMS 12 FIVE STAR SCHOOLS FINANCIAL SECTION STATE REQUIRED REPORT



Colorado Department of Education
Auditors Integrity Report
District: 0020 - Adams 12 Five Star Schools
Fiscal Year 2021-22
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	72,574,853	366,761,986	349,614,567	89,722,272
18 Risk Mgmt Sub-Fund of General Fund	4,820,568	3,505,751	3,977,634	4,348,686
19 Colorado Preschool Program Fund	0	11,335,670	11,335,671	0
Sub-Total	77,395,422	381,603,407	364,927,871	94,070,958
11 Charter School Fund	15,805,636	50,374,298	47,704,004	18,475,930
20,26-29 Special Revenue Fund	12,378,540	14,986,623	10,724,588	16,640,576
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	6,615,690	17,878,391	13,483,426	11,010,654
22 Govt Designated-Purpose Grants Fund	0	49,208,339	51,503,337	-2,294,998
23 Pupil Activity Special Revenue Fund	4,242,584	4,195,419	3,666,065	4,771,937
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	111,657,094	72,198,121	59,478,400	124,376,815
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	58,970,177	1,041,519	23,130,468	36,881,229
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	28,658,694	7,631,854	7,808,448	28,482,100
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	315,723,838	599,117,971	582,426,608	332,415,201
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

Paintbrushes
Artist: Gavin Hood
School: Mountain View Elementary



Texture Orbs
Artist: Lexi Hibbeler
School: Rocky Top Middle School

Jasper
Artist: Nat Solis
School: Mountain Range High School



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

Schedules

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.

1-4

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

5-8

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.

9-13

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.

14-15

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.

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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.

ADAMS 12 FIVE STAR SCHOOLS
FINANCIAL TRENDS SCHEDULE 1 – NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 157,898,594	\$ 161,427,987	\$ 145,038,966	\$ 163,015,412	\$ 147,159,979	\$ 178,067,913	\$ 196,339,493	\$ 216,718,472	\$ 217,662,648	\$ 225,561,525
Restricted	28,001,800	33,474,816	63,890,686	70,250,428	71,516,770	78,607,227	283,327,839	204,781,811	188,840,783	147,907,890
Unrestricted	27,474,100	20,724,391	(625,268,715)	(657,867,115)	(858,420,907)	#####	#####	(993,807,395)	(799,094,888)	(535,834,322)
Total Governmental Activities Net Position	<u>\$ 213,374,494</u>	<u>\$ 215,627,194</u>	<u>\$ (416,339,063)</u>	<u>\$ (424,601,275)</u>	<u>\$ (639,744,158)</u>	<u>\$ (904,311,076)</u>	<u>\$ (753,661,478)</u>	<u>\$ (572,307,112)</u>	<u>\$ (392,591,457)</u>	<u>\$ (162,364,907)</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 848,479	\$ 686,574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	9,077,241	9,936,435	-	-	-	-	-	-	-	-
Total Business-Type Activities Net Position	<u>\$ 9,925,720</u>	<u>\$ 10,623,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government:										
Net Investment in Capital Assets	\$ 158,747,073	\$ 162,114,561	\$ 145,038,966	\$ 163,015,412	\$ 147,159,979	\$ 178,067,913	\$ 196,339,493	\$ 216,718,472	\$ 217,662,648	\$ 225,561,525
Restricted	28,001,800	33,474,816	63,890,686	70,250,428	71,516,770	78,607,227	283,327,839	204,781,811	188,840,783	147,907,890
Unrestricted	36,551,341	30,660,826	(625,268,715)	(657,867,115)	(858,420,907)	#####	#####	(993,807,395)	(799,094,888)	(535,834,322)
Total Primary Government Net Position	<u>\$ 223,300,214</u>	<u>\$ 226,250,203</u>	<u>\$ (416,339,063)</u>	<u>\$ (424,601,275)</u>	<u>\$ (639,744,158)</u>	<u>\$ (904,311,076)</u>	<u>\$ (753,661,478)</u>	<u>\$ (572,307,112)</u>	<u>\$ (392,591,457)</u>	<u>\$ (162,364,907)</u>

Note: In Fiscal Year 2015, due to the implementation of GASB 68, the District recognized its share of the net pension liability which resulted in a deficit net position.

ADAMS 12 FIVE STAR SCHOOLS
FINANCIAL TRENDS SCHEDULE 2 – CHANGES IN NET POSITION
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
Direct Instruction	\$ 200,660,934	\$ 201,406,574	\$ 217,179,196	\$ 232,478,810	\$ 367,274,260	\$ 382,902,884	\$ 173,813,445	\$ 180,856,812	\$ 162,505,387	\$ 183,496,770
Indirect Instruction	42,520,108	47,999,681	58,613,866	65,909,683	66,270,495	72,239,890	69,539,489	76,762,268	78,091,543	57,709,132
Other Support Programs	58,617,994	68,402,400	72,883,709	80,863,780	156,778,489	181,577,452	65,012,278	57,209,135	54,184,925	72,290,089
Charter School Funding	51,583,887	43,472,016	19,391,201	23,186,915	35,740,446	23,164,902	29,981,478	35,487,122	34,423,655	38,619,459
Interest Expense, Unallocated	18,649,158	13,191,487	34,388,947	23,185,957	28,356,597	18,544,253	19,685,817	19,438,806	20,702,263	23,884,340
Total Governmental Activities Expenses	372,032,081	374,472,158	402,456,919	425,625,145	654,420,287	678,429,381	358,032,507	369,754,143	349,907,773	375,999,790
Business-Type Activities:										
Food Services	9,769,874	10,116,781	-	-	-	-	-	-	-	-
Child Care	5,807,797	6,184,005	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	15,577,671	16,300,786	-	-	-	-	-	-	-	-
Total Primary Government Expenses	387,609,752	390,772,944	402,456,919	425,625,145	654,420,287	678,429,381	358,032,507	369,754,143	349,907,773	375,999,790
Program Revenues										
Governmental Activities:										
Charges for Services:										
Direct Instruction	3,285,911	3,266,656	3,130,072	3,436,695	11,628,380	11,552,685	11,962,972	8,464,291	4,960,479	6,507,333
Indirect Instruction	546,271	652,191	792,885	676,633	-	-	-	-	-	153,085
Other Support Programs	2,772,177	3,892,302	14,427,437	14,938,507	14,677,103	14,945,360	17,540,836	13,809,141	5,713,807	8,289,791
Charter School Funding	656,182	631,056	382,008	443,099	414,677	501,988	828,854	1,120,322	1,125,164	1,981,560
Operating Grants and Contributions:										
Direct Instruction	18,738,679	21,374,486	20,126,032	20,487,996	20,569,291	23,721,969	21,072,216	32,487,124	39,112,465	97,026,733
Indirect Instruction	6,835,264	5,911,727	7,752,585	7,943,535	7,394,343	8,019,330	8,551,922	10,953,215	12,532,681	17,709,455
Other Support Programs	2,046,461	2,414,066	10,700,393	10,486,734	11,856,009	9,849,959	12,915,585	20,710,559	33,872,446	682,115
Total Governmental Activities Program Revenues	34,880,945	38,142,484	57,311,412	58,413,199	66,539,803	68,591,291	72,872,385	87,544,653	97,317,042	132,350,072

ADAMS 12 FIVE STAR SCHOOLS
FINANCIAL TRENDS SCHEDULE 2 – CHANGES IN NET POSITION (CONTINUED)
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues (Continued):										
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 3,443,467	\$ 3,279,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Child Care	6,430,706	6,879,261	-	-	-	-	-	-	-	-
Operating Grants and Contributions:										
Food Service	6,135,587	6,837,064	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	16,009,760	16,996,022	-	-	-	-	-	-	-	-
Total Primary Government Program Revenues	50,890,705	55,138,506	57,311,412	58,413,199	66,539,803	68,591,291	72,872,385	87,544,653	97,317,042	132,350,072
Net (Expense) Revenue										
Governmental Activities	(337,151,136)	(336,329,674)	(345,145,507)	(367,211,946)	(587,880,484)	(609,838,090)	(285,160,122)	(282,209,490)	(252,590,731)	(243,649,718)
Business-Type Activities	432,089	695,236	-	-	-	-	-	-	-	-
Total Primary Government Net Expense	(336,719,047)	(335,634,438)	(345,145,507)	(367,211,946)	(587,880,484)	(609,838,090)	(285,160,122)	(282,209,490)	(252,590,731)	(243,649,718)
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes:										
Local Property Taxes	121,511,993	121,590,268	122,794,404	136,517,005	138,732,861	157,040,586	186,202,843	214,043,518	211,350,903	228,979,094
Specific Ownership Taxes	8,644,074	9,366,253	10,222,765	11,093,715	12,034,731	13,862,710	14,658,993	13,704,723	13,025,604	12,142,272
Intergovernmental, Unrestricted	209,276,528	209,026,802	200,859,028	206,985,977	206,131,592	205,047,241	221,675,173	226,389,820	207,217,662	230,882,915
Intergovernmental Agreements	-	-	2,302,560	2,733,756	-	-	-	-	-	-
Other	737,988	163,280	103,728	-	2,964,474	428,313	2,071,028	789,794	154,936	3,339,933
Earnings on Investments	456,080	394,470	576,636	1,619,236	2,715,194	3,729,733	11,201,683	8,636,001	557,281	(1,471,779)
Gain on Disposal of Assets	-	-	1,525	-	-	-	-	-	-	3,833
Total Governmental Activities	340,626,663	340,541,073	336,860,646	358,949,689	362,578,852	380,108,583	435,809,720	463,563,856	432,306,386	473,876,268

ADAMS 12 FIVE STAR SCHOOLS
FINANCIAL TRENDS SCHEDULE 2 – CHANGES IN NET POSITION (CONTINUED)
LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other										
Changes in Net Position										
(Continued)										
Business-Type Activities:										
Earnings on Investments	2,822	2,053	-	-	-	-	-	-	-	-
Transfers	(400,000)	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>(397,178)</u>	<u>2,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>340,229,485</u>	<u>340,543,126</u>	<u>336,860,646</u>	<u>358,949,689</u>	<u>362,578,852</u>	<u>380,108,583</u>	<u>435,809,720</u>	<u>463,563,856</u>	<u>432,306,386</u>	<u>473,876,268</u>
Change In Net Position										
Governmental Activities	3,475,527	4,211,399	(8,284,861)	(8,262,257)	(225,301,632)	(229,729,507)	150,649,598	181,354,366	179,715,655	230,226,550
Business-Type Activities	<u>34,911</u>	<u>697,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 3,510,438</u>	<u>\$ 4,908,688</u>	<u>\$ (8,284,861)</u>	<u>\$ (8,262,257)</u>	<u>\$ (225,301,632)</u>	<u>\$ (229,729,507)</u>	<u>\$ 150,649,598</u>	<u>\$ 181,354,366</u>	<u>\$ 179,715,655</u>	<u>\$ 230,226,550</u>

Note: In May 2014, CDE's Financial Policies and Procedures (FPP) Committee approved the following recommendation: In order to align the compliance, accounting, and reporting of the federal grant program that is the food service fund, the required basis of accounting to be used by the food service fund shall be the modified accrual basis of accounting, and such fund shall be isolated as a special revenue fund.

ADAMS 12 FIVE STAR SCHOOLS
FINANCIAL TRENDS SCHEDULE 3 – FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 673,651	\$ 839,223	\$ 899,916	\$ 1,854,645	\$ 1,521,776	\$ 2,452,889	\$ 2,420,674	\$ 2,479,831	\$ 2,587,055	\$ 2,157,937
Restricted	19,131,027	19,202,758	19,154,089	18,894,678	18,868,915	19,199,644	19,381,266	19,776,229	21,102,884	21,728,281
Committed	2,978,017	3,029,680	2,492,101	11,103,922	11,679,868	12,389,195	12,658,458	12,498,349	14,947,500	20,268,174
Assigned	17,611,085	10,003,569	13,951,419	4,062,219	841,530	5,181,523	27,287,783	41,222,766	29,548,888	38,036,781
Unassigned	9,286,389	11,955,673	5,893,576	-	4,671,160	8,547,150	6,135,072	9,949,454	9,209,095	11,879,790
Total General Fund	<u>\$ 49,680,169</u>	<u>\$ 45,030,903</u>	<u>\$ 42,391,101</u>	<u>\$ 35,915,464</u>	<u>\$ 37,583,249</u>	<u>\$ 47,770,401</u>	<u>\$ 67,883,253</u>	<u>\$ 85,926,629</u>	<u>\$ 77,395,422</u>	<u>\$ 94,070,963</u>
All Other Governmental Funds										
Nonspendable:										
Inventory	\$ -	\$ -	\$ 210,395	\$ 147,083	\$ 149,139	\$ 121,812	\$ 98,195	\$ 199,538	\$ 128,548	\$ 164,378
Prepaid Items	-	-	54,641	47,557	83,613	88,535	46,323	45,863	469,075	492,675
Restricted for:										
Tabor 3% Emergency Reserve	-	-	-	761,737	1,096,140	1,001,283	1,560,390	1,172,761	884,512	768,244
Debt Service Projects	39,803,375	46,639,747	53,111,796	58,654,446	58,855,679	66,411,355	73,611,261	90,302,546	111,657,094	124,376,814
Capital Projects	-	6,939,248	26,866,762	24,997,937	269,711,636	212,984,403	196,778,514	100,435,455	58,970,177	38,750,381
Food Service	-	-	5,409,523	4,194,883	3,887,732	3,279,535	3,373,141	2,858,071	6,479,302	10,820,338
Committed to:										
Athletics	367,360	432,246	364,592	423,947	359,998	343,832	505,365	-	308,452	246,942
Child Care	-	-	3,145,553	2,391,491	1,929,598	792,548	464,770	-	913,644	2,559,476
Transportation	-	-	669,158	-	-	-	-	-	-	-
Capital Projects	7,952,899	9,463,425	10,111,685	12,248,536	33,766,084	14,884,608	22,524,079	25,907,510	28,327,498	26,440,977
Activity Special Revenue	-	-	-	-	6,468,253	10,280,184	13,509,893	14,063,931	14,384,455	17,543,089
Assigned to:										
Capital Projects	3,526,175	2,044,029	2,506,772	-	-	-	-	-	-	-
Designated Purpose Grants	-	-	-	(33,491)	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	-	-	3,881,481	-	-
Unassigned	-	-	-	-	-	-	-	-	-	(2,294,998)
Total All Other Governmental Funds	<u>\$ 51,649,809</u>	<u>\$ 65,518,695</u>	<u>\$ 102,450,877</u>	<u>\$ 103,834,126</u>	<u>\$ 376,307,872</u>	<u>\$ 310,188,095</u>	<u>\$ 312,471,931</u>	<u>\$ 238,867,156</u>	<u>\$ 222,522,757</u>	<u>\$ 219,868,316</u>

ADAMS 12 FIVE STAR SCHOOLS
FINANCIAL TRENDS SCHEDULE 4 – CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 130,814,942	\$ 131,427,784	\$ 133,716,439	\$ 146,675,513	\$ 151,450,944	\$ 170,631,184	\$ 199,729,916	\$ 223,941,939	\$ 225,468,223	\$ 242,592,515
State	221,251,686	222,550,056	216,715,737	223,377,140	222,924,367	223,040,936	245,676,336	251,961,417	227,789,198	264,502,785
Federal	15,645,246	15,855,381	24,037,648	24,470,458	23,479,402	23,883,740	25,847,555	41,821,748	63,029,535	57,905,484
Local	20,884	1,330,180	7,133,593	19,633,379	25,882,394	26,451,141	29,460,666	21,977,393	11,331,527	20,194,100
Mineral Leases	-	-	37,520	31,946	19,551	17,338	21,007	18,714	14,176	15,727
Investment Earnings	456,080	394,470	576,636	1,619,236	2,715,194	3,729,733	11,201,683	8,636,001	557,281	(1,471,779)
Miscellaneous	7,998,529	7,596,949	12,653,755	620,009	632,729	673,690	958,265	7,342,364	2,525,204	1,700,522
Total Revenues	<u>376,187,367</u>	<u>379,154,820</u>	<u>394,871,328</u>	<u>416,427,681</u>	<u>427,104,581</u>	<u>448,427,762</u>	<u>512,895,428</u>	<u>555,699,576</u>	<u>530,715,144</u>	<u>585,439,354</u>
Expenditures										
Direct Instruction	184,188,632	185,347,582	191,442,866	200,880,489	203,923,568	200,899,049	218,715,822	238,293,685	243,094,771	247,719,616
Indirect Instruction	42,342,107	47,962,804	54,922,617	60,590,339	59,791,273	64,409,299	72,742,263	81,408,428	84,034,388	91,154,146
Other Support Programs	50,405,364	58,606,031	78,201,170	82,031,282	82,915,251	83,519,090	88,532,937	92,688,024	99,326,400	105,424,570
Charter School Funding	51,583,887	43,472,016	19,391,201	23,186,915	35,740,446	23,164,902	29,981,478	35,487,122	34,423,655	38,619,459
Debt Service:										
Principal	22,247,787	21,792,134	25,988,689	30,614,131	30,344,633	27,575,188	28,808,286	26,465,229	22,444,222	38,385,000
Interest	19,880,225	13,326,531	13,958,345	15,699,284	20,860,230	24,654,890	25,524,923	26,012,476	26,820,625	23,962,425
Bond Issuance Costs	-	478,487	931,108	454,878	1,568,249	26,258	355,811	14,500	14,500	15,251
Capital Outlay	11,215,035	12,655,188	13,654,621	11,060,329	13,712,204	80,111,711	101,885,940	110,891,511	47,529,881	28,061,647
Total Expenditures	<u>381,863,037</u>	<u>383,640,773</u>	<u>398,490,617</u>	<u>424,517,647</u>	<u>448,855,854</u>	<u>504,360,387</u>	<u>566,547,460</u>	<u>611,260,975</u>	<u>557,688,442</u>	<u>573,342,114</u>
Excess of Revenues Over (Under) Expenditures	(5,675,670)	(4,485,953)	(3,619,289)	(8,089,966)	(21,751,273)	(55,932,625)	(53,652,032)	(55,561,399)	(26,973,298)	12,097,240
Other Financing Sources (Uses)										
Transfers In	11,338,921	13,961,433	20,123,032	18,632,079	9,592,463	9,261,549	17,446,939	18,007,995	18,264,603	7,285,541
Transfers Out	(10,938,921)	(13,961,433)	(20,123,032)	(18,632,079)	(9,592,463)	(9,261,549)	(17,446,939)	(18,007,995)	(18,264,603)	(7,285,541)
Escrow Agent	-	-	(99,241,278)	(54,472,766)	(65,222,756)	-	-	-	-	-
Refunding Bonds	-	-	81,245,325	-	-	-	-	-	-	-
Issuance of Bonds	-	-	-	-	319,845,000	-	65,000,000	-	2,097,692	-
Bond Premium	-	-	15,822,745	2,836,956	37,697,041	-	11,048,720	-	-	-
Lease Proceeds	217,500	13,705,573	30,148,442	54,633,388	-	-	-	-	-	1,923,816
Total Other Financing Sources (Uses)	<u>617,500</u>	<u>13,705,573</u>	<u>27,975,234</u>	<u>2,997,578</u>	<u>292,319,285</u>	<u>-</u>	<u>76,048,720</u>	<u>-</u>	<u>2,097,692</u>	<u>1,923,816</u>
Net Change in Fund Balance	<u>\$ (5,058,170)</u>	<u>\$ 9,219,620</u>	<u>\$ 24,355,945</u>	<u>\$ (5,092,388)</u>	<u>\$ 270,568,012</u>	<u>\$ (55,932,625)</u>	<u>\$ 22,396,688</u>	<u>\$ (55,561,399)</u>	<u>\$ (24,875,606)</u>	<u>\$ 14,021,056</u>
 Debt Service as a Percentage of Noncapital Expenditures	 11.2%	 9.3%	 10.4%	 11.2%	 11.7%	 12.3%	 11.7%	 10.4%	 10.0%	 11.4%

REVENUE CAPACITY

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

ADAMS 12 FIVE STAR SCHOOLS
REVENUE CAPACITY SCHEDULE 5 – ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST 10 FISCAL YEARS

Levy Year/ Collection Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	Agricultural Property	Natural Resources	Oil and Gas
2012-2013	\$ 1,161,229,372	\$ 361,190,712	\$ 17,377,320	\$ 32,756,710	\$ 435,330	\$ 9,880	\$ 6,020,790
2013-2014	1,178,393,358	377,471,168	15,268,340	35,759,280	463,510	9,880	4,846,960
2014-2015	1,194,583,604	367,039,632	15,580,650	31,487,390	459,100	9,880	4,978,500
2015-2016	1,408,185,162	405,637,590	23,257,190	44,509,010	599,790	9,880	8,430,690
2016-2017	1,434,937,543	407,167,480	22,823,790	38,051,010	511,500	9,880	10,519,850
2017-2018	1,722,063,604	476,237,820	22,138,390	53,304,270	440,810	9,910	5,917,280
2018-2019	1,755,716,481	500,061,430	22,860,650	51,350,080	424,600	11,000	2,194,960
2019-2020	2,097,284,105	639,297,760	51,995,130	57,319,650	393,040	11,840	2,067,820
2020-2021	2,086,360,517	651,120,000	52,917,210	47,485,950	411,780	12,060	25,106,420
2021-2022	2,198,594,419	740,174,500	51,259,580	44,599,210	425,990	12,400	78,213,960

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

ADAMS 12 FIVE STAR SCHOOLS
REVENUE CAPACITY SCHEDULE 5 – ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(CONTINUED)
LAST 10 FISCAL YEARS

Levy Year/ Collection Year	Public Utilities	Personal Property	Total Taxable Assessed Value	Mill Levy General Fund and Bond	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012-2013	\$ 16,680,130	\$ 141,541,680	\$ 1,737,241,924	70.60	\$ 16,948,596,051	10.25 %
2013-2014	22,757,260	147,447,010	1,782,416,766	68.61	17,295,184,533	10.31
2014-2015	22,009,358	154,645,390	1,790,793,504	68.78	17,524,070,040	10.22
2015-2016	22,247,852	163,953,960	2,076,831,124	66.02	20,705,094,601	10.03
2016-2017	21,715,380	177,853,770	2,113,590,203	65.92	21,082,604,911	10.03
2017-2018	20,476,280	185,786,680	2,486,375,044	63.26	27,397,199,777	9.08
2018-2019	20,346,821	176,885,320	2,529,851,342	73.51	28,087,678,829	9.01
2019-2020	18,555,641	190,595,090	3,057,520,076	69.99	33,930,072,092	9.01
2020-2021	20,772,260	202,009,920	3,086,196,117	69.79	34,156,453,782	9.04
2021-2022	21,383,466	200,488,890	3,335,152,415	68.68	36,769,522,004	9.07

ADAMS 12 FIVE STAR SCHOOLS
REVENUE CAPACITY SCHEDULE 6 – PROPERTY TAX RATES – DIRECT AND OVERLAPPING
GOVERNMENTS
LAST 10 FISCAL/CALENDAR YEARS
(PER \$1,000 OF ASSESSED VALUE)
(UNAUDITED)

Fiscal Year	School District Rates			Overlapping Rates	
	General Fund	Debt Service Fund	Total	Adams County	Broomfield County
2013	47.837	22.765	70.602	26.903	15.261
2014	46.940	21.665	68.605	26.815	15.261
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

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

ADAMS 12 FIVE STAR SCHOOLS
REVENUE CAPACITY SCHEDULE 7 – PRINCIPAL PROPERTY TAXPAYERS
MOST CURRENT CALENDAR YEAR AVAILABLE AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Xcel Energy (Public Service Company of Colorado)	\$ 72,428,750	1	2.17 %	\$ 44,334,750	1	2.49 %
Extraction Oil & Gas LLC	67,765,450	2	2.03	-		-
JPMorgan Chase Bank National Association	58,339,170	3	1.75	-		-
Amazon.com Services LLC	40,336,410	4	1.21	-		-
Vestar Orchard Town Center LLC	29,029,960	5	0.87	15,957,210	3	0.90
Denver Premium Outlets LLC C/O	23,640,250	6	0.71	-		-
Tri State Generation	19,408,680	7	0.58	10,403,200	6	0.58
GC Net Lease (Westminster) Investors LLC	19,374,550	8	0.58	-		-
144 Bull Crossing Associates LLC	16,344,570	9	0.49	-		-
Marketplace at Northglenn (10410-10450 Melody Lane LLC)	14,741,490	10	0.44	10,335,990	5	0.58
Qwest Corp.	-		-	21,690,900	2	1.22
Avaya Inc (real property)	-		-	12,482,950	4	0.70
SITE A LLC	-		-	9,426,160	7	0.53
Google Inc	-		-	6,419,550	8	0.36
Thornton Town Center	-		-	6,153,220	9	0.35
Target Corporation	-		-	5,985,510	10	0.34
Total	<u>\$ 361,409,280</u>		<u>10.83 %</u>	<u>\$ 143,189,440</u>		<u>8.05 %</u>

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

Note: Total assessed valuation upon which 2021 tax collections are based is \$3,335,152,415

ADAMS 12 FIVE STAR SCHOOLS
REVENUE CAPACITY SCHEDULE 8 – PROPERTY TAX LEVIES AND COLLECTIONS
LAST 10 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⁾
2013	\$ 122,652,754	\$ 122,008,409	99.5 %	\$ 272,986	\$ 122,281,395	99.7 %
2014	122,282,702	121,943,285	99.7	183,367	122,126,653	99.9
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

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

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.

ADAMS 12 FIVE STAR SCHOOLS
DEBT CAPACITY SCHEDULE 9 – RATIOS OF OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS
(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	Lease and Contracts Payable					
2013	\$ 331,866,199	\$ 31,552,054	\$ 792,645	\$ 364,210,898	20.96 %	5.83 %	\$ 1,608	226,448
2014	328,946,511	29,534,194	14,006,625	372,487,330	20.90	5.80	1,675	222,387
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	6.77	2,361	244,209
2021	531,529,541	16,609,278	2,097,692	550,236,511	17.83	6.46	2,285	240,739
2022	489,342,095	14,438,540	3,665,721	507,446,356	15.22	5.30	2,103	241,271

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, 2021 American Community Survey (Estimates)

ADAMS 12 FIVE STAR SCHOOLS
DEBT CAPACITY SCHEDULE 10 – DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
DEBT
JUNE 30, 2022
(UNAUDITED)

	Debt Outstanding	Percentage Applicable to Adams 12 Five Star Schools	Estimated Amount Applicable to Adams 12 Five Star Schools	Percentage of General Obligation Debt to Actual Property Value ⁽¹⁾
Direct Debt				
Adams 12 Five Star Schools	\$ 507,446,356	100.00 %	\$ 507,446,356	1.380 %
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 District 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
HighPointe Park Metropolitan District	2,803,000	100.00	2,803,000	0.008
Homestead Hills Metropolitan District	7,046,000	100.00	7,046,000	0.019
Huntington Trails Metropolitan Dist.	2,942,000	100.00	2,942,000	0.008
Hyland Hills Metro Park and Recreation District	5,695,000	100.00	5,695,000	0.015
Karl's Farm Metro District No. 2	15,920,000	100.00	15,920,000	0.043
Karl's Farm Metro 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 Metro	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 District 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 Metro. Dist.	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>\$ 893,948,822</u>		<u>\$ 887,786,951</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 and Actual Property Values. The percentages were determined by the portion applicable to Adams 12 and dividing it by the total taxable value.

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

ADAMS 12 FIVE STAR SCHOOLS
DEBT CAPACITY SCHEDULE 11 – RATIOS OF OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS

Fiscal Year	Governmental Activities			Total Outstanding Debt	Percentage of Personal Income ⁽²⁾	Population ⁽³⁾	Debt per Capita
	General Obligation Bonds ⁽¹⁾	Leases and Contracts Payable	Certificates of Participation ⁽¹⁾				
2012-2013	\$ 331,866,199	\$ 792,645	\$ 31,552,054	\$ 364,210,898	5.83 %	226,448	\$ 1,608
2013-2014	328,946,511	14,006,625	29,534,194	372,487,330	5.80	222,387	1,675
2014-2015	315,616,943	9,951,329	54,621,679	380,189,951	5.35	224,741	1,692
2015-2016	284,640,274	9,551,402	54,317,570	348,509,246	4.74	233,505	1,493
2016-2017	569,700,159	6,583,703	26,126,320	602,410,182	7.86	233,342	2,582
2017-2018	541,586,058	3,573,515	23,570,999	568,730,572	7.03	239,051	2,379
2018-2019	588,370,519	520,229	20,790,754	609,681,502	6.81	249,243	2,446
2019-2020	557,950,682	-	18,725,016	576,675,698	6.77	244,209	2,361
2020-2021	531,529,541	2,097,692	16,609,278	550,236,511	6.77	240,739	2,286
2021-2022	489,342,095	3,665,721	14,438,540	507,446,356	5.30	241,271	2,103

Notes:

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Schedule 14 - Demographic & Economic Statistics

(3) U.S. Census Bureau ACS 2021 1-Year Survey (Estimates)

ADAMS 12 FIVE STAR SCHOOLS
DEBT CAPACITY SCHEDULE 12 – RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST 10 FISCAL YEARS

Fiscal Year Ended June 30,	General Obligation Bonds ⁽¹⁾	Less: Amounts Restricted for Debt Service ⁽²⁾	Total	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2013	\$ 331,866,199	\$ 19,070,673	\$ 312,795,526	1.85 %	\$ 1,381
2014	328,946,511	24,472,058	304,474,453	1.76	1,369
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

Notes:

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums

(2) This is the amount restricted for debt service principal payments. FY2013 through FY2020 have been updated to reflect the Debt Service Net Position amount.

(3) Estimated actual taxable value can be found on Schedule 5 - Assessed & Actual Property Values

(4) Population Data can be found on Schedule 14 - Demographic & Economic Statistics

ADAMS 12 FIVE STAR SCHOOLS
DEBT CAPACITY SCHEDULE 13 – LEGAL DEBT MARGIN INFORMATION
JUNE 30, 2022

<u>Fiscal Year Ending June 30,</u>	<u>Total Taxable Assessed Value</u>	<u>Taxable Assessed Value as a Percentage of Estimated Actual Value</u>	<u>Estimated Actual Taxable Value</u>
2017-2018	\$ 2,486,375,044	9.08 %	\$ 27,397,199,777
2018-2019	2,529,851,342	9.01	28,087,678,829
2019-2020	3,057,520,076	9.01	33,930,072,092
2020-2021	3,086,196,117	9.04	34,179,804,473
2021-2022	3,335,152,415	9.07	36,769,522,004
Total Five Year Valuation			<u>\$ 160,364,277,175</u>
Five Year Average Full Valuation of Taxable Real Property			<u>\$ 32,072,855,435</u>
Constitutional Debt Limit (6%)			<u>\$ 1,924,371,326</u>
Outstanding General Obligation Indebtedness as of June 30, 2022 Governmental Activities - General Obligation Debt			<u>\$ 489,342,095</u>
Net Indebtedness Subject to Debt Limit			<u>\$ 489,342,095</u>
Net Debt Contracting Margin			<u>\$ 1,435,029,231</u>
Percentage of Net Debt Contracting Margin Available			<u>74.57%</u>
Percentage of Net Debt Contracting Power Exhausted			<u>25.43%</u>

<u>Fiscal Year Ending June 30,</u>	<u>Last 10 Fiscal Years</u>		
	<u>Constitutional Debt Limit ⁽¹⁾</u>	<u>Outstanding Indebtedness June 30</u>	<u>Percentage of Net Debt Contracting Margin Available</u>
2012-2013	\$ 367,771,159	\$ 331,866,199	9.76 %
2013-2014	377,727,170	328,946,511	12.91
2014-2015	381,274,680	315,616,943	17.22
2015-2016	445,076,446	284,640,274	36.05
2016-2017	1,122,666,602	569,700,159	49.25
2017-2018	1,248,049,846	541,586,058	56.61
2018-2019	1,504,323,083	588,370,519	60.89
2019-2020	1,733,131,532	557,950,682	67.81
2020-2021	1,736,128,321	531,529,541	69.38
2021-2022	1,924,371,326	489,342,095	74.57

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

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

ADAMS 12 FIVE STAR SCHOOLS
DEMOGRAPHIC AND ECONOMIC INFORMATION SCHEDULE 14 – DEMOGRAPHIC AND
ECONOMIC STATISTICS
LAST 10 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⁾
2012-2013	226,448	33.8	45,362	\$ 6,246,568,080	\$ 27,585	8.9 %
2013-2014	222,387	33.3	44,354	6,425,205,204	28,892	7.4
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	8,512,148,904	34,856	2.9
2020-2021	240,739	34.0	41,490	7,658,148,329	31,811	7.9
2021-2022	241,271	35.6	40,936	9,572,185,954	39,674	3.5

Notes:

(1) U.S. Census Bureau American Community Survey 1-Year Estimates (Total Population)

(2) The enrollment figure is based on the one-day pupil count in October and includes Pinnacle, The Academy, and Global Village Academy charter schools, which lie within District boundaries but are affiliated with the Charter School Institute (CSI)

(3) U.S. Census Bureau American Community Survey 1-Year Estimates (Mean Income)

(4) U.S. Bureau of Labor Statistics (Local Area Unemployment)

ADAMS 12 FIVE STAR SCHOOLS
DEMOGRAPHIC AND ECONOMIC INFORMATION SCHEDULE 15 – PRINCIPAL EMPLOYERS
CURRENT FULL CALENDAR YEAR AND NINE YEARS AGO

Employer	Product/Service	2021			2012		
		Employees	Rank	Percent of Total District Employment	Employees	Rank	Percent of Total District Employment
Amazon	Retail Distribution	2,300	1	1.80 %			
Maxar Technologies	Satellite Imaging	1,293	2	1.01			
Centura Health/St. Anthony North	Hospital	1,164	3	0.91	800	4	0.65 %
Waterworld ⁽¹⁾	Amusement Park	919	4	0.72			
Health One: North Suburban Medical Center	Medical and Rehabilitation Clinic	800	5	0.63	660	6	0.53
Wal-Mart / Sam's Club (3 locations)	Retail	737	6	0.58	975	1	0.79
Tri State Generation	Electric Utilities Generation	518	7	0.40	490	9	0.40
Mtech Mechanical Technologies	Mechanical Contractor	507	8	0.40			
King Soopers (3 locations)	Grocery Retailer	503	9	0.39			
Alliance Data Systems	Credit Card Processing	472	10	0.37	479	10	0.39
Avaya, Inc.	Telecommunications Research and Development				900	2	0.73
Staples	Office Supplies				800	3	0.65
DISH Network/EchoStar Communications	Satellite Television Service Provider				730	5	0.59
American Furniture Warehouse	Furniture Retailer				560	7	0.45
McKesson Information Solutions	Pharmaceutical Distributor/Healthcare IT				500	8	0.40
Total		<u>9,213</u>		<u>7.21 %</u>	<u>6,894</u>		<u>5.58 %</u>

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

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

ADAMS 12 FIVE STAR SCHOOLS
OPERATING INFORMATION SCHEDULE 16 – FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY CATEGORY
LAST 10 FISCAL YEARS

Employee Category	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ⁽¹⁾
Educational Services :										
Executive Directors	3.0	3.0	3.0	4.0	3.0	4.0	4.0	6.0	5.0	8.0
Directors	6.0	5.0	5.0	10.0	8.4	8.0	11.0	12.0	13.0	12.0
Principals	47.0	50.0	49.1	49.1	49.0	49.0	49.0	52.0	51.0	52.0
Assistant Principals	42.5	43.5	44.6	51.0	51.5	53.0	61.0	62.0	63.3	65.5
Dean of Students	12.0	12.1	12.1	16.4	15.5	16.1	21.0	21.0	22.0	25.0
Teachers	1,862.3	1,927.8	2,023.8	2,008.3	1,963.0	1,942.4	1,970.9	2,156.3	2,147.3	2,114.0
Counselors	48.9	53.0	59.6	65.1	64.6	67.5	71.6	73.0	78.0	80.5
Library Media Specialists	19.5	21.0	19.0	18.5	17.0	16.0	14.5	13.5	11.5	11.0
Social Workers	14.5	14.6	17.3	20.2	25.9	28.9	36.0	35.3	34.8	43.0
Secretaries, Bookkeepers, and Office Clerks	173.1	181.2	181.0	166.0	165.1	164.5	162.8	169.1	163.1	169.8
Campus Supervisors	18.0	23.0	22.5	22.3	23.8	25.3	37.5	42.5	38.5	45.8
Physical, Occupational, and Speech Therapists	65.9	67.6	71.0	85.3	82.9	94.8	102.1	110.4	108.1	113.0
Psychologists	35.6	35.6	38.4	41.9	35.6	34.7	40.0	41.2	44.0	43.9
Nurses	9.7	11.7	13.7	16.4	16.5	18.1	20.4	20.1	24.6	22.7
ParaEducator Classified	471.8	503.4	502.3	603.2	565.9	571.3	580.5	579.0	565.3	568.0
Childcare ParaEducators Classified	95.5	106.3	107.9	108.3	173.1	139.3	133.5	106.5	70.7	75.5
Coordinators	13.8	14.8	19.9	38.9	33.8	44.1	47.6	47.1	42.9	45.6
Other ⁽²⁾	20.1	26.4	27.3	13.5	15.5	9.9	10.4	9.0	4.3	5.5
Substitute Teachers ⁽³⁾⁽⁴⁾	577.0	572.0	658.0	557.0	616.0	623.0	681.0	555.0	628.0	730.0
Classified Substitutes ⁽³⁾	174.0	181.0	199.0	136.0	140.0	161.0	164.0	183.0	185.0	124.0
Total Educational Services	3,710.2	3,853.0	4,074.5	4,031.4	4,065.9	4,070.7	4,218.6	4,293.9	4,300.4	4,354.6
Support Services:										
Executive Directors	1.0	3.0	3.0	2.0	1.0	-	-	1.0	2.0	2.0
Directors	14.5	15.0	17.0	11.0	11.0	11.0	9.0	10.0	11.0	12.0
Supervisors	5.0	3.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Managers	25.0	32.5	31.5	30.5	25.5	30.0	30.0	34.0	30.0	29.0
Information Systems - Administrative	23.3	28.3	36.8	34.8	35.5	35.3	35.3	37.1	33.3	34.3
Technicians and Specialists Classified	88.7	87.7	73.7	77.8	64.5	66.7	68.7	65.5	65.0	67.3
Professional and Technical	34.8	34.0	58.8	72.1	70.3	69.9	73.1	70.5	74.4	80.3
Secretaries	18.6	14.9	12.9	12.1	16.3	10.9	10.9	14.0	12.8	10.4
Custodians	186.2	179.0	181.2	169.7	168.3	170.7	169.0	173.2	173.2	170.5
Crafts, Trades, and Services	77.9	72.9	78.0	79.0	89.0	95.0	95.8	89.8	83.0	84.0
Food Service Managers	23.7	22.9	26.3	30.0	26.6	30.0	36.4	39.0	36.0	36.7
Food Service Classified	108.7	114.5	112.1	104.7	95.6	83.6	79.1	90.2	57.2	61.9
Bus Drivers	78.6	83.0	81.4	95.1	109.8	104.7	109.1	93.5	72.3	83.4
Other ⁽²⁾	12.9	22.0	16.0	19.4	27.7	16.5	17.7	17.3	12.3	17.5
Custodial Substitutes ⁽³⁾	22.0	28.0	8.0	14.0	15.0	16.0	11.0	9.0	5.0	0.8
Total Support Services	720.7	740.6	741.6	757.2	761.0	746.3	750.9	749.9	673.3	695.9

ADAMS 12 FIVE STAR SCHOOLS
OPERATING INFORMATION SCHEDULE 16 – FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY CATEGORY (CONTINUED)
LAST 10 FISCAL YEARS

Employee Category	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ⁽¹⁾
Districtwide Leadership:										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Superintendent	-	-	-	-	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	-	-	-	-	-	-	-	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	7.0	7.0	8.0	8.0	8.0	9.0	9.0	9.0
Charter School Employees	498.3	484.8	259.7	331.4	282.0	303.1	286.9	310.9	342.7	326.0
Grand Total	4,936.2	5,085.4	5,082.8	5,127.0	5,117.0	5,128.1	5,264.4	5,363.7	5,325.4	5,385.5

Source: District HR Department Staffing Reports

Notes:

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

ADAMS 12 FIVE STAR SCHOOLS
OPERATING INFORMATION SCHEDULE 17 – OPERATING STATISTICS
LAST 10 FISCAL YEARS
(UNAUDITED)

Fiscal Year	Expenses ⁽¹⁾	District 12 Head Count ⁽²⁾	Cost per Pupil	Teaching Staff ⁽³⁾	Pupil Teacher Ratio	High School Graduates ⁽⁴⁾
2013	\$ 387,609,753	43,272	\$ 8,958	1,862	23.24	2,192
2014	390,772,944	42,230	9,253	1,928	21.91	2,185
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	2,560
2022	375,999,790	36,078	10,422	2,114	17.07	2,682

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 2021-22 is a CDE estimate as final data was not available

ADAMS 12 FIVE STAR SCHOOLS
OPERATING INFORMATION SCHEDULE 18 – SCHOOL BUILDING INFORMATION
LAST 10 FISCAL YEARS
(UNAUDITED)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
30 Elementary Schools:										
Total Square Feet	1,639,977	1,678,322	1,678,322	1,678,914	1,693,335	1,693,335	1,705,218	1,708,453	1,706,988	1,726,570
Total Program Capacity	15,150	15,634	15,690	15,570	15,090	14,802	14,610	13,506	13,554	13,980
Enrollment	14,375	15,688	15,980	15,942	15,805	15,590	15,170	14,344	12,772	12,814
4 K-8 Schools:										
Total Square Feet	342,778	301,440	301,440	301,440	301,440	301,440	414,383	441,435	440,917	422,620
Total Program Capacity	2,360	1,929	1,904	1,979	2,251	1,856	2,892	2,826	2,820	3,100
Enrollment	2,402	1,955	1,938	2,007	2,058	2,000	2,567	2,933	2,930	2,913
7 Middle Schools:										
Total Square Feet	907,720	907,720	907,720	916,365	916,365	916,365	916,365	916,365	934,038	931,479
Total Program Capacity	7,390	8,377	8,275	8,173	8,125	8,350	8,410	8,410	8,410	8,553
Enrollment	6,810	7,019	7,311	7,398	7,281	7,255	7,004	6,943	6,601	6,219
5 High Schools & 2 Vocational Schools ⁽¹⁾ :										
Total Square Feet	1,393,890	1,393,890	1,404,285	1,404,293	1,404,293	1,404,293	1,389,957	1,388,461	1,437,100	1,436,801
Total Program Capacity	9,885	10,274	10,572	10,572	10,572	10,627	10,572	10,572	12,057	11,757
Enrollment	9,446	9,661	9,840	9,893	10,030	10,122	10,185	10,068	9,920	9,680
2 Alternative Schools:										
Total Square Feet	100,751	100,751	100,751	100,751	100,751	100,751	100,751	100,751	100,936	100,936
Total Program Capacity	635	310	310	650	700	700	700	700	700	650
Enrollment	568	659	641	630	744	715	740	746	736	702
4 Charter Schools:										
Enrollment	8,886	7,248	2,991	3,417	2,900	3,188	3,616	3,673	3,695	3,750
District Wide Facilities:										
Total Square Feet	625,004	625,004	625,004	625,004	610,582	610,582	610,582	610,582	610,590	610,592

Source: District Business Services Department

Notes:

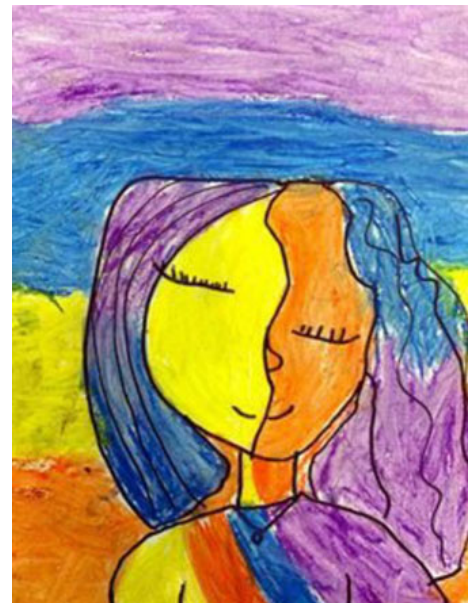
(1) Future Forward at Washington Square Opened at the Beginning of the 2020-21 School Year

Tearing Away Reality
Artist: Breana Sinclair
School: Mountain Range High School



Spring Evening
Artist: Lauryn Rhees
School: Mountain Range High School

Daydreaming
Artist: Savannah Archuleta
School: Tarver Elementary



SINGLE AUDIT



**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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 20, 2023. Our report includes a reference to other auditors who audited the financial statements of Stargate Charter School, Westgate Community Charter School, Prospect Ridge Academy Charter School, and New America School - Thornton Charter School, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

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

CliftonLarsonAllen LLP

Broomfield, Colorado
February 20, 2023



**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, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

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
February 20, 2023

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION			
Direct Federal Programs			
Title VI - Indian Education	84.060	4060	\$ 39,756
Subtotal Direct Programs			39,756
Passed Through Colorado Department of Education Special Education Cluster			
Special Education	84.027	4027	7,012,260
COVID-19 American Rescue Plan Special Education	84.027X	6027	307,839
Special Education - Preschool	84.173	4173	157,552
Subtotal Special Education Cluster			7,477,651
Title I - Improving the Academic Achievement of the Disadvantaged	84.010	4010/5010/92xx	5,051,729
Title IX - Education for Homeless Children and Youth	84.196	5196	65,299
21st Century Community Learning Centers	84.287	6287	213,769
Title III - English Language Acquisition	84.365	4365/7365	714,437
Title II - Supporting Effective Instruction	84.367	4367	806,151
Title IV - Student Support and Academic Enrichment	84.424	4424	444,215
Education Stabilization Fund		4425/5425/5625/	
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	4420/4419/ 4413/4448	4,913,229
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	4414/9414/ 4418/9418	13,879,454
COVID-19 Elementary and Secondary School Emergency Homeless Children and Youth	84.425W	8425/8426	142,616
Subtotal Education Stabilization Fund			18,935,299
Subtotal Passed Through Colorado Department of Education			33,708,550
Passed through Colorado Community College System			
Career and Technical Education	84.048	4048	263,744
Subtotal Passed Through Colorado Community College System			263,744
TOTAL U.S. DEPARTMENT OF EDUCATION			34,012,050
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Passed through Colorado Department of Education			
COVID-19 LSTA ARPA State Grants	45.310	7310	19,099
Subtotal Passed Through Colorado Department of Education			19,099
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			19,099

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Colorado Department of Education			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - CDPHE	93.323	7323	\$ 34,310
Colorado Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in School Staff Wellness Mini Grants	93.981	7981	2,500
School Nurse Workforce Grant	93.354	7354	813
Subtotal Passed Through Colorado Department of Education			37,623
Passed Through Colorado Department of Human Services			
Child Care and Development Block Grant	93.575	7575	1,360,174
Subtotal Passed Through Colorado Department of Human Services			1,360,174
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,397,797
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Adams County			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	8127	364,543
Subtotal Passed Through Adams County			364,543
TOTAL U.S. DEPARTMENT OF THE TREASURY			364,543
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster			
Passed Through Colorado Department of Human Services			
Donated Commodities	10.555	4555	994,726
Passed Through Colorado Department of Education			
School Breakfast Program	10.553	4553/5553	3,085,683
National School Lunch Program	10.555	4555/5555/6555	12,514,490
Summer Food Service Program for Children	10.559	4559	337,216
Fresh Fruit and Vegetable Program	10.582	4582	76,365
Subtotal Child Nutrition Cluster			17,008,480
SNAP CN Local P-EBT Administration	10.649	4649	5,814
TOTAL U.S. DEPARTMENT OF AGRICULTURE			17,014,294
FEDERAL COMMUNICATIONS COMMISSION			
COVID-19 Emergency Connectivity Fund Program	32.009	8009	2,462,475
TOTAL FEDERAL COMMUNICATIONS COMMISSION			2,462,475
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 55,270,258

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

ADAMS 12 FIVE STAR SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

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 \$994,726 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 FY2021-2022 is 6.91% and unrestricted indirect cost rate of 15.64%, 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, 2022.

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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? x yes _____ 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
10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster
32.009	COVID-19 Emergency Connectivity Fund Program
84.425	COVID-19 Education Stabilization Fund

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

\$ 1,658,107

Auditee qualified as low-risk auditee?

 x yes _____ no

**ADAMS 12 FIVE STAR SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

2022-001 – Prepaid Items

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: The District prepays for certain educational curriculum and services near the end of the fiscal year for the following school year and has historically recorded these as prepaid items. During fiscal year 2022, the District recorded \$342,775 in expenditures for educational curriculum and services relating to fiscal year 2023.

Criteria: As described in Note 1 to the financial statements, the District has elected to reflect certain costs applicable to future periods as prepaid items in both the government-wide and fund financial statements, as allowed by GASB Codification Section 1600.127.

Effect: During the audit, an adjustment was required to reduce expenditures and increase prepaid items by \$342,775 to record the proper amount of prepaid items as of June 30, 2022.

Cause: Management of the District did not properly identify \$342,775 in prepaid items when recording the cash disbursement or during analysis of prepaid items during year-end close procedures.

Repeat Finding: Not a repeat finding.

Recommendation: We recommend that the District improve the procedures for identifying and recording prepaid items, as well as improve the year-end close procedures to include an analysis comparing the balance of prepaid items to the previous year.

Views of responsible officials and planned corrective actions: The District agrees with the finding and will improve the procedures for identifying and recording prepaid items as well as improving year-end close procedures surrounding prepaid items.

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).

**ADAMS 12 FIVE STAR SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022**

Adams 12 Five Star Schools respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2022.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

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

**ADAMS 12 FIVE STAR SCHOOLS
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2022**

Adams 12 Five Star Schools respectfully submits the following corrective action plan for the year ended June 30, 2022.

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2022-001 Prepaid Items

Recommendation: The District improve the procedures for identifying and recording prepaid items, as well as improve the year-end close procedures to include an analysis comparing the balance of prepaid items to the previous year.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The District will improve the year-end close process, including an analysis comparing prepaid items with the previous year. This analysis will be reviewed by an individual at the District other than the individual who prepared the analysis.

Name of the contact person responsible for corrective action: Suzanne DeYoung, CFO

Planned completion date for corrective action plan: November 2023