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PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 2025

NEW ISSUE  
BOOK-ENTRY-ONLY

UNDERLYING RATING: Moody's Investors Service: "Aa1"  
S&P Global Ratings: "AA-"  
STATE INTERCEPT RATING: Moody's Investor Service: "Aa2"  
S&P Global Ratings: "AA"  
(See "MISCELLANEOUS—Ratings")

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations. Under the laws of the State of Colorado in effect as of the date of delivery of the Bonds, interest on the Bonds is exempt from Colorado income tax. See "TAX MATTERS."



**\$450,000,000 \***  
**JOINT SCHOOL DISTRICT NO. 28J**  
**IN ADAMS AND ARAPAHOE COUNTIES, COLORADO**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2025**

Dated: Date of Delivery

Due: December 1, as set forth below

The Bonds are being issued as fully registered obligations in denominations of \$5,000 or any integral multiple thereof. Capitalized terms used on the cover page of this Official Statement are defined in the Introduction herein. Interest on the Bonds, at the rates set forth herein, is payable semiannually on June 1 and December 1, commencing December 1, 2025. Zions Bancorporation, National Association, Denver, Colorado, will act as Paying Agent for the Bonds and The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds. The Bonds mature, bear per annum interest and are priced, or priced to yield, as set forth on the inside cover page.

**Maturity Schedule**  
**CUSIP® 005482<sup>1</sup>**

<u>Maturity Date</u> <u>(December 1) *</u>	<u>Principal</u> <u>Amount *</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP ®, 1</u>	<u>Maturity Date</u> <u>(December 1) *</u>	<u>Principal</u> <u>Amount *</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP ®, 1</u>
2025	\$61,080,000				2040	\$17,760,000			
2026	54,995,000				2041	18,690,000			
2033	19,445,000				2042	19,675,000			
2034	20,465,000				2043	20,705,000			
2035	21,540,000				2044	21,790,000			
2036	22,665,000				2045	22,935,000			
2037	24,905,000				2046	24,140,000			
2038	26,210,000				2047	25,410,000			
2039	27,590,000								

\$[ ] \* [ ]% Term Bond due December 1, 20[ ] \* Yield \_\_% CUSIP ® 005482 [ ]<sup>1</sup>

Proceeds from the sale of the Bonds will be used for (a) constructing projects and improvements as authorized by the District's November 4, 2024 election, and (b) paying the costs of issuing of the Bonds. The Bonds are general obligations of the District and are secured by the District's full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate and in an amount sufficient to pay the principal of and interest on the Bonds when due.

The Bonds are subject to redemption prior to maturity as described herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriters named below, subject to the approval of legality and certain other matters by Butler Snow LLP, as Bond Counsel, and subject to certain other conditions. Kutak Rock LLP is acting as Disclosure/Special Counsel to the District for purposes of assisting the District with the preparation of this Official Statement. Hilltop Securities Inc. is acting as Municipal Advisor to the District. Stradling Yocca Carlson & Rauth LLP is acting as counsel to the Underwriters. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about June \_\_, 2025.

STIFEL

PIPER | SANDLER



Capital  
Markets



This Official Statement is dated May \_\_, 2025.

\* Preliminary; subject to change.

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<sup>1</sup> The District takes no responsibility for the accuracy of CUSIP number, which are included solely for the convenience of owners of the Bonds.

**JOINT SCHOOL DISTRICT NO. 28J  
AURORA PUBLIC SCHOOLS  
IN ADAMS AND ARAPAHOE COUNTIES, COLORADO**

**Board of Education**

Anne Keke, President  
Michael Carter, Vice President  
Tiffany Tasker, Treasurer  
Daniel Tomwing, Secretary  
Tramaine Duncan, Director  
Debra E. Gerkin, Director  
Vicki Reinhard, Director

**Administrative Officials**

Michael Giles, Jr., Superintendent  
Dr. Jesus Rodriguez, Deputy Superintendent  
Brett Johnson, Chief Financial Officer  
Mary Cooper, Deputy Chief Financial Officer  
Mark Seglem, Chief Operating Officer  
Brandon Eyre, District Legal Counsel

**District Municipal Advisor**

Hilltop Securities Inc.  
Denver, Colorado

**Underwriters**

Stifel, Nicolaus & Company, Incorporated  
Denver, Colorado

Piper Sandler & Co.  
Denver, Colorado

RBC Capital Markets, LLC  
Denver, Colorado

Loop Capital Markets, LLC  
Detroit, Michigan

**Underwriters' Counsel**

Stradling Yocca Carlson & Rauth LLP  
Denver, Colorado

**Paying Agent**

Zions Bancorporation, National Association  
Denver, Colorado

**Bond Counsel**

Butler Snow LLP  
Denver, Colorado

**Disclosure/Special Counsel**

Kutak Rock LLP  
Denver, Colorado

No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the District or the Underwriters. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been furnished by the District or obtained from other sources which are believed to be reliable. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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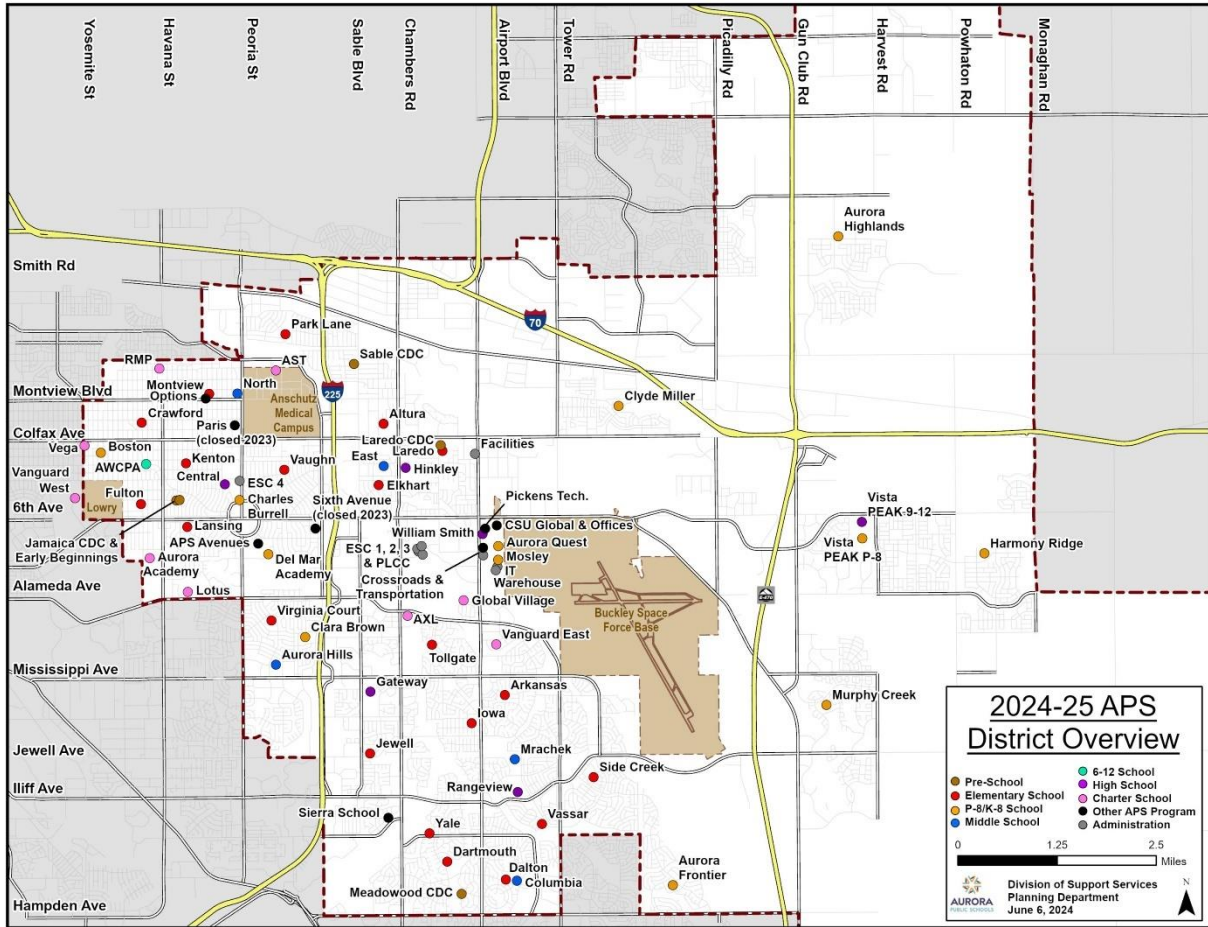
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Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Official Statement. Any representation to the contrary is unlawful.

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## DISTRICT OVERVIEW MAP



**2024-25 Residential Development Overview**

Division of Support Services  
Planning Department  
July 17, 2024

Legend:

- Preschool/ CDC
- Elementary School
- P-8 School
- Middle School
- 6-12 School
- High School
- Future P-8 School
- Future High School
- Planned Development
- Active Development

Scale: 0 to 2 Miles

Map Labels:

- Painted Prairie
- High Point at DIA
- Sky Dance
- Fulenwider
- Windler Homestead
- Sagebrush Farms
- Green Valley Ranch East
- Aurora Highlands
- Aurora One
- Horizon Uptown
- Cross Creek
- Vista Peak 9-12
- Vista Peak P-8
- Sun Meadow
- Harmony
- Adonea
- Harmony
- The Parklands
- Waterstone
- Murphy Creek
- Murphy Creek East
- Villages Murphy Creek
- Foundry
- Aurora Frontier
- Dartmouth
- Dalton
- Columbia
- Meadowood CDC
- Yale
- Vassar
- Rangeview
- Mrachek
- Iowa
- Arkansas
- Tolgate
- AXL
- Clara Brown
- Virginia Court
- Aurora Hills
- Del Mar Academy
- Charles Burrell
- Aurora Central
- Jamaica CDC
- Fulton
- Beginnings
- Aurora Academy
- Lotus
- Alameda Ave
- Mississippi Ave
- Jewell Ave
- Iliff Ave
- Hampden Ave
- Hampton Blvd
- Chambers Rd
- Sable Blvd
- Perkins St
- Havens St
- Yosemite St
- Montview Ave
- Collins Ave
- Bowling
- Vanguard West
- 6th Ave
- Montview
- North
- AST
- Park Lane
- Sable CDC
- Aurora
- Laredo CDC
- Laredo
- East
- Hinkley
- Elkhart
- William Smith
- Aurora Quest
- Mosley
- Global Village
- Vanguard East
- Buckley Space Force Base
- Harmony Ridge
- Prosper (Arapahoe County)
- Eastern Hills
- Cottonwood Creek
- APS 71 Acre Site
- State Land Board
- Denver-Arapahoe Landfill

## INTRODUCTION

This Official Statement is furnished in connection with the issuance by Joint School District No. 28J, in Adams and Arapahoe Counties, Colorado (the “District”), of its \$450,000,000 \* General Obligation Bonds, Series 2025 (the “Bonds”), dated as of the date of delivery. The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

**The District.....** The District is a political subdivision of the State of Colorado (the “State”). The District was formed in 1962 and encompasses approximately 121 square miles in Adams and Arapahoe Counties, in the eastern portion of the Denver metropolitan area. The District is the primary school district serving a significant portion of the City of Aurora (the “City”) and the rural and suburban areas to the east. The District’s 2024 certified assessed valuation is \$5,728,903,707, which includes incremental assessed valuation in excess of “base” in property tax increment areas from which the District does not receive property tax revenue in the amount of \$157,227,096.

See “REVENUES AVAILABLE FOR DEBT SERVICE—Ad Valorem Property Tax Data.” The District had a fall 2024 enrollment of 37,222 students (which represents actual students) and a funded pupil count of 37,229. See “THE DISTRICT” and “DISTRICT FINANCIAL INFORMATION—Total Program Funding.”

**Security .....** The Bonds are general obligations of the District and are secured by the District’s full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem property taxation without limitation as to rate in an amount sufficient to pay the principal of and interest on the Bonds when due. See “THE BONDS—Security for the Bonds” and “REVENUES AVAILABLE FOR DEBT SERVICE.”

The State has enacted legislation providing for the payment by the State Treasurer of principal and interest due with respect to general obligation indebtedness of eligible school districts in the State, generally referred to as the State Intercept Program. The Bonds qualify under the State Intercept Program. See “DISTRICT FINANCIAL INFORMATION—State Intercept Program.”

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\* Preliminary; subject to change.

<b>Purpose .....</b>	Proceeds from the sale of the Bonds will be used for (a) constructing projects and improvements as authorized by the District’s November 4, 2024 election, and (b) paying a portion of the costs of issuing of the Bonds. See “THE BONDS—Use of Bond Proceeds.”
<b>Prior Redemption .....</b>	The Bonds are subject to redemption prior to maturity as described in “THE BONDS—Prior <u>Redemption—Redemption Provisions</u> .”
<b>Registration and Denominations .....</b>	The Bonds are being issued as fully registered obligations in denominations of \$5,000 or any integral multiple thereof.
<b>Exchange and Transfer .....</b>	While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners (as defined by the rules of DTC, defined below) may be made as described in “APPENDIX E—Book-Entry-Only System.”
<b>Payment Provisions and Record Date.....</b>	<p>The Bonds mature and bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rates set forth on the inside cover page hereof. Such interest is payable semiannually on June 1 and December 1 of each year (each, an “Interest Payment Date”), commencing on December 1, 2025.</p> <p>“Record Date” means, with respect to each Interest Payment Date, the close of business on the fifteenth day of the calendar month (whether or not such day is a Business Day) immediately preceding the month in which such Interest Payment Date occurs.</p>
<b>Tax Status.....</b>	In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), and interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations.
<b>Authority for Issuance.....</b>	The Bonds are issued in full conformity with the constitution and laws of the State, including, in particular, Article 42 of Title 22, Colorado Revised Statutes, as amended, and Part 2 of Article 57 of Title 11, Colorado Revised Statutes, as amended (collectively, the “Acts”), and pursuant to an authorizing resolution (the “Bond Resolution”) adopted by the District’s Board of Education (the “Board”) and the election held on November 5, 2024 (the “Election”). See “THE BONDS—Use of Bond Proceeds.”



<b>Delivery Information .....</b>	The Bonds are offered when, as, and if issued by the District and accepted by Stifel, Nicolaus & Company, Incorporated, Piper Sandler & Co., RBC Capital Markets, LLC, and Loop Capital Markets, LLC (the “Underwriters”), subject to prior sale, approval of legality and certain other matters by Bond Counsel and other conditions. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about June __, 2025.
<b>Book-Entry-Only Registration .....</b>	The Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the Bonds may be acquired in principal denominations of \$5,000 or integral multiples thereof through participants in the DTC system (the “Participants”). Such beneficial ownership interests will be recorded in the records of the Participants. Persons for which Participants acquire interests in the Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal, premium, if any, and interest on the Bonds, as well as notices and other communications made by or on behalf of the District pursuant to the Bond Resolution, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.
<b>Financial Statements .....</b>	The audited basic financial statements of the District as of and for the fiscal year ended June 30, 2024, including the opinion of Plante Moran PLLC, Denver, Colorado, are appended hereto. These are the most recent audited financial statements available for the District.
<b>Additional Information .....</b>	The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Official Statement do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing and handling charge from the District’s administrative offices, 15701 East First Avenue, Aurora, Colorado 80011, Telephone Number: (303) 344-8060; or from the District’s Municipal Advisor, 8055 East Tufts Avenue, Suite 350, Denver, Colorado 80237, Telephone Number: (303) 248-2518.

**Debt Ratios**..... The following are selected District general obligation debt ratios upon issuance and delivery of the Bonds:

2024 Certified Assessed Valuation <sup>1, 2</sup> .....	\$5,728,903,707
2024 Statutory “Actual” Valuation <sup>1, 2</sup> .....	\$43,266,081,085
General Obligation Debt Outstanding Upon Issuance of the Bonds <sup>1, *</sup> .....	\$683,598,617
Estimated Population <sup>3</sup> .....	239,597
District Debt as a Ratio of:	
2024 Certified Assessed Valuation <sup>1, 2, 4, *</sup> .....	11.93%
2024 Statutory “Actual” Valuation <sup>1, 2, 4, *</sup> .....	1.58%
District Debt Per Capita <sup>*</sup> .....	\$2,853
Estimated Overlapping General Obligation Debt <sup>1</sup> .....	\$251,856,671
Sum of District and Overlapping Debt <sup>*</sup> .....	\$935,455,288
District and Overlapping Debt as a Ratio of:	
2024 Certified Assessed Valuation <sup>1, 2, 4, *</sup> .....	16.33%
2024 Statutory “Actual” Valuation <sup>1, 2, 4, *</sup> .....	2.16%
District and Overlapping Debt Per Capita <sup>*</sup> .....	\$3,904

<sup>\*</sup> Preliminary; subject to change.

<sup>1</sup> For definitions of and descriptions of the methodology used in computing assessed valuation, statutory “actual” value, general obligation debt outstanding, and estimated overlapping general obligation debt, see “THE BONDS—Security for the Bonds,” “REVENUES AVAILABLE FOR DEBT SERVICE” and “DEBT AND OTHER FINANCIAL OBLIGATIONS.”

<sup>2</sup> Includes incremental assessed valuation in excess of “base” valuation in property tax increment areas from which the District does not receive property tax revenue.

<sup>3</sup> Estimated population provided by the District.

<sup>4</sup> See “DEBT AND OTHER FINANCIAL OBLIGATIONS—Statutory Limit on General Obligation Debt” for a description of the debt limitations imposed by State statutes and the Election on the District.

Sources: Adams and Arapahoe County Assessors’ Offices, the District and individual overlapping entities

## THE BONDS

### Description

The total principal amount, dated date, maturity dates and interest rates of the Bonds are set forth on the inside cover page hereof. Certain matters relating to the Bonds are described in detail in “INTRODUCTION” and are not restated under this caption. These include provisions regarding registration and denominations of the Bonds; exchange and transfer of the Bonds; payment of the principal of and interest on the Bonds; a description of the authority for issuance of the Bonds; and information regarding delivery of the Bonds. See “INTRODUCTION” for a description of the matters referred to in the previous sentence, as well as other information relating to the Bonds.

### Prior Redemption

**Optional Redemption.** The Bonds maturing on or before December 1, 20\_\_ are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after December 1, 20\_\_ are subject to redemption prior to maturity at the option of the District, in whole or in part, and if in part, in such order of maturity as the District determines and by lot within any maturity in such manner as the Paying Agent determines, on December 1, 20\_\_ and on any date thereafter, at a redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date.

***Mandatory Sinking Fund Redemption.*** The Bonds maturing on December 1, 20\_\_ are subject to mandatory redemption by lot from mandatory sinking fund installments, at a redemption price equal to par plus accrued interest only to the redemption date, on December 1, of the following years and in the following amounts, such redemption amounts to be subject to proportionate reduction in the event of partial optional redemption of such Bonds:

<b>Redemption Date (December 1)</b>	<b>Principal Amount</b>
20__	\$
20__	
20__	
20__ <sup>1</sup>	

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<sup>1</sup> Stated maturity.

***Redemption Procedures.*** Notice of any redemption of Bonds, which may be conditional notice, is to be given by the Paying Agent in the name of the District by sending a copy of such notice by electronic means to DTC or by first class, postage prepaid mail, not less than 30 days prior to the redemption date, to the Owner of each Bond being redeemed at the address shown on the registration books maintained by or on behalf of the District by the Registrar. Such notice must specify the number or numbers of the Bonds so to be redeemed (if redemption is to be in part) and the redemption date. If any Bond has been duly called for redemption and if, on or before the redemption date, there has been deposited with the Paying Agent in accordance with the Bond Resolution funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond will become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice will not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur. Any Bond redeemed prior to its maturity by prior redemption or otherwise will not be reissued and will be cancelled.

## **Use of Bond Proceeds**

***The Project.*** The District's Long Range Facilities Advisory Committee (the "Advisory Committee") is charged with making recommendations to the Superintendent and the Board concerning the physical plant needs for the District. The purpose of the Advisory Committee is to develop recommendations for the Board for an ongoing long-range facility plan for the District. The Advisory Committee membership is made up of parents and patrons who are not employed by the District, teachers, support services employees, principals or assistant principals from the elementary, middle, and high school levels and local government representatives.

The Advisory Committee has an established process to determine the recommendations for facility repair and restoration projects. Beginning in May 2022, the Advisory Committee began to plan for the current bond program, including site visitations to any school that would be 40 years old or older in the fall of 2022 which included eleven elementary schools, two middle schools, and three high schools as part of their review process. Utilizing the information gathered from the site visits and the facilities assessment for each of those schools, the Advisory Committee ranked the schools and generated a list of schools that were to receive building replacements or whole building remodels. The criteria used to rank the projects included safety/security, repair priority, legal mandate, educational program support and geographic balance. The Advisory Committee then reviewed a list of other major projects recommended by the District's Construction Management and Support Department which included repairing or replacing aging mechanical/electric/plumbing systems, replacing other worn or obsolete components and building school

additions to address specific instructional needs. District charter schools were invited to submit their facility needs to the Advisory Committee. In the fall of 2023, each school site submitted a prioritized list of building renewal projects. The level of funding for each site was determined by the condition of the facility and the student enrollment. Each site was asked to classify their projects according to the following criteria: safety, habitability and/or educational program improvements. Concurrent with the Advisory Committee's evaluation of needs at existing school sites, the District's Division of Support Services evaluated the District's need for new schools and additions to accommodate student enrollment in the 2025 to 2030 period and the District's need for enhancement and renewal of information technology. The total value of capital funding requirements considered in this planning cycle was \$2,213,000,000, leading to \$1,000,000,000 in funding recommendations. The results were published in the 2024 Facility & Technology Needs Report (the "Facility Needs Report") and presented to the Board in August 2024.

As a result, the Board submitted to its electorate at the election held on November 5, 2024 (the "Election"), and received approval of, the following Ballot Issue 5B (the "Ballot") authorizing the issuance of up to \$1,000,000,000 in general obligation debt, with a maximum repayment cost not to exceed \$1.75 billion, to finance the projects set forth in the Ballot, which reads as follows:

WITHOUT IMPOSING ANY NEW TAX, SHALL JOINT SCHOOL DISTRICT NO. 28J (AURORA PUBLIC SCHOOLS) DEBT BE INCREASED \$1 BILLION, WITH A MAXIMUM TOTAL REPAYMENT COST OF NOT MORE THAN \$1.75 BILLION FOR THE PURPOSES OF:

- PRIORITIZING STUDENT AND STAFF SAFETY BY ADDING SECURITY UPGRADES TO SCHOOLS INCLUDING UPDATED CAMERAS, MORE SECURITY VESTIBULES AND NEW LOCKING MECHANISMS FOR CLASSROOM DOORS;
- BUILDING A NEW HEALTHCARE-FOCUSED JOB SKILLS TRAINING SCHOOL (P-TECH) THAT WILL PARTNER WITH A LOCAL COLLEGE AND HEALTHCARE PROVIDER SO THAT GRADUATING STUDENTS ARE CERTIFIED IN THE SPECIALIZED TRAINING NEEDED FOR TODAY'S HIGH-SKILLED CAREERS;
- INCREASE CAREER AND TECHNICAL EDUCATION (CTE) PROGRAMMING AND OTHER CAREER PATHWAY OPPORTUNITIES IN ALL HIGH SCHOOLS THROUGHOUT THE DISTRICT BY ADDING ADDITIONAL LEARNING SPACES FOR BOTH CLASSROOMS AND WORKSHOPS;
- PROVIDING MENTAL HEALTH PROFESSIONALS WITH MORE SPACE IN SCHOOLS TO WORK WITH STUDENTS INDIVIDUALLY AND IN SMALL GROUPS;
- RENOVATING AND MODERNIZING AGING SCHOOL BUILDINGS TO REPLACE OR REPAIR ROOFS, MECHANICAL, ELECTRICAL AND HVAC SYSTEMS;
- MAKING REPAIR AND IMPROVEMENTS TO EVERY SCHOOL IN THE DISTRICT;
- BUILDING MORE PRESCHOOL SPACE TO PREPARE OUR YOUNGEST LEARNERS FOR SUCCESS;
- BUILDING 2 NEW P-8 SCHOOLS AND A NEW HIGH SCHOOL FOR FAMILIES MOVING INTO NEW DEVELOPMENTS IN AURORA;
- BUILDING A NEW LAREDO ELEMENTARY SCHOOL;
- COMPLETING A MAJOR REMODEL OF GATEWAY HIGH SCHOOL;
- PROVIDING STUDENTS AND STAFF WITH NEW AND SECURE TECHNOLOGY TOOLS FOR TEACHING AND LEARNING;
- AND FOR ACQUIRING, CONSTRUCTING OR IMPROVING ANY CAPITAL ASSETS THAT THE DISTRICT IS AUTHORIZED BY LAW TO OWN;

AND SHALL THE TAXES AUTHORIZED AT THE DISTRICT’S BOND ELECTIONS IN 2002, 2008, AND 2016 BE EXTENDED AND AUTHORIZED TO BE USED TO PAY THE DEBT AUTHORIZED AT THIS ELECTION IN ADDITION TO THE DEBT AUTHORIZED AT SUCH PRIOR ELECTIONS; AND SHALL THE MILL LEVY BE IMPOSED IN ANY YEAR, WITHOUT LIMITATION OF RATE BUT ONLY IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT); AND MAY SUCH DEBT BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS OR OTHER MULTIPLE FISCAL YEAR OBLIGATIONS TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT THEREOF, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE DISTRICT MAY DETERMINE?

The District’s voters also approved extensions of the taxes authorized at the District’s bond elections held in 2002, 2008 and 2016 (\$116,300,000 maximum annual repayment cost) to pay debt authorized at the Election in addition to debt authorized at such prior elections.

The District expects to use the net proceeds of the Bonds to fund a portion of the costs of the various projects and improvements authorized by the voters of the District at the Election (the “Project”). The planned improvements are expected to include, but are not limited to, building renewal, remodels/additions/major improvements, building repairs, technology improvements, new schools and charter school projects in accordance with the authorization provided by the Ballot. The remaining costs of the Project not funded with proceeds from the Bonds will be funded with the remaining authorization over the next three to five years.

The District has engaged Jacobs Project Management as Owner's Representative for the Project. They have assisted the District in developing a projected construction schedule for the Project. Construction is currently anticipated to begin in Spring of 2025 with all projects scheduled to be complete by Fall of 2029. The anticipated life of the financed improvements exceeds the final maturity date of the Bonds.

***Sources and Uses of Funds.*** The sources and uses of funds relating to the Bonds is set forth below.

Sources:

Par Amount of the Bonds .....	
[Net] Original Issue Premium .....	
Total .....	

Uses:

[Deposit to Project Fund] .....	
Costs of issuance, including underwriting discount, <sup>1</sup> rating agency fees, professional fees, printing costs and contingency .....	
Total .....	

<sup>1</sup> See “MISCELLANEOUS—Underwriting.”

## Security for the Bonds

***General Obligation Debt.*** The Bonds are general obligations of the District. The full faith and credit of the District are pledged for the payment of the principal of and interest on the Bonds. For the purpose of paying the principal of and interest on the Bonds when due, the Board will annually determine and certify to the Board of County Commissioners of Adams and Arapahoe Counties, a rate of levy for general ad valorem taxes, without limitation as to rate, on all of the taxable property in the District, in an amount sufficient to pay the principal of and interest on the Bonds when due, whether at maturity or upon earlier redemption.

The District may use legally available moneys other than the proceeds of the general ad valorem property taxes levied pursuant to the Bond Resolution to pay all or any portion of the principal of or interest on the Bonds. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Bonds, the District may, but will not be required to: (a) reduce the amount of taxes levied for such purpose pursuant to the Bond Resolution; or (b) use proceeds of taxes levied pursuant to the Bond Resolution to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Bonds. If the District selects alternative clause (b) in the immediately preceding sentence, the taxes levied pursuant to the Bond Resolution are to include amounts sufficient to fund the reimbursement.

The Bond Resolution does not restrict the District's ability to issue or incur additional general obligation debt, although issuance of the additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Bonds, including, but not limited to, constitutional and statutory provisions requiring voter approval of general obligation debt and statutory limitations on the dollar amount of general obligation debt. Upon issuance of the Bonds, the District will have \$550,000,000 \* of authorized but unissued general obligation indebtedness remaining. For a description of the District's outstanding general obligation debt upon issuance of the Bonds, see "DEBT AND OTHER FINANCIAL OBLIGATIONS—Outstanding General Obligation Debt." The annual debt service on the Bonds is set forth in "—Debt Service Requirements" below. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see "DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending" and "DEBT AND OTHER FINANCIAL OBLIGATIONS—Statutory Limit on General Obligation Debt."

***Payment of Debt Service by State Treasurer Under Certain Circumstances.*** The State has enacted legislation providing for the payment by the State Treasurer of principal and interest due with respect to general obligation indebtedness of eligible school districts in the State, generally referred to as the State Intercept Program. The Bonds qualify under the State Intercept Act. See "DISTRICT FINANCIAL INFORMATION—State Intercept Program."

***Custodial Requirement for Bond Redemption Fund.*** The State has enacted legislation requiring each school district incurring general obligation indebtedness to select at least one commercial bank or depository trust company in the State that has full trust powers and is a member of the federal deposit insurance corporation to act as a third-party custodian to administer the school district's bond redemption fund. This custodian will be responsible for making payments from the bond redemption fund as provided by law, and may, with the agreement of the school district, withdraw funds that are temporarily not needed to satisfy the school district's obligations, for purposes of depositing or investing the moneys in any investments permitted by law. However, a school district is not required to select a custodian if the county treasurer keeps the funds and accounts of the district as provided in Section 22-40-104, Colorado Revised Statutes, or if the district has given notice to the state treasurer that it will not accept payment by the state

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\* Preliminary; subject to change.

treasurer on behalf of the district as provided in the State Intercept Program. For a discussion of the State Intercept Program, see “DISTRICT FINANCIAL INFORMATION—State Intercept Program.”

***Bond Resolution Irrepealable.*** The Bond Resolution provides that after the Bonds have been issued, the Bond Resolution shall constitute a contract between the District and the registered owners of the Bonds, and shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, satisfied and discharged.

***Supplemental Resolutions.*** The District may, without the consent of or notice to the registered owners of the Bonds, adopt one or more resolutions amending the Bond Resolution if such amendment does not materially adversely affect the interests of the registered owners of the Bonds.

***Future Changes in Laws.*** Various State and federal constitutional provisions, laws and regulations apply to the operations of the District and the imposition, collection and expenditure of ad valorem property taxes and other funds of the District. There is no assurance that there will not be any change in such constitutional provisions, laws or regulations, or judicial or administrative interpretations thereof, which would have a material effect, directly or indirectly, on the operations of the District or the imposition, collection or expenditure of ad valorem property taxes or other funds of the District to pay debt service on the Bonds.

***Limitations on Remedies Available to Owners of Bonds.*** There is no bond trustee or similar person to monitor or enforce the provisions of the Bond Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the District and certain other public officials to perform the terms of the Bond Resolution) may have to be enforced from year to year. The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Bonds cannot foreclose on property within the boundaries of the District or sell such property in order to pay the debt service on the Bonds. See “REVENUES AVAILABLE FOR DEBT SERVICE—Ad Valorem Property Taxes” for a description of property tax collection and enforcement.

In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation. The obligations of the District with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

Bankruptcy proceedings or the exercise of other powers of the federal government, or the exercise of the police powers of the State, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of rights. Sections 362 and 922 of the United States Bankruptcy Code (Title 11 of the United States Code) provide that, in the event the District files a petition in bankruptcy, the enforcement of a lien on or arising out of taxes or assessments owed will be stayed, with the result that payments of principal of and interest on the Bonds after the District filed such petition may be subject to a plan for the adjustment of the District’s debts approved by the bankruptcy court.

## Debt Service Requirements

Set forth in the following table are the debt service requirements for the Bonds as well as the District's other outstanding general obligation indebtedness upon issuance of the Bonds, including its General Obligation Bonds, Series 2017A (the "Series 2017A Bonds"), its General Obligation Bonds (Matching Money), Series 2019 (the "Series 2019 Bonds"), its General Obligation Bonds, Series 2021A (the "Series 2021A Bonds"), and its General Obligation Refunding Bonds, Series 2022 (the "Series 2022 Bonds"). See "DEBT AND OTHER FINANCIAL OBLIGATIONS—Outstanding General Obligation Debt."

**TABLE I**  
**Debt Service Requirements<sup>1</sup>**

Year *	Series 2025 Bonds		Other Outstanding Obligations <sup>2</sup>	Annual Amount
	Principal *	Interest		
2025	\$61,080,000		\$ 24,881,417	
2026	54,995,000		24,876,917	
2027	--		33,286,417	
2028	--		33,287,667	
2029	--		44,368,417	
2030	--		43,071,917	
2031	--		43,121,417	
2032	--		31,253,417	
2033	19,445,000		2,974,167	
2034	20,465,000		2,924,167	
2035	21,540,000		2,874,167	
2036	22,665,000		2,824,167	
2037	24,905,000		1,774,167	
2038	26,210,000		1,774,167	
2039	27,590,000		1,774,167	
2040	17,760,000		--	
2041	18,690,000		--	
2042	19,675,000		--	
2043	20,705,000		--	
2044	21,790,000		--	
2045	22,935,000		--	
2046	24,140,000		--	
2047	<u>25,410,000</u>		<u>--</u>	
Total	<u>\$450,000,000</u>		<u>\$295,066,755</u>	

\* Preliminary; subject to change.

<sup>1</sup> Upon issuance of the Bonds. Assumes no redemption prior to maturity. Figures may not add due to rounding.

<sup>2</sup> Includes principal and interest on the District's Series 2017A Bonds, Series 2019 Bonds, Series 2021A Bonds, and the Series 2022 Bonds. See "DEBT STRUCTURE—Outstanding General Obligation Debt."

Source: The Financial Advisor

## REVENUES AVAILABLE FOR DEBT SERVICE

The Bonds are payable from ad valorem property taxes which may be levied against all taxable property within the District without limitation as to rate in an amount sufficient to pay the principal of and interest on the Bonds when due. See "THE BONDS—Security for the Bonds."



## **Ad Valorem Property Taxes**

The Board has the power, subject to constitutional and statutory guidelines, to certify a levy for collection of ad valorem taxes against all taxable property within the District. Property taxes are uniformly levied against the assessed valuation of all taxable property within the District. The property subject to taxation, the assessment of such property, the taxation procedure, and collections are discussed below.

***Property Subject to Taxation.*** Both real and personal property located within the boundaries of the District, unless exempt, are subject to taxation by the District. Exempt properties generally include: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; irrigation ditches, canals and flumes; household furnishings; personal effects; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; agricultural equipment which is used on the farm or ranch in the production of agricultural products; and nonprofit cemeteries.

***Assessment of Property.*** All taxable property is listed, appraised and valued for assessment as of January 1 of each year by the county assessor. The “actual” value, with certain exceptions, is determined by the county assessor annually based on a biennially recalculated “level of value” set on January 1 of each odd-numbered year. The “level of value” is ascertained for each two-year reassessment period from manuals and associated data prepared and published by the State property tax administrator for the eighteen-month period ending on the June 30 immediately prior to the beginning of each two-year reassessment period. For example, “actual” values for the 2025 levy/2026 collection year are based on market data obtained from the period January 1, 2023–June 30, 2024. “Level of value” calculation does not change for even-numbered years. The classes of property the “actual” value of which is not determined by a level of value include oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals.

The assessed value of taxable property is then determined by multiplying the “actual” value (determined as described in the immediately preceding paragraph) times an assessment ratio.

***Gallagher Amendment Repeal.*** The assessment ratio of residential property previously changed from year to year based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the assessment year commencing January 1, 1985 (the “Gallagher Amendment”). The Gallagher Amendment required that statewide residential assessed values be approximately 45% of the total assessed value in the State, with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45% to 55% ratio, the commercial assessment rate was established at 29% of the actual value of commercial property (including vacant land and undeveloped lots) and the residential assessment rate fluctuated. The residential rate was 7.20% for assessment years 2017 and 2018 (collection years 2018 and 2019) and was reduced to 7.15% for assessment years 2019 and 2020 (collection years 2020 and 2021). In 2020, voters in Colorado approved a constitutional amendment to repeal the Gallagher Amendment (the “Gallagher Amendment Repeal”), freezing assessment rates at their current levels until the next assessment year for which the Colorado General Assembly adjusts one or more of the assessment ratios. The Gallagher Amendment Repeal still permits the Colorado General Assembly to adjust any assessment ratio in a downward fashion but no longer obligates a downward residential assessment ratio. Any upward adjustment would require a state-wide vote under the State Constitution.

***Current Assessment Ratios.*** Since 2020, the General Assembly has enacted property tax legislation creating new property classes and adjusting the assessment ratios for such property classes. Property is generally classified as either residential or nonresidential. Within the residential category,

property is classified as either multi-family or “all other residential.” In the nonresidential category, most properties are classified as lodging, renewable energy, agriculture, vacant land, commercial, or industrial. For each class of property, an assessment rate is assigned and adjusted (as applicable) in accordance with State law. In accordance with legislation passed in 2024, residential assessment rates for local governmental entities and school districts will be lowered beginning with the 2025 property tax year, based on the growth rate of actual values from 2024 to 2025, and the assessment rates for most types of nonresidential property will be lowered through property tax year 2027. Residential assessment rates for purposes of mill levies imposed by local governments differ than those imposed by school districts. For school district mill levies, the residential assessment rate has been lowered (for property tax year 2025 and thereafter) from 7.15% to 7.05%, unless the Statewide actual value growth from 2024 to 2025 exceeds 5%, in which case the rate will decrease to 6.95%. The residential assessment rate for school district mill levies is to be set at the 2025 level for all future property tax years. Furthermore, for property tax years 2025-2026, if there are sufficient excess State revenues, the valuation for assessment for qualified senior primary residential real property will be reduced (see “—Reimbursed Property Tax Reduction for Senior Citizens and Veterans” hereafter).

***Assessment Appeals.*** Beginning in May of each year, each county assessor hears taxpayers’ objections to property valuations, and the county board of equalization hears assessment appeals. The assessor is required to complete the assessment roll of all taxable property no later than August 25 each year. The abstract of assessment prepared therefrom is reviewed by the State property tax administrator. Assessments are also subject to review at various stages by the State board of equalization, the State board of assessment appeals and the State courts. Therefore, the District’s assessed valuation may be subject to modification as a result of the review of such entities. In the instance of the erroneous levy of taxes, an abatement or refund must be authorized by the board of county commissioners. In no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year following the year in which the taxes were levied. Refunded or abated taxes are prorated among all taxing jurisdictions which levied a tax against the property.

***Taxation Procedure.*** The assessed valuation and statutory “actual” valuation of taxable property within the District is required to be certified by the County Assessor to the District no later than August 25 each year. Such value is subject to recertification by the County Assessor prior to December 10. The Board then determines a rate of levy which, when levied upon such certified assessed valuation, and together with other legally available revenues, will raise the amount required annually by the District for its General Fund and Bond Redemption Fund to defray its expenditures during the ensuing fiscal year. In determining the rate of levy, the Board must take into consideration the limitations on certain increases in property tax revenues as described in “DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending” and “—Budgetary Process and Information” below. The Board must certify the District’s levy to the County Commissioners no later than December 15.

Upon receipt of the tax levy certification of the District and other taxing entities within the County, the County Commissioners levy against the assessed valuation of all taxable property within the County the applicable property taxes. Such levies are certified by the County Commissioners to the County Assessor, who thereupon delivers the tax list and warrant to the County Treasurer for the collection of taxes.

***Property Tax Collections.*** Taxes levied in one year are collected in the succeeding year. Taxes certified in 2024, for example, are being collected in 2025. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or two equal installments (not later than the last day of February and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts become delinquent, and interest thereon will accrue from March 1 (with respect to the first installment) and June 16 (with respect to the second installment) until the date of payment, provided that if

the full amount of taxes is to be paid in a single payment, such amount will become delinquent on May 1 and will accrue interest thereon from such date until paid. The county treasurer collects current and delinquent property taxes, as well as any interest, penalties, and other requirements and remits the amounts collected on behalf of the District to the County on a monthly basis.

All taxes levied on real and personal property, together with any interest and penalties prescribed by law, as well as other costs of collection, until paid, constitute a perpetual lien on and against the taxed property. Such lien is on parity with the liens of other general taxes. It is the County Treasurer's duty to enforce the collection of delinquent real property taxes by sale of the tax lien on such realty in December of the collection year and of delinquent personal property taxes by the distraint, seizure and sale of such property at any time after October 1 of the collection year. There can be no assurance, however, that the value of taxes, penalty interest and costs due on the property can be recovered by the County Treasurer. Further, the County Treasurer may set a minimum total amount below which competitive bids will not be accepted, in which event property for which acceptable bids are not received will be set off to the County. Taxes on real and personal property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and canceled by the County Commissioners.

***Reimbursed Property Tax Reduction for Senior Citizens and Veterans.*** Article X, Section 3.5 of the State Constitution grants a property tax reduction to qualified senior citizens, qualified veterans, and qualified surviving spouses of United States armed forces service members who died in the line of duty or veterans whose death resulted from a service related injury or disease. Generally, the reduction (a) reduces property taxes for qualified persons by exempting 50% of the first \$200,000 of actual value of residential property from property taxation; (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution. In addition, for property tax years 2025 and 2026, the assessed value of owner-occupied senior primary residences for those who have previously qualified for the existing senior homestead exemption but are currently ineligible is reduced with the State reimbursing local governments for any decrease in property tax revenue resulting from the reduction.

### **Tax Increment Areas**

Colorado law authorizes municipalities to establish both urban renewal authorities and downtown development authorities for the purpose of financing improvements to areas which have been designated by the respective governing bodies of municipalities as being blighted or, with respect to downtown development authorities, subject to deterioration of property values or structures. The City of Aurora established the Aurora Urban Renewal Authority (the "AURA") for the purpose of undertaking certain urban renewal activities within the Fitzsimons Urban Renewal Area and Fitzsimons Boundary Area II Urban Renewal Area ("tax increment areas"), where the assessed valuation of such property that is taxable does not increase beyond the amount existing in the year prior to the adoption of the applicable urban renewal plan (other than by means of the general reassessment). Any increase above the "base" amount (referred to as the "increment") is paid to the urban renewal authority. See "TABLE IV—History of District's Assessed Valuation-Adams County Portion" and "TABLE V—History of District's Assessed Valuation-Arapahoe County Portion" below, for information on the assessed valuation attributable to such tax increment areas, also known as the Tax Increment Financing ("TIF") area.

## Ad Valorem Property Tax Data

**Assessed Valuation and Mill Levies.** The District’s assessed valuation and mill levies from the 2020 levy year to date are set forth in the following tables. See “—Ad Valorem Property Taxes—*Assessment of Property*” above for a description of the assessment ratios for taxable property used in each of such years.

**TABLE II**  
**History of District’s Mill Levy <sup>1</sup>**

<b>Levy/Collection Year</b>	<b>General Fund</b>	<b>Supplemental Revenues <sup>2</sup></b>	<b>Bond Fund</b>	<b>Abatements</b>	<b>Total Mill Levy</b>
2020/2021	26.010 <sup>3</sup>	32.498	23.000	0.526	82.034
2021/2022	27.000	27.697	23.000	1.221	78.918
2022/2023	27.000	27.164	23.000	0.682	77.846
2023/2024	27.000	22.113	21.900	0.318	71.331
2024/2025	27.000	27.898 <sup>4</sup>	15.901	0.532	71.331

<sup>1</sup> One mill equals 1/10 of one cent. Mill levies certified in 2024 are for the collection of ad valorem property taxes in 2025.

<sup>2</sup> In 1990, 2008, 2012 and 2018, District voters approved property tax mill levy override questions authorizing tax increases as a fixed dollar amount or as a fixed mill levy rate, respectively. See “DISTRICT FINANCIAL INFORMATION—Public School Finance Act of 1994—*Additional Revenues*.”

<sup>3</sup> Net of temporary tax credit of (0.990) as required by HB20-1418. Under HB21-1164, the District’s temporary tax credit is eliminated. See “DISTRICT FINANCIAL INFORMATION—Sources of Revenue—*Local Share*.”

<sup>4</sup> Includes the 5.384 operations and technology fund mill levy which the voters passed in November 2024. The Debt Free Schools Mill Levy (Operations and Technology Fund) of up to 6.00 mills (not to exceed \$30 million in 2025) was passed for the purpose of funding capital construction, new instructional technology, existing technology upgrades, and maintenance needs of the District. See “DISTRICT FINANCIAL INFORMATION—Public School Finance Act of 1994—*Additional Revenues*.” Sources: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2020-2023 State of Colorado Property Tax Annual Reports, Adams and Arapahoe County Assessors’ Offices, and the District

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**TABLE III**  
**History of District's Gross Assessed Valuation**

Levy/Collection Year	Gross Assessed Value <sup>1</sup>			Percent Change
	Adams County	Arapahoe County	Total Assessed Valuation	
2020/2021	\$1,305,693,590	\$2,104,908,357	\$3,410,601,947	--
2021/2022	1,530,894,820	2,296,663,120	3,827,557,940	12.23%
2022/2023	1,687,846,460	2,357,682,902	4,045,529,362	5.69
2023/2024 <sup>2</sup>	2,317,736,370	3,372,447,286	5,690,183,656	40.65
2024/2025	2,423,963,040	3,304,940,667	5,728,903,707	0.68

<sup>1</sup> Includes incremental assessed valuation in excess of "base" valuation in property tax increment areas from which the District does not receive property tax revenue. See "—Tax Increment Areas" above.

<sup>2</sup> Assessed values experienced significant increases across all categories for this year as a result of a combination of factors including strong economic conditions, the repeal of the Gallagher amendment without a replacement, and strong residential and commercial construction activity. Adams County saw increases in gross assessed values, including a median residential increase of 38%, a commercial increase of 42%, and a multi-family increase of 37%.

Sources: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2020-2023 State of Colorado Property Tax Annual Reports, Adams and Arapahoe County Assessors' Offices, and the District

**TABLE IV**  
**History of District's Assessed Valuation-Adams County Portion**

Levy/Collection Year	Net Assessed Valuation	Tax Increment Valuation	Gross Assessed Valuation <sup>1</sup>	Percent Change Gross Assessed Valuation
2020/2021	\$1,266,173,850	\$39,519,740	\$1,305,693,590	--
2021/2022	1,484,027,230	46,867,590	1,530,894,820	17.25%
2022/2023	1,637,471,830	50,374,630	1,687,846,460	10.25
2023/2024 <sup>2</sup>	2,260,654,380	57,081,990	2,317,736,370	37.32
2024/2025	2,356,636,829	67,326,211	2,423,963,040	4.58

<sup>1</sup> Includes incremental assessed valuation in excess of "base" valuation in property tax increment areas from which the District does not receive property tax revenue. See "—Tax Increment Areas" above.

<sup>2</sup> Assessed values experienced significant increases across all categories for this year as a result of a combination of factors including strong economic conditions, the repeal of the Gallagher amendment without a replacement, and strong residential and commercial construction activity. Adams County saw increases in gross assessed values, including a median residential increase of 38%, a commercial increase of 42%, and a multi-family increase of 37%.

Sources: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2020-2023 State of Colorado Property Tax Annual Reports, Adams County Assessor's Office, and the District

**TABLE V**  
**History of District's Assessed Valuation-Arapahoe County Portion**

Levy/Collection Year	Net Assessed Valuation	Tax Increment Valuation	Gross Assessed Valuation <sup>1</sup>	Percent Change Gross Assessed Valuation
2020/2021	\$2,058,713,355	\$46,195,002	\$2,104,908,357	--
2021/2022	2,238,086,093	58,577,027	2,296,663,120	9.11%
2022/2023	2,287,175,020	70,507,882	2,357,682,902	2.66
2023/2024 <sup>2</sup>	3,285,011,488	87,435,798	3,372,447,286	43.04
2024/2025	3,215,039,782	89,900,885	3,304,940,667	(2.00)

<sup>1</sup> Includes incremental assessed valuation in excess of "base" valuation in property tax increment areas from which the District does not receive property tax revenue. See "—Tax Increment Areas" above.

<sup>2</sup> Assessed values experienced significant increases across all categories for this year as a result of a combination of factors including strong economic conditions, the repeal of the Gallagher amendment without a replacement, and strong residential and commercial construction activity.

Sources: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2020-2023 State of Colorado Property Tax Annual Reports, Arapahoe County Assessor's Office, and the District

***Assessed and "Actual" Valuations.*** The following tables set forth the 2024 assessed and "actual" valuations of specific classes of property within the District. As shown below, commercial properties have accounted for the largest percentage of the assessed valuation and residential properties have accounted for the largest percentage of the actual valuation.

**TABLE VI**  
**2024 Assessed Valuation of Classes of Property in the District**

Class	Adams County	Arapahoe County	Total <sup>1</sup>	Percent of Assessed Valuation
Commercial	\$1,579,623,280	\$ 904,858,774	\$ 2,484,482,054	43.37%
Residential	386,857,560	1,760,344,466	2,147,202,026	37.48
Oil & Gas	19,937,550	428,147,051	448,084,601	7.82
State Assessed	130,374,910	109,163,670	239,538,580	4.18
Vacant Land	111,815,600	99,905,142	211,720,742	3.70
Industrial	194,704,470	608,567	195,313,037	3.41
Agricultural	643,090	1,880,028	2,523,118	0.04
Natural Resources	6,580	32,969	39,549	0.00
Total	<u>\$2,423,963,040</u>	<u>\$3,304,940,667</u>	<u>\$5,728,903,707</u>	<u>100.00%</u>

<sup>1</sup> Includes \$157,227,096 of incremental assessed valuation in excess of "base" valuation in property tax increment areas from which the District does not receive property tax revenue.

Source: Adams and Arapahoe County Assessors' Offices

**TABLE VII**  
**2024 “Actual” Valuation of Classes of Property in the District**

<b>Class</b>	<b>Adams County</b>	<b>Arapahoe County</b>	<b>Total</b>	<b>Percent of “Actual” Valuation</b>
Residential	\$ 5,774,007,650	\$26,273,737,557	\$32,047,745,207	73.13%
Commercial	5,661,819,535	3,243,374,019	8,905,193,554	20.32
State Assessed	467,426,916	391,267,414	858,694,330	1.96
Vacant	400,760,254	358,083,103	758,843,357	1.73
Industrial	697,865,552	2,181,259	700,046,811	1.60
Oil & Gas	28,065,239	517,135,445	545,200,684	1.24
Agricultural	2,372,902	6,832,164	9,205,066	0.02
Natural Resources	23,574	118,206	141,780	0.00
<b>Total</b>	<b>\$13,032,341,622</b>	<b>\$30,792,729,167</b>	<b>\$43,825,070,789</b>	<b>100.00%</b>

Source: Adams and Arapahoe County Assessors’ Offices

**Property Tax Collections.** The following table sets forth a history of the District’s ad valorem property tax collections within the District since the 2019 levy year. Collection figures represent those collections received for January through August due to the implementation of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

**TABLE VIII**  
**Historical Property Tax Collections<sup>1</sup>**

<b>Levy/Collection Year</b>	<b>Taxes Levied</b>	<b>Current Tax Collections <sup>1</sup></b>	<b>Percent of Levy Collected</b>	<b>Collections in Subsequent Years <sup>2</sup></b>	<b>Total Tax Collections <sup>3</sup></b>	<b>Collections as % of Taxes Levied</b>
2019/2020	\$258,290,162	\$256,039,619	99.13%	\$(675,799)	\$255,363,820	98.87%
2020/2021	272,753,797	271,520,584	99.55	(759,412)	270,761,172	99.27
2021/2022	293,496,286	291,577,893	99.35	(188,143)	291,389,750	99.28
2022/2023	305,367,988	299,636,675	98.12	(382,031)	299,254,644	98.00
2023/2024	378,720,542	372,360,917	98.32	(395,876)	371,965,041	98.22
2024/2025 <sup>4</sup>	397,437,842	157,711,138	39.68	(2,294,982)	155,416,156	39.10

<sup>1</sup> Property tax collections provided by Adams and Arapahoe County Treasurers’ Offices.

<sup>2</sup> Negative amounts occurred when refunds or other “forgiveness” of delinquent taxes exceeded delinquent tax collections.

<sup>3</sup> Tax revenues reported in the basic financial statements reflect a July-June fiscal basis.

<sup>4</sup> Property tax collections through April 30, 2025.

Source: District June 30, 2024 audited financial statements, with figures as provided by the Adams and Arapahoe County Treasurers’ Offices, and the District

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***Largest Taxpayers.*** Set forth in the following table are the persons or entities which represent the largest taxpayers within the District for the District’s 2024/2025 fiscal year, as provided by the Adams and Arapahoe County Assessors’ Offices. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District’s mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

**TABLE IX**  
**2024 Largest Taxpayers Within the District<sup>1</sup>**

<b>Name</b>	<b>Type of Business</b>	<b>Assessed Valuation</b>	<b>Percent of Assessed Valuation <sup>2</sup></b>
Public Service Company of CO. <sup>3</sup>	Electric/Gas Utility	\$137,546,330	2.40%
Crestone Peak Resources LLC	Oil and Gas Production	123,077,604	2.15
LIT Gateway Portfolio	Commercial Property	47,725,180	0.83
NP Stafford II LLC	Commercial Developer	41,878,458	0.73
JPMorgan Chase Bank	Financial Institution	40,909,598	0.71
Majestic Commercenter	Business Park	35,725,490	0.62
DG Strategies VII LLC	Business Park	35,617,420	0.62
FR Aurora Commerce Center LLC	Business Park	33,769,530	0.59
Shamrock Foods CO Inc.	Food Services	33,358,980	0.58
Amazon.com Services LLC	E-Commerce Services	<u>31,918,760</u>	<u>0.56</u>
Total		<u>\$561,527,350</u>	<u>9.80%</u>

<sup>1</sup> Represent the largest taxpayers within the District for the District’s 2024/2025 fiscal year.

<sup>2</sup> Based on the District’s 2024/2025 certified net assessed valuation of \$5,728,903,707.

<sup>3</sup> Taxpayer located in Adams and Arapahoe Counties.

Source: Adams and Arapahoe County Assessors’ Offices

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**Overlapping Mill Levies.** Numerous entities located wholly or partially within the District are authorized to levy taxes on property located within the District. According to the Adams and Arapahoe County Assessors’ Offices, there are currently 293 entities overlapping all or a portion of the District. Property owners within the District may be subject to various mill levies depending upon the location of their property. As a result, property owners within the District are currently subject to various levies depending upon the location of their property. The lowest and highest total mill levies assessed against property owners within the District in the 2024 levy year (2025 collection year) are 88.216 and 363.088, respectively. The following table is representative of a sample total 2024 mill levy (for payment in 2025) attributable to certain taxpayers within the District, and are not intended to portray the mills levied against all properties within the District. Additional taxing entities may overlap the District in the future. The District will not be including the following table in its future continuing disclosure updates. See “MISCELLANEOUS—Undertaking to Provide Ongoing Disclosure.” See also “DEBT AND OTHER FINANCIAL OBLIGATIONS—Estimated Overlapping General Obligation Debt.”

**TABLE X**  
**2024 Sample Total Mill Levy<sup>1</sup>**

Taxing Entity	Arapahoe County Portion	Adams County Portion
Adams County	--	26.944
Arapahoe County	16.885	--
Aurora (City of)	6.613	6.613
Regional Transportation District	0.000	0.000
Urban Drainage and Flood Control District	0.900	0.100
Urban Drainage and Flood Control District-South Platte	0.100	0.900
West Arapahoe Conservation District	<u>0.000</u>	<u>--</u>
Sample Overlapping Mill Levy	24.498	34.557
The District	<u>71.331</u>	<u>71.331</u>
Sample Total Mill Levy	<u>95.829</u>	<u>105.888</u>

<sup>1</sup> One mill equals 1/10 of one cent. Mill levies certified in 2024 are for the collection of ad valorem property taxes in 2025.  
Source: Adams and Arapahoe County Assessors’ Offices

## THE DISTRICT

### Organization and General Description

The District is a political subdivision of the State of Colorado and a body corporate organized for the purpose of operating and maintaining an educational program for the school age children residing within its boundaries. The District encompasses approximately 121 square miles in Adams and Arapahoe Counties and serves the eastern portion of the Denver metropolitan area. The District is the primary school district serving a significant part of the City of Aurora (the “City”) and the rural and suburban areas to the east.

### School District Powers

The District has all rights and powers delegated under the laws of the State for exercise by school districts, including the right to hold property for any purpose authorized by law, to sue and be sued and to be a party to contracts for any purpose authorized by law. State statutes grant to the Board of Education the power to govern the District. General duties which the Board must perform include the following: to adopt policies and prescribe rules and regulations necessary and proper for the administration of the District; to carry out the educational programs of the District; to fix and pay personnel compensation; to determine

the educational programs to be provided by the District; to prescribe the textbooks for any course of instruction to study in such programs; to adopt written policies, rules and regulations relating to the study, discipline, conduct, safety and welfare of all pupils; and to comply with all the rules and regulations adopted by the State Board of Education.

The Board is also granted specific powers to be exercised in its judgment. Notable among these are the powers to purchase, lease or rent undeveloped or improved property located within or outside District boundaries as the Board deems necessary for use as school sites, buildings or structures, or for any school purpose authorized by law; to sell District properties which may not be needed in the foreseeable future for any purpose authorized by law, upon such terms and conditions as the Board may approve; to determine the location of each school site, building, or structure; to construct, erect, repair, alter, and remodel buildings and structures; to provide furniture, equipment, library books, and such other items as may be needed to carry out the District's educational programs; to discharge or otherwise terminate the employment of any personnel; to procure group life, health or accident insurance covering employees of the District; to fix attendance boundaries; to procure appropriate property damage casualty, public liability, and accident insurance; and to contract for the transportation of pupils enrolled in the District's public schools.

### **The Board of Education**

The seven members of the Board are elected at successive biennial elections by the registered electors of the District to staggered four-year terms of office. The Board is a policy making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District and oversee the property, facilities and financial affairs of the District. Members of the Board serve without compensation.

The present Board members, their offices on the Board, principal occupations, lengths of service on the Board, and terms of office are as follows.

#### **District Board of Education**

<b>Name</b>	<b>Office</b>	<b>Principal Occupation</b>	<b>Year Elected</b>	<b>Term Expires (November)</b>
Anne Keke	President	Educator	2021	2025
Michael Carter	Vice President	Attorney	2021	2025
Tiffany Tasker	Treasurer	Educator	2023	2027
Danielle Tomwing	Secretary	Director of Technology Operations	2023	2027
Tramaine Duncan	Director	Educator	2021	2025
Debra E. Gerkin	Director	Retired Educator	2017	2025
Vicki Reinhard	Director	Retired Educator	2019	2027

## **Administrative Staff and Management**

Certain information concerning the background and experience of the District's Superintendent, Deputy Superintendent, Chief Operating Officer, Chief Financial Officer, and District Legal Counsel is set out below.

***Superintendent.*** The Superintendent acts as the chief executive officer for the District and is the administrative head of all departments of the school system. He is responsible for providing leadership in developing and maintaining the best possible educational programs and services. He has the power to establish rules consistent with state statutes and Board policy to govern operations of the District. He makes recommendations and is accountable to the Board regarding general management of all schools in the District.

Michael Giles, Jr. was appointed District Superintendent effective July 2023. Prior to joining the District, Mr. Giles served in the Cherry Creek School District for over 20 years. He was the Assistant Superintendent of Equity, Culture and Community Engagement as well as the Assistant Superintendent of Performance Improvement. Mr. Giles also served as a school counselor, dean of students, assistant principal, principal and Executive Director. Prior to working in public education, Mr. Giles worked for a juvenile correction center. He is committed to building a public education system that engages every student's unique strengths regardless of their background and that challenges educators to think differently about teaching and learning. Mr. Giles holds a Bachelor of Arts in sociology and anthropology from Colorado Mesa University and a Master of Science in Educational Consulting from the University of Phoenix.

***Deputy Superintendent.*** Dr. Jesús Rodríguez has served as the District's Deputy Superintendent since April, 2024. Prior experience includes serving as superintendent for Roaring Fork School District, Deputy Chief Academic Officer in the Dallas Independent School District and Executive Director of the BUENO Center for Multicultural Education at the University of Colorado Boulder. A long tenure at Denver Public Schools included various roles such as Instructional Superintendent and multiple principal positions. Mr. Rodríguez holds a Doctor of Education in educational leadership from the University of Denver, a Master of Arts in educational equity and cultural diversity from the University of Colorado Boulder, and a Bachelor of Arts in elementary education from the University of Northern Colorado. Additionally, Mr. Rodríguez previously held national leadership roles within Nu Alpha Kappa Fraternity, Inc.

***Chief Operating Officer.*** Mark Seglem has served as the Chief Operating Officer since July 1, 2024 and served as Chief of Staff for the District from July 2019 to June 30, 2024. He is responsible for overseeing and aligning critical district administrative functions that engage multiple divisions; coordinating all academic and nonacademic operations, including the district's strategic plan and assisting the Superintendent in accelerating progress toward the District's goals and objectives to benefit each individual student. Mr. Seglem served in many executive roles throughout his career including with the U.S. Navy, advanced Distributed Sensor Systems, and the Department of Interior's Office of Natural Resources Revenue. Most recently, he was the Regional Vice President of Colorado Campuses for Colorado Technical University. As a Navy Officer, Mr. Seglem's career included a tour in the Secretary of Defense's office. He served at the highest levels of the Department of the Navy as Administrative Aide to the Secretary where he led civilian and military personnel and prepared briefings for the President and Secretary of Defense. While on sea duty, Mr. Seglem made several overseas deployments and took command of the Aegis destroyer, USS Barry DDG-52. His 380-person crew was awarded the Battenberg Cup, an honor given to the finest ship or submarine in the Atlantic Fleet. Mr. Seglem is a former member of the National Board of Directors of the Military Officer's Association of America ("MOAA"). He earned degrees from the Wharton School of the University of Pennsylvania and the Naval Postgraduate School. He is also a Senior Executive Fellow of the JFK School of Government at Harvard University.

**Chief Financial Officer.** Brett Johnson was hired as the Chief Financial Officer for the District in March 2017. Prior to joining the District, Mr. Johnson served as the Director of the Office of Major Project Development for the Colorado Department of Transportation (“CDOT”). At CDOT, he explored new methods to finance and procure major transportation projects. He has also worked as the Deputy Treasurer for Colorado and as the Finance Manager for the Governor’s Energy Office. During his time as Deputy Treasurer, Johnson focused on banking, investment, and accounting services. He earned his bachelor’s degree in economics and political science from the University of Colorado.

**District Legal Counsel.** Brandon Eyre has served as the District’s legal counsel since June 2012. Mr. Eyre is responsible for providing legal services to the Board of Education and District Administration. He is also responsible for supervising outside counsel in provision of the same. Prior to his current position, Mr. Eyre had nine years in private practice focusing on municipal law in eastern Oregon as a partner at Baum Smith & Eyre LLC. Mr. Eyre earned a Bachelor of Arts and his Juris Doctorate from Brigham Young University. He is currently a member of the Colorado State Bar Association and the Council of School Attorneys.

### **District Employees and Labor Relations**

In order to provide the variety of services required by law, the District currently employs 4,953 personnel. Included in this number are 2,571 full-time and 33 part-time certificated/licensed employees and 1,812 full-time and 48 part time classified employees. Classified employees include bus drivers, bookkeepers, mechanics, groundskeepers, custodians, cooks, aides and secretaries. Licensed employees of the District hold the following degrees:

<b>Degree Held</b>	<b>Percent of Certificated/ Licensed Staff</b>
Bachelors	20.48%
Bachelors plus <sup>1</sup>	13.75
Masters	25.50
Masters plus <sup>1</sup>	37.21
Doctorate	<u>3.07</u>
Total	<u>100.00%</u>

<sup>1</sup> Credit hours acquired toward an advanced degree.

Approximately 59.41% of the District’s teachers are non-probationary, with the average salary for teachers being \$82,538. As of fall 2024, the District’s student/teacher staff ratio was approximately 12:1.

**Employee Benefits.** The District provides its employees with a comprehensive benefits program including medical, life, and dental insurance. Employees also earn sick leave and vacation benefits commensurate with length of service to the District and employment status. The Board sets the District holiday schedule. Workers’ compensation and unemployment insurance are provided in accordance with State law.

**Labor Relations.** Teachers are employed by the District pursuant to one year contracts established by the Board. Included in the contracts are provisions for the benefits discussed above. Approximately 64% of the eligible personnel of the District are members of the Aurora Education Association, the local chapter of the Colorado Education Association. The District considers its relationship with employees as “positive.” The Superintendent confers annually and as needed with both associations on matters of salary, benefits, insurance coverage, school calendar and work conditions. The Board, through its policies and

practices, causes effective channels of communication via meetings of the Calendar Committee, the Classified Employees Council and the Employees Insurance Committee.

## District Enrollment

Set forth below are statistics for the District’s enrollment, by funded pupil count, for the current and past five academic years. These figures are based upon October student counts which are certified the following January. Since the COVID-19 pandemic, pupil count in APS has stabilized. Since the 2020/2021 school year, enrollment has remained relatively stable and is projected to increase as new residential communities are built. The primary factors impacting district enrollment are housing development and new immigrant families relocating into the school district.

Enrollment at the District’s traditional K-12 schools and programs increased slightly by 515 funded students between 2023/2024 and 2024/2025. The District is anticipating growth in 2025/2026 due to households moving into new residential developments as well as an increase in newcomer families within our boundaries.

**TABLE XI**  
**Funded Pupil Count<sup>1</sup>**

<b>School Year</b>	<b>District</b>	<b>Charter Schools</b>	<b>Total</b>	<b>Percent Change</b>
2020/2021	32,513	6,038	38,551	--
2021/2022	31,729	6,292	38,021	(1.37)%
2022/2023	30,104	6,741	36,845	(3.09)
2023/2024	30,268	6,439	36,707	(0.37)
2024/2025	31,335	5,887	37,222	1.40

<sup>1</sup> Funded pupil count provided by Colorado Department of Education official October first enrollment data. Adjusted to exclude Charter Institute Pupil Counts.

Source: District June 30, 2024 audited financial statements and the District

## Strategic, Recovery and Blueprint Planning

The District’s students are the faces of the future. The District’s students and their families define what future success means for them, but no matter what their successful futures looks like, all students need plans, skills, credentials and a community of support. The District has identified strategic goals to ensure that the District achieves their vision. Year over year, the District has been reaching new levels of success and are proud of the momentum that is building districtwide.

**Destination APS.** Destination APS is the new strategic plan to make the District a place where students and educators are valued, seen, safe, and thriving; where students are proficient at all grade levels and graduate prepared for college and/or a career; and where parents and guardians are engaged partners with the District in providing greater opportunities for students. Destination APS builds on the momentum, opportunity and impact that resulted from the District’s previous strategic plan, APS 2026. Destination APS is premised on a vision of partnership with the community in order to accelerate learning for all students to develop the knowledge, skills and character necessary to shape successful futures. This vision is at the heart of the strategic plan adopted by the Board of Education in the fall of 2024.

Destination APS is premised on five values: (1) relationships with strong communication and transparency; (2) diversity, equity, and inclusion; (3) safety and security; (4) engagement and academic supports; and (5) support, respect, and appreciation. These values inform the District's priorities of: (1) academic achievement and postsecondary readiness; (2) collaborative and inclusive community; (3) safety; and (4) quality talent.

### **Building Capacity and Facilities**

The District operates and maintains a variety of facilities in meeting its obligation to provide an educational program for the school age children residing within its boundaries. The District's major fixed assets are its school buildings as set forth below. Currently, the district has 32 schools operating at 80% or more of the building capacity. Schools exceeding 100.0% capacity are currently accommodating students with the use of detached modular units. As the District continues to assess and complete its capital projects, the District expects to reduce or eliminate the use of the modular units, if permitted by future enrollment. See also "—District Enrollment" above.

The District operates 50 schools and programs; some school buildings house more than one program. The makeup of the schools and programs includes 20 elementary schools, five middle schools, nine PK-8 schools, one 6-12 school, give comprehensive high schools, one K-8 magnet school, one P-8 magnet school, five preschools, one magnet high school, one magnet K-12 school, one alternative high school program school, one alternative 6-12 program school, one hospital K-12 program, five P-TECH/P\_TEACH programs, one K-12 home/online school enrichment program, one K-12 stand-alone special education program, one stand-alone special education program high school, a Career Elevation and Technology Center, an Innovation Center, an Advanced Global Interactive Learning Environments (AGILE).

As part of APS Blueprint, the District closed eight schools, opened four schools and changed the attendance boundaries of 18 schools; providing APS students with the necessary resources, schools and learning opportunities to meet the challenges of the future. Since APS initiated Blueprint APS in 2018, the Board of Education has directed repurposing, transition and construction projects impacting 30 schools.

In addition to the school buildings and their contents, the District owns several administration buildings, and maintenance facilities, warehouses, technology and transportation centers, as well as numerous vehicles including school buses.

On February 20, 2020, the District purchased land for the site of the Aurora Science and Technology (AST) campus. The purchase price was \$4,750,245 with an initial payment made at closing of \$3,844,959 and an additional \$905,286 due to the seller in the future in the form of cash-in-lieu payments received. This financing has no interest due or maturity date. The timing of these future payments are unknown, as cash-in-lieu payments yet to be received by the District depend on the timing of development of certain residential units as per the purchase agreement. The outstanding \$905,286 due for the land purchase is reflected as a non-current obligation due within the current fiscal year.

### **Curriculum, Instruction and Accreditation**

Support is provided to schools through continued development of leadership as outlined in the District's Destination APS Plan, empowering stakeholders and setting standards to measure the effectiveness of schools and to assure that each child in the District experiences an acceleration of learning and demonstrates the ability to shape their own future. By engaging culturally relevant learning experiences and engaging all students in rigorous learning experiences, school personnel will assure that students experience significant levels of academic success throughout their school experience.

The District's Division of Equity in Learning provides support services to exceptional student services/special education, school health services, mental health/diagnostic services for disabled students, special programs, English language acquisition services, curriculum and professional learning and post-secondary workforce readiness. The Chief Academic Officer is responsible for the direction, management, coordination and operations of the various departments within the Division of Equity in Learning.

Working with the Division of Accountability and Research, assistance is provided for the development and implementation of the accountability and accreditation requirements for the State and the District. Curriculum and Professional Learning identify and develop a comprehensive curriculum and coordinate professional learning of the District's leadership, teaching and support staff. Exceptional Student Services/Special Education will provide development, implementation, administration, maintenance, monitoring and evaluation of programs and services required by State and federal statutes that guarantee a free, appropriate public education as well as equal access to students with disabilities. Mental Health/Diagnostic Services for Disabled Students provides assistance and support to students and their parents meeting the needs and services prescribed by both State and federal statutes. School Health Services works with County and State health departments, law enforcement, departments of social services, medical providers, service organizations, and parents to coordinate mandated functions, and serves as a liaison to community health agencies.

English Language Acquisition Services coordinates instructional support services with building leadership to assist teachers in developing the linguistic and academic content skills of those students who have been identified and assessed as needing added support. Post-secondary Workforce Readiness experiences, as defined in the strategic plan, ensure that students have a plan for the future, develop the skills and abilities they need to access success and accumulate the credentials that open doors into their academic and career-oriented futures.

***Accreditation.*** The District's Accreditation Contract was approved by the Colorado Department of Education. The District is subject to periodic monitoring by the State to ensure continued compliance with accreditation standards. The District is annually accredited by Colorado Department of Education without exception.

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## District Charter Schools

The District currently has 9 operating charter schools. Enrollment in the District’s charter schools is open to any child who resides within the District and to non-resident students as provided by law, District policy and the enrollment procedures of the charter school. Charter school contract and student information is provided in the table below.

Charter School	Original Contract Granted	Current Contract Term	Contract Expiration Date	Maximum Student Enrollment Limit
Aurora Academy	December 7, 1999	5 years	June 30, 2030	560
Aurora Expeditionary Learning (AXL) Academy	March 6, 2007	2 years	June 30, 2029	595
Aurora Science and Technology (AST) Middle School	June 20, 2017	5 years	June 30, 2028	415
Aurora Science and Technology (AST) High School	July 1, 2022	5 years	June 30, 2026	560
Global Village Academy (East and West)	March 14, 2006	3 years <sup>2</sup>	June 30, 2025	1,500
Lotus School for Excellence	June 7, 2005	5 years	June 30, 2027	1,200
Rocky Mountain Prep-Fletcher	June 21, 2016	4 years	June 30, 2030	630
Vanguard Classical School (East and West)	December 12, 2006	5 years	June 30, 2026	1,375
Vega Collegiate Academy	June 16, 2015	5 years	June 30, 2027	810

<sup>1</sup> Transferred to The Colorado Charter School Institute (“CSI”).

<sup>2</sup> Contract to end June 30, 2025, and then be transferred to CSI in 2025/2026.

In Colorado, a charter school is a public school operated by a group of parents, teachers and/or community members as a semi-autonomous school within a school district, operating under a contract or “charter” contract between the members of the charter school community and the local board of education. The “charter,” as defined in the Charter Schools Act (Sections 22-30.5-101 et. Seq., C.R.S.), specifies the school goals, standards, education design, governance, and operations. The degree of autonomy to be exercised by the charter school on such issues as personnel, curriculum and facilities is negotiated between the charter applicants and the local school district and reflected in the charter.

A charter school generally cannot charge tuition and the funding for charter schools, as prescribed by law, flows from the Colorado Department of Education through the District and to the charter school on a monthly basis. Each charter school is responsible for its own operation, including but not limited to, preparation of a budget, contracting for services and personnel matters. Services for which a charter school contracts with the District are negotiated and provided by the District at cost. No rent may be charged by the District for use of District facilities which are available for use by the charter school.

## Cybersecurity

The District, like many other public and private entities, relies on a complex technology infrastructure to conduct its operations. Accordingly, the District maintains cybersecurity insurance and, works with several Federal, State and local agencies on best practices regarding training, mitigation and prevention plans for cyberattacks. Through these efforts, the District has strengthened its IT security team and developed internal opportunities to simulate cyberattacks and to continually practice and review its skill and plans. The District holds cybersecurity insurance through Tokyo Marine.



Thanks to these proactive efforts, the District was able to detect and resolve a cybersecurity incident earlier this year. Notably, the District did not experience a material disruption in operations and quickly recovered with the assistance of leading cybersecurity experts. The District has used this incident as an opportunity to strengthen cybersecurity controls to further mitigate and help to prevent similar incidents from occurring in the future. The District remains committed to safeguarding its technology systems and protecting all information within its possession.

## **DISTRICT FINANCIAL INFORMATION**

### **Accounting Policies**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The basic format for the financial operation of the District is provided by State law, which creates five funds for each State school district: the General Fund, Bond Redemption Fund, Capital Reserve Fund, Special Building and Technology Fund, and Transportation Fund. The District also may create and maintain additional funds.

All revenues except those attributable to the Bond Redemption Fund, the Capital Projects Fund and any other fund authorized by State law and the State Board of Education are accounted for in the General Fund, and any lawful expenditure of the District may be made from the General Fund and recorded therein. If the District has any outstanding general obligation indebtedness, the revenues from tax levies made for the purpose of paying debt service on such indebtedness would be recorded in the Bond Redemption Fund. See “DEBT AND OTHER FINANCIAL OBLIGATIONS.” The Capital Reserve Fund is funded by transfers from the General Fund. See “—Sources of Revenue—*State Share*” below.

### **Public School Finance Act of 1994**

School districts in the State are funded pursuant to the Public School Finance Act of 1994 (the “1994 Act”). The 1994 Act sets forth a formula (the “Total Program”) for determining State and local funding amounts for each school district, based on a variety of factors including pupil count, local costs of living, personnel costs, the size of each district, the number of at-risk pupils, and the number of on-line pupils, as described in “—Total Program Funding” below. The Colorado Department of Education reports that in budget year 2024/2025, the 1994 Act will provide for over \$9.7 billion of funding to Colorado schools via State taxes, local specific ownership taxes, and local property taxes.

**Total Program Funding.** For each pupil funded in a district’s October 1 pupil count, the Total Program allocates a base per-pupil amount plus additional amounts based on district-by-district variances. Beginning with fiscal year 2010/2011 through fiscal year 2023/2024, an additional factor was included in the school finance formula to assist in balancing the State budget (the “Budget Stabilization Factor”). The Budget Stabilization Factor reduced the amount of State aid allocated to school districts based on the available State revenue and other budget priorities set by the State legislature. The Budget Stabilization Factor reduced total program funding by a specific percentage; for the fiscal year 2024/2025, that percentage was budgeted at 0%, as the legislature eliminated the Budget Stabilization Factor in accordance with Senate Bill 24-188. The Budget Stabilization Factor did not reduce any base per pupil funding districts received through the Total Program formula.

Total Program calculations may be expressed in the following formula, the components of which are explained below:

$$\begin{array}{ccccccc} \text{Total} & = & \text{Funded} & & \text{Total Per} & & \text{Extended High} \\ \text{Program} & & \text{Pupil} & \times & \text{Pupil} & + & \text{School and on-} \\ & & \text{Count} & & \text{Funding} & & \text{line Funding} \\ & & & & & + & \text{ELL} \end{array}$$

Under the 1994 Act, every school district starts with the same per pupil funding amount generally known as the “statewide base.” The statewide base is increased annually by an amount equal to the rate of inflation. The base amount of per pupil funding for the 2024/2025 fiscal year is \$8,496. The statewide base is then adjusted in each school district to account for differences between districts in cost of living, school district size, and personnel costs. The cost of living factor is adjusted biennially, taking into account increases in the household income level of each district. The personnel and size factors are determined using enrollment-based calculations, making them unique to each school district.

For each fiscal year, the General Assembly establishes a minimum amount of funding per pupil statewide based on a statutorily established “minimum per pupil funding base.” For fiscal year 2024/2025, each school district is guaranteed Total Program funding consisting of the sum of \$10,792 per traditional pupil plus \$10,244 per on-line and extended high school pupil (defined hereafter). In the 2024/2025 fiscal year, ten school districts are projected to receive funding based on the minimum Total Program provision. The District’s estimated per pupil funding is \$12,189 for the 2024/2025 fiscal year.

The Total Program calculation is adjusted upward for each pupil qualifying as “at risk.” “At risk” classification is determined based on the student’s eligibility for a free or reduced price lunch under the federal school lunch program. A school district receives at-risk funding equal to 12-26% of its total per pupil funding. The amount of at-risk funding increases as a district’s percentage of at-risk pupils increases above the State average.

Additionally, Total Program is adjusted upward based on the English language learner (“ELL”) factor. This factor is calculated as 8% of each school district’s preliminary per pupil funding, multiplied by the district’s ELL enrollment.

On-line funding is based on the number of pupils enrolled in either a single district on-line program or a certified multi-district on-line program. A single district on-line program is any district on-line program which enrolls no more than 10 students from another district. The on-line per pupil funding amount changes by the percentage by which the statewide base changes.

***School Finance Act of 2024.*** In 2024, the General Assembly adopted the School Finance Act of 2025 (the “2025 Act”) in an attempt to increase funding for rural students, students living in poverty, and English language learners. Unless amended or repealed, the 2025 Act will incorporate a new funding formula that is expected to be phased in over five fiscal years, beginning with the 2025/2026 budget year. On November 1, 2024, Governor Polis presented his 2025/2026 budget proposal to the General Assembly’s Joint Budget Committee. In his proposal, the Governor recommends a slower phase-in of the 2025 Act, to ensure the fiscal sustainability of implementation. If the Governor’s proposal is adopted by the General Assembly during the 2025 session, the phase-in period will be extended by a year, and only 10% of the formula change would be funded in 2025/2026 and 2026/2027. The Governor’s proposal also includes a change in student count methodology and redirects funds from the State’s school district capital grant program to the State Public School Fund. The State budget is adopted by the General Assembly, which is not bound to follow the Governor’s recommendations.

## Sources of Revenue

***District Share.*** A school district's share of the determined Total Program figure is the amount the district raises by mill levy (assuming 100% collection) plus the amount of specific ownership tax revenue paid to such district in the prior fiscal year attributable to the General Fund, excluding any budget election revenue (collectively, the "District Share"). The amount of a district's mill levy is to be the lesser of: (a) the number of mills levied by the district for the immediately preceding property tax year; (b) the number of mills that will generate enough property tax revenue to pay the entirety of the school district's Total Program for the applicable budget year, minus the minimum State aid, and minus the amount of specific ownership tax revenue paid to the district; (c) for a school district that has not obtained voter approval to retain and spend revenues in excess of the property tax revenue limitation imposed by TABOR, the number of mills that may be levied by the school district under the property tax revenue limitation imposed on such school district under TABOR; or (d) 27 mills. In 2020, the State Legislature reset the number of property tax mills levied for school funding (total program mill levy) for school districts that have obtained voter approval to retain revenue above the constitutional limit. Specifically, the mills were reset to the lesser of 27 mills or the level they were at when the district obtained voter approval, with any subsequent adjustments that would have occurred (the "Reset Mill Levy"). Additionally, school districts were required to establish a tax credit for the difference between the Reset Mill Levy and the number of mills levied in tax year 2019 (collection year 2020). Pursuant to legislation passed in 2021, the CDE is required to phase out the tax credits, by no more than one mill per year, thereby slowly increasing the mill levies paid, until the school district reaches its Reset Mill Levy. See "—Constitutional Amendment Limiting Taxes and Spending" below and "TABLE II—History of District's Mill Levy."

Taxes levied in one year are collected in the following year. The tax levied for the General Fund is distinct from the tax levied by the District for its Bond Redemption Fund, and both taxes are levied and collected in the manner described herein.

The District's General Fund levy in the 2022/2023 fiscal year produced \$214,544,312, representing approximately 43.47% of the total revenue in the General Fund of \$493,525,308. The District's General Fund levy in the 2023/2024 fiscal year produced \$260,228,401, representing approximately 47.11% of the total revenue in the General Fund of \$552,374,593. The District has budgeted for the 2024/2025 General Fund levy to produce \$279,417,827, representing approximately 50.34% of the total revenue in the General Fund of \$555,084,184.

Other sources of local revenue received by the District include the District's share of the annual specific ownership tax levied by the State on owners of motor vehicles, fees, and interest income earned on the District's investments.

***State Share.*** The State Share is provided to each school district whose District Share is insufficient to fully fund its Total Program, and the amount of the State Share is the difference between the District Share and the Total Program. Payments of State Share moneys are made monthly to districts and are funded primarily from State income taxes (personal and corporate) and collected sales and use tax revenue.

The State General Assembly is to make annual appropriations to fund the State Share of the Total Program of all school districts. The availability of State funds to the District may be affected by actions of the General Assembly and by the cash position of the State itself, as to which the District can give no assurance. In the event that the State's appropriation is not sufficient to fully fund the State Share of the Total Program of all school districts, the Colorado Department of Education must submit a request for a supplemental appropriation in an amount which will fully fund the State Share during the fiscal year in which such insufficiency occurs. If a supplemental appropriation is not made, a percentage reduction in State aid to all school districts receiving State aid is to be made.

In budget year 2024/2025, State Share financing to districts ranges from \$0 per pupil to \$20,749 per pupil. School districts are not guaranteed to receive a given amount of aid from the State. With a number of exceptions requiring earmarking certain funds, a district may spend all funds in the Total Program at the district's discretion. Further, there are no minimum spending requirements for these funds. Districts with State preschool programs must budget an amount equal to the district's per pupil operating revenues times the district's preschool enrollment.

The District realized \$211,787,454 in State equalization funding in the 2022/2023 fiscal year, representing approximately 42.91% of total General Fund revenue. The District realized \$199,504,486 in State equalization funding in the 2023/2024 fiscal year, representing approximately 36.12% of total General Fund revenue. The District has budgeted to receive \$205,984,323 in State equalization funding in the 2024/2025 fiscal year, representing approximately 36.02% of total General Fund revenue.

***Additional Revenues.*** Override levies voted in 2009 or later generally cannot exceed 25% of the District's Total Program Funding or \$200,000, whichever is greater. Under certain circumstances, the School Finance Act of 2024 authorizes the District to increase (up to 29%) the percentage of Total Program Funding that can be obtained through override levies if voter approval is obtained prior to July 1, 2030. At the Election, District voters authorized the District to collect the full amount of revenues under this higher limit. See THE BONDS—Use of Bond Proceeds—*The Project*.”

At an election held on November 6, 1990, District voters approved a mill levy override providing for an increase in the District's mill levy to provide for an additional \$7.6 million in property tax revenue. At an election held on November 4, 2008, the District received approval for the imposition of an additional mill levy rate of 7.800 mills. At an election held on November 6, 2012, the District received approval for the imposition of an additional mill levy at a rate not to exceed 8.700 mills. At an election held on November 6, 2018, the District received approval for the imposition of an additional mill levy at a rate not to exceed 13.700 mills. At the Election, District voters also approved an operations and technology fund mill levy of up to 6.00 mills (with a collection year 2025 limit of \$30 million). The revenues generated by the Debt Free Schools Mill Levy (Operations and Technology Fund) are to be used for ongoing funding of capital construction, new instructional technology, existing technology upgrades, and maintenance needs of the District. For 2024/2025, the Debt Free Schools Mill Levy was set at 5.384 mills.

Prior to the passage of the School Finance Act of 2024, total revenues collected from the District's aggregate mill levy were restricted to an amount not exceeding 25% of the District's total programming. The District reached this cap due to underlying increases in assessed value, which resulted in subsequent reductions of its mill levy for collection year 2022. Beginning in collection year 2025, however, total revenues collected from the District's aggregate mill levy are restricted to an amount not exceeding 29% of the District's total programming. The authorized mill levies remain available to the District in the future but are not currently accessible beyond such limit. See TABLE II—History of District's Mill Levy.”

### **State Intercept Program**

Under Section 22–41–110, Colorado Revised Statutes, as amended (the “State Intercept Act”), if the paying agent with respect to particular general obligation bonds or certain elector authorized lease or installment purchase agreements issued or incurred by a school district on or after July 1, 1991 (a “School District Obligation”) has not received a payment on the School District Obligation on the business day immediately prior to the date on which such payment is due, the paying agent is required to notify the State Treasurer and the school district that has issued the School District Obligation. The State Treasurer is then required to contact the school district to determine whether the school district will make the payment by the date on which it is due. If the school district indicates to the State Treasurer that it will not make the payment on the School District Obligation by the date on which it is due, the State Treasurer is required to

forward to the paying agent, in immediately available funds from any legally available funds of the State, the amount necessary to make the payment of the principal of and interest on the School District Obligation.

If the State Treasurer makes a payment on a School District Obligation under the State Intercept Act, he or she is to recover the amount forwarded by withholding amounts from the school district's payments of the State's share of equalization program funding and from property tax and specific ownership tax revenues collected by the county treasurer on behalf of the school district; except that the State Treasurer may not recover amounts from property tax revenues that are pledged by a school district to pay notes or bonds issued by the school district. The total amount withheld in a month from the State's share of equalization program funding together with school district tax revenues forwarded from the county treasurer cannot exceed 1/12 of the State Treasurer's payment on a School District Obligation; provided, however, that the State Treasurer, in one or more months during the 12-month withholding period, may withhold more than 1/12 of the State Treasurer's payment on a School District Obligation if the total of such amounts received by the school district in one or more months during the 12-month is less than 1/12 of the State Treasurer's payment on a School District Obligation. With respect to each payment on a School District Obligation made by the State Treasurer, the State Treasurer cannot withhold or accept tax revenues from the county treasurer for more than 12 consecutive months. The State Treasurer is required to notify the county treasurer in writing of the amount of tax revenues to be withheld and forwarded to the State Treasurer and of the period of withholding. The county treasurer is required, upon receipt of such notice, to withhold from the school district and forward to the State Treasurer the amount of tax revenues specified in the notice that would otherwise be credited to the school district. The school district has the option of making early repayment of all or any portion of a State Treasurer's payment on a School District Obligation.

While the withholding of equalization payments and forwarding by the county treasurer of tax revenues is limited to 12 monthly payments, the State Intercept Act does not correspondingly limit the State's contingent obligation to pay the School District Obligation.

If the State Treasurer is required to make a payment on a School District Obligation, the Colorado Department of Education is required to initiate an audit of the school district to determine the reason for the nonpayment of the School District Obligation and to assist the school district, if necessary, in developing and implementing measures to assure that future payments will be made when due. In addition, if the State is required to make a payment on a School District Obligation and withhold amounts from a school district's equalization program funding and from the school district's unpledged tax revenues because of the school district's failure to collect property taxes levied in accordance with law for the school district's Bond Redemption Fund, the school district may transfer, or instruct the third-party custodian that administers the school district's Bond Redemption Fund to transfer, any such delinquent property taxes later collected from the school district's Bond Redemption Fund to its General Fund.

The State has covenanted that it will not repeal, revoke, rescind, modify or amend the State Intercept Act so as to limit or impair the rights and remedies granted under the State Intercept Act to purchasers of School District Obligations. The State Intercept Act provides, however, that it will not be deemed or construed to require the State to continue the payment of State assistance to any school district or to limit or prohibit the State from repealing, amending or modifying any law relating to the amount of State assistance to school districts or the manner of payment or the timing thereof. The State Intercept Act further provides that it will not be deemed or construed to create a debt of the State with respect to any School District Obligation within the meaning of any State constitutional provision or to create any liability except as specifically provided in the State Intercept Act.

A school district may adopt a resolution stating that it will not accept payment by the State Treasurer of a School District Obligation. If a school district chooses to adopt such a resolution, it must be adopted prior to issuance or incurrence of the bonds or obligations to which it applies. Following adoption of such a resolution, the school district is to provide written notice to the State Treasurer of its refusal to accept the payment of a School District Obligation. A school district may rescind its refusal to accept payment by written notice of such rescission to the State Treasurer.

The Bonds qualify under the State Intercept Program and the District has not adopted a resolution stating that it will not accept payment from the State Treasurer under the State Intercept Program with respect to the Bonds; consequently, the State Intercept Program applies to the payment of the Bonds and the State Treasurer will make payment of the principal of and interest on the Bonds, if necessary, as described above.

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## Historical General Fund Financial Information

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. The fund represents and accounts for the District's ordinary operations financed primarily from state aid and property taxes and is the most significant fund in relation to the District's overall operations. Set forth below is a five-year comparative statement of revenues, expenditures and changes in fund balances for the District's General Fund. The following information should be read together with the District's financial statements and accompanying notes appended thereto.

**TABLE XII**  
**Summary of General Fund Revenues, Expenditures and Changes in Fund Balances**

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Revenues:					
Local	\$217,805,269	\$233,701,462	\$243,098,693	\$255,690,506	\$309,190,837
State	239,434,475	215,331,388	227,784,088	236,691,829	243,018,461
Federal	243,439	76,511,883 <sup>2</sup>	3,774,505	1,142,973	165,295
Total Revenues	<u>457,483,183</u>	<u>525,544,733</u>	<u>474,657,286</u>	<u>493,525,308</u>	<u>552,374,593</u>
Expenditures:					
Instruction	207,085,251	235,392,187	231,152,469	245,809,493	260,492,049
Supporting services:					
Pupil Support	44,521,936	50,416,688	49,367,122	61,775,302	69,169,261
Instructional Staff Support	22,813,073	27,530,702	25,466,186	35,399,661	31,799,684
General Administration	6,046,787	12,761,097	7,437,811	7,301,360	7,304,773
School Administration	35,901,981	38,160,030	41,847,434	41,851,301	39,164,151
Business Administration	4,851,477	5,266,732	5,381,523	5,863,872	5,819,902
Operations And Maintenance	35,195,547	37,701,070	42,608,284	43,460,998	45,934,711
Transportation	10,739,826	9,464,323	14,553,211	9,627,723	8,388,045
Personnel/Data Risk Management	17,407,696	23,178,490	28,332,227	27,547,199	38,066,582
Other Support Services	21,653,445	26,202,511	25,447,925	23,903,826	26,239,133
Food Service Operations	--	--	5,740	10,027	7,523
Facilities Acquisition & Improvements	<u>5,211,563</u>	<u>5,510,550</u>	<u>10,238,384</u>	<u>44,269,137</u> <sup>3</sup>	<u>9,409,697</u>
Total Expenditures	<u>411,428,582</u>	<u>471,584,380</u>	<u>481,838,316</u>	<u>546,819,899</u>	<u>541,795,511</u>
Certificates of Participation – Base Rentals					
Principal	--	--	449,463	1,248,584	1,524,094
Interest	--	--	132,243	207,959	182,357
Total Expenditures	<u>--</u>	<u>--</u>	<u>482,420,022</u>	<u>548,276,442</u>	<u>543,501,962</u>
Excess of Revenues Over Expenditures	46,054,601	53,960,353	(7,762,736)	(54,751,134)	8,872,631
Other Financing Sources (Uses)					
Debt Financing from Leases	--	--	720,360	2,931,579	472,980
Operating Transfers Out <sup>1</sup>	<u>(7,458,526)</u>	<u>(20,684,635)</u>	<u>(13,568,617)</u>	<u>(12,745,198)</u>	<u>(8,237,465)</u>
Total	<u>(7,458,526)</u>	<u>(20,684,635)</u>	<u>(12,848,257)</u>	<u>(9,813,619)</u>	<u>(7,764,485)</u>
Net Change in Fund Balance	38,596,075	33,276,718	(20,610,993)	(64,564,753)	1,108,146
Beginning Fund Balance	<u>108,663,879</u>	<u>147,259,954</u>	<u>180,535,672</u>	<u>159,924,679</u>	<u>95,359,926</u>
Ending Fund Balance	<u>\$147,259,954</u>	<u>\$180,535,672</u>	<u>\$159,924,679</u>	<u>\$ 95,359,926</u>	<u>\$ 96,468,072</u>

<sup>1</sup> Represents funds transferred to the Nutrition Services Fund, Pickens Post-Secondary Fund, and Athletic Fund to provide subsidies for operations and transfer revenues related to programs offered by those specific funds and to the Capital Reserve Fund to meet current and future capital needs. The transfer increased in 2021/2022, in order to fund upcoming capital projects utilizing a portion of the general fund's fund balance for this transfer.

<sup>2</sup> Federal funding increased due to federal funds received as a result of the COVID-19 pandemic.

<sup>3</sup> Represents an increase in facilities acquisition and improvements for various Blueprint APS projects.

Sources: District audited financial statements for fiscal years ended June 30, 2020-2024

Further information relating to the General Fund, as well as certain other funds of the District, may be found in the basic financial statements of the District appended hereto.

## **Budgetary Process and Information**

The District is required by the School District Budget Law of 1964, Article 44 of Title 22, Colorado Revised Statutes, as amended (the “Budget Law”), to formulate a balanced budget and to hold a public hearing thereon prior to the determination of the amounts to be financed in whole or in part by ad valorem property taxes, funds on hand or estimated revenues from other sources. The budget must specify the amounts budgeted for proposed expenditures by funds, the amounts budgeted to be transferred from the general fund to the capital reserve fund and the insurance internal service fund, the corresponding amounts budgeted by fund that were actually expended during the last completed fiscal year and anticipated to be expended during the current fiscal year, all revenue anticipated for the ensuing fiscal year classified as to funds and sources of income, and the fund balance at the end of the fiscal year.

As part of the budgeting process of the District, the Superintendent of the District submits a proposed budget to the Board at least 30 days prior to the beginning of the next fiscal year. After conducting a public hearing on the budget proposals, at which time any person paying school taxes in the District has an opportunity to be heard, the Board must adopt a final budget for the succeeding year prior to June 30 of each year by formal resolution specifying the amount of money appropriated to each fund, and must certify to the Board of County Commissioners of each county, by December 15 of each year, the amounts necessary to be raised from levies against the assessed valuation of all taxable property located within the District for its General Fund and Bond Redemption Fund to defray expenditures therefrom during the next ensuing fiscal year. The Board cannot expend any moneys in excess of the amount appropriated by resolution for a particular fund.

The annual budget is the financial operating plan for the District after adoption by the Board. Should the Board of the District determine that the property tax mill levy should be increased beyond the authorized limit set by State statutes, the Board of the District may submit such proposed increase at a general election for approval and, if such increased levy is approved, may adopt a supplemental budget. While the budget may be revised from time to time after following steps required by Board policy and State law, statutes prohibit the board of education of any school district to expend any moneys in excess of the amount appropriated by resolution for a particular fund. The District is not aware of any material changes that would adversely affect the District’s ability to complete the fiscal year within budget.

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The following table sets forth a summary and comparison of the 2023/2024 budget, the 2024/2025 budget and the 2024/2025 year-to-date actual unaudited figures for the District's General Fund.

**TABLE XIII**  
**General Fund Budget Summary and Comparison**

	<b>2023/2024 Final Budget</b>	<b>2024/2025 Budget (amended)</b>	<b>2024/2025 Year- to-Date Actual (unaudited)<sup>1</sup></b>
Revenues:			
Local Sources	\$301,432,173	\$317,055,777	\$144,163,095
State Sources	218,214,361	251,074,108	262,440,158
Federal Sources	<u>454,204</u>	<u>312,903</u>	<u>99,457</u>
Total Revenues	<u>520,100,738</u>	<u>568,442,788</u>	<u>406,702,710</u>
Expenditures:			
Instruction	247,474,466	264,587,745	192,507,015
Supporting services:			
Pupil Support	58,526,970	71,466,254	55,698,251
Instructional Staff Support	26,741,767	43,588,395	35,307,852
General Administration	7,165,820	7,090,858	5,417,213
School Administration	33,612,844	36,396,457	28,276,418
Business Administration	8,036,823	8,463,436	6,981,753
Operations And Maintenance	41,876,546	39,101,099	38,480,699
Transportation	15,549,274	20,171,046	18,512,407
Personnel/Data Risk Management	31,076,025	24,822,673	23,547,364
Other Support Services	30,642,251	29,992,181	24,616,109
Food Service Operations	--	42,354	36,498
Facilities Acquisition & Improvements	5,579,782	1,901,927	2,498,723
Debt Service			
Principal	449,463	750,000	--
Interest	132,243	130,000	--
Contingencies and Appropriated Reserves	<u>82,951,078</u>	<u>75,231,421</u>	<u>699</u>
Total Expenditures	<u>589,815,352</u>	<u>623,735,846</u>	<u>431,881,001</u>
Excess (Deficiency) of Revenues Over (under)			
Expenditures	(69,714,614)	(55,293,058)	(25,178,291)
Other Financing Sources (Uses)			
Debt Financing from Leases	180,000	180,000	--
Transfers In			
General Fund	(12,770,412)	(11,479,908)	(6,814,034)
Transfers Out			
Athletic Subsidy	--	(6,900,000)	(6,900,000)
Pickens Post Secondary	--	--	(208,753)
Capital Projects	(2,117,925)	(13,614,186)	(13,614,186)
Nonmajor Governmental Funds	<u>(5,936,975)</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(20,645,312)</u>	<u>(31,814,094)</u>	<u>-(27,536,973)</u>
Net Change in Fund Balance	(90,359,926)	(87,107,152)	(52,715,264)
Beginning Fund Balance	<u>90,359,926</u>	<u>87,107,152</u>	<u>87,107,152</u>
Ending Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 34,391,888</u>

<sup>1</sup> Actual unaudited figures through April 30, 2025.

Sources: District 2023/2024 and 2024/2025 Budget Documents and the District

## **Administration's Discussion of Material Trends**

For a discussion and analysis of District operations with respect to the fiscal year ended June 30, 2024, see the District's audited financial statements attached as Appendix B hereto for the Management's Discussion and Analysis which provides a narrative overview and analysis of the financial activities of the District for such fiscal year. This is the most current audit available for the District.

The District does not anticipate any other significant changes in financial status.

## **Constitutional Amendment Limiting Taxes and Spending**

In 1992, Colorado voters approved an amendment to the Colorado Constitution, which is commonly referred to as the Taxpayer's Bill of Rights, or TABOR, and constitutes Section 20 of Article X of the Colorado Constitution. TABOR imposes various limits and requirements on the State and all State local governments which do not qualify as "enterprises" under TABOR (each of which is referred to in this section as a "governmental unit"). Any of the following actions, for example, requires voter approval in advance: (a) any increase in a governmental unit's spending from one year to the next in excess of the rate of inflation plus a "growth factor" based on (i) for the State, the percentage change in State population; (ii) for a school district, the percentage change in student enrollment; and (iii) for any other local government, the net percentage change in actual value of all real property from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from, taxable real property; (b) any increase in the real property tax revenues of a local governmental unit (not including the state) from one year to the next in excess of inflation plus the appropriate "growth factor" referred to in clause (a) above; (c) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase for a property class, extension of an expiring tax or a tax policy change directly causing a net tax revenue gain; and (d) except for refinancing bonded indebtedness at a lower interest rate or adding new employees to existing pension plans, creation of any multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Elections on such matters may only be held on the same day as a state general election, at the governmental unit's regular biennial election or on the first Tuesday in November of odd numbered years, and must be conducted in accordance with procedures described in TABOR.

Revenue collected, kept or spent in violation of the provisions of TABOR must be refunded, with interest. TABOR requires a governmental unit to create an emergency reserve of 3% of its fiscal year spending in 1995 and subsequent years. TABOR provides that "[w]hen [a governmental unit's] annual ... revenue is less than annual payments on general obligation bonds, pensions, and final court judgments, the [voter approval requirement for mill levy and other tax increases referred to in clause I of the preceding paragraph and the voter approval requirement for spending and real property tax revenue increases referred to in clauses (a) and (b) of the preceding paragraph] shall be suspended to provide for the deficiency." The preferred interpretation of TABOR shall, by its terms, be the one that reasonably restrains most the growth of government.

***De-Brucing.*** At the November 6, 2001 election, the District submitted and received approval for a question exempting the District from the revenue and spending restrictions imposed by TABOR for the 2000/2001 fiscal year and each year thereafter.

## **Retirement and Pension Matters**

The District contributes to the School Division Trust Fund (“SCHDTF”), a cost sharing multiple employer-defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). SCHDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SCHDTF and receive equal benefits commensurate with their levels of pay and years of service. No differentiation is made based on personnel category. The District is currently required by statute to contribute to PERA, from District funds, a statutorily determined percentage of the gross salaries of member employees. For the fiscal year ended June 30, 2024, the District’s employer contributions for the SCHDTF were \$70,657,664. In addition, each member employee contributes a statutorily determined percentage of his or her salary.

Vesting, accrual of benefits, eligible retirement ages and levels are all determined by PERA. The District holds no plan assets or actuarial liability with PERA; however, beginning with the 2014/2015 audited financial statements, the District is required to record its share of PERA’s unfunded liability. PERA has conducted actuarial studies and provided its member institutions with the amounts of their unfunded liability. For the fiscal year ended June 30, 2024, the District’s net pension liability was \$884,610,675.

For further information on retirement and pensions, see Notes 10 to the District’s audited financial statements appended hereto.

## **Risk Management**

The District is exposed to various risks of loss such as theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by a combination of risk retention programs, purchased insurance coverages from independent carriers, and by participating in two risk pools. Property and casualty losses, claims and purchased insurance protection are accounted for in the District’s General Fund.

In the opinion of the District’s superintendent, the District’s current insurance coverage provides adequate insurance protection for the District. However, there can be no assurance that the District will continue to maintain this level of coverage. See Note 8 to the District’s audited financial statements attached as Appendix B hereto.

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## DEBT AND OTHER FINANCIAL OBLIGATIONS

### Outstanding General Obligation Debt

Upon issuance of the Bonds, the District will have \$550,000,000\* of remaining authorized but unissued debt. The issuance of additional general obligation debt is subject to constitutional and statutory provisions requiring voter approval of general obligation debt and statutory limits on the dollar amount of general obligation debt. See “DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending” and “—Statutory Limit on General Obligation Debt” below. The following table sets forth the District’s outstanding general obligation debt upon issuance of the Bonds.

**TABLE XIV**  
**General Obligations of the District**

<b>Obligation</b>	<b>Principal Amount Outstanding <sup>1</sup></b>
General Obligation Bonds, Series 2017A	\$108,755,000
General Obligation Bonds (Matching Money), Series 2019	21,253,617
General Obligation Bonds, Series 2021A	73,475,000
General Obligation Refunding Bonds, Series 2022	30,115,000
The Bonds	<u>450,000,000 *</u>
Total	<u>\$683,598,617 *</u>

\* Preliminary; subject to change.

<sup>1</sup> Upon issuance of the Bonds.

### Statutory Limit on General Obligation Debt

Pursuant to State statute, the general obligation debt of a school district cannot exceed the greater of (a) 20% of the latest valuation for assessment of the taxable property in the district, or (b) 6% of the most recent determination of the “actual” value of the taxable property in the district, both as certified by the county assessor. According to District officials, the District voted to change its general obligation debt limit to 6% of statutory actual value. The District’s statutory limit on bonded indebtedness is \$2,595,964,865 under the 6% test based upon the District’s 2024 certified “actual” valuation of \$43,266,081,085. After issuance of the Bonds, the District’s legally available general obligation debt margin under State statutes will be \$1,912,366,248 \* under the 6% test. At an election held in November 2016, the voters of the District authorized the District to utilize the 6% test.

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\* Preliminary; subject to change.

## General Obligation Debt Ratios

Set forth in the following table are selected historical general obligation debt ratios for the District for the years indicated. See “INTRODUCTION—Debt Ratios” for general obligation debt ratios for the District upon issuance and delivery of the Bonds.

**TABLE XV**  
**Historical Debt Ratios**

	Fiscal Years Ended June 30				
	2021	2022	2023	2024	2025
Debt Outstanding	\$389,186,136	\$413,810,353	\$359,179,435	\$297,912,496	\$683,598,617*
Estimated Population	236,984	231,574	230,823	243,280	239,597
Debt Per Capita	\$1,642	\$1,787	\$1,556	\$1,225	\$2,853 *
Assessed Value <sup>1</sup>	\$3,410,601,947	\$3,825,377,236	\$4,044,346,421	\$5,450,700,306	\$5,728,903,707
Ratio of Debt to Assessed Value	11.41%	10.82%	8.88%	5.47%	11.93% *
Personal Income Per Capita (Arapahoe County)	\$73,433	\$77,902	\$81,414	not available	not available
Ratio of Debt Per Capita to Personal Income Per Capita (Arapahoe County)	2.24%	2.29%	1.91%	not available	not available

\* Preliminary; subject to change.

<sup>1</sup> Includes incremental assessed valuation in excess of “base” valuation in property tax increment areas from which the District does not receive property tax revenue. See “REVENUES AVAILABLE FOR DEBT SERVICE—Tax Increment Areas” above.

Sources: District audited financial statements, June 30, 2021-2024; Adams and Arapahoe County Assessors Offices; State of Colorado, Division of Property Taxation Annual Reports 2021-2023; Regional Economics Information System Bureau of Economic Analysis; and the District

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## Estimated Overlapping General Obligation Debt

Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the District are also authorized to incur general obligation debt, and to the extent that properties within the District are also within such overlapping public entities such properties will be liable for an allocable portion of such debt. For purposes of this Official Statement, the percentage of each entity's outstanding debt chargeable to District property owners is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which District property owners are responsible will also change. The following table sets forth the estimated overlapping general obligation debt chargeable to properties within the District as of the date of June 30, 2024.

**TABLE XVI**  
**Estimated Overlapping General Obligation Debt**

Overlapping Entity <sup>1</sup>	Outstanding General Obligation Debt	Net Outstanding General Obligation Debt Chargeable to Properties Within the District	
		Percent <sup>2</sup>	Amount
Arapahoe County	\$114,545,000	100.00%	\$114,545,000
Aurora Centre Tech Metropolitan District	7,230,000	100.00	7,230,000
Conservatory Metropolitan District	18,115,000	100.00	18,115,000
Cross Creek Metropolitan District No. 2	10,205,000	100.00	10,205,000
Iliff Commons Metropolitan District No. 2	4,133,000	100.00	4,133,000
Iliff Commons Metropolitan District No. 3	1,845,000	100.00	1,845,000
Park 70 Metropolitan District	33,570,000	100.00	33,570,000
Sand Creek Metropolitan District	67,905,000	77.82	52,843,671
Sterling Hills West Metropolitan District	9,370,000	100.00	<u>9,370,000</u>
Total			<u>\$251,856,671</u>

<sup>1</sup> Source of information provided by individual jurisdictions. Overlapping government entities without debt are not shown.

<sup>2</sup> Percentages based on geographical estimates.

Source: District June 30, 2024 audited financial statements

## Other Financial Obligations

The Board has the authority to enter into installment or lease purchase contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval. The term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment.

***Certificates of Participation.*** On June 25, 2020, the District issued Certificates of Participation, (the "2020 COPs") in the aggregate principal amount of \$7,575,000 and which are currently outstanding in the principal amount of \$5,555,000. The outstanding amount due on the 2020 COPs is collateralized by related future rental income and the property that the funds are being used to construct. The 2020 COPs mature on December 1, 2029 and bear interest at a per annum fixed rate of 2.77%. The proceeds from the 2020 COPs were used to pay a portion of the construction costs for the new AST facility. The leased property is Fletcher Community School (separate facility).

On August 8, 2024, the District issued Certificates of Participation in the aggregate principal amount of \$7,826,256 (the “2024 COPs”). The 2024 COPs begin paying in principal in December 2025 and have a final maturity of December 2044. The interest rate is currently set at 4.96% but will reset after December 2033. The 2024 COPs were issued to pay for various energy improvement projects throughout the District and the leased property is the District’s Educational Services Center at 1085 Peoria Street.

Additionally, the District is planning to issue approximately \$80 million of Certificates of Participation in June 2025 to construct a new PK-8 school in the District.

***Lease Purchase Agreements.*** On September 1, 2016, the District executed a Master Lease Purchase Agreement with JPMorgan Chase Bank, N.A., in an amount not to exceed \$12,000,000 for the purpose of acquiring school buses and other essential-need equipment over an approximately five-year period. As of June 30, 2024, the principal amount outstanding under such lease is \$3,077,005.

On September 1, 2016, the District financed 14 buses and 36 support vehicles in the amount of \$2,411,380 with an interest rate of 1.726% per year to be repaid over 10 years. Assets in the amount of \$2,279,022 were capitalized in fiscal year 2017 into machinery and equipment and had related amortization of \$2,279,022 as of June 30, 2024.

On September 11, 2017, the District financed 16 buses and seven support vehicles in the amount of \$1,931,000 with an interest rate of 2.098% per year to be repaid over next 10 years. Assets in the amount of \$1,907,221 were capitalized into machinery and equipment and had related amortization of \$1,828,601 as of June 30, 2024.

On June 21, 2018, the District financed 18 buses and three support vehicles in the amount of \$1,837,761 with an interest rate of 3.414% per year to be repaid over 10 years. Assets in the amount of \$1,612,410 were capitalized into machinery and equipment and have related amortization of \$1,312,163 as of June 30, 2024.

On January 26, 2021, the district financed 16 buses and three support vehicles in the amount of \$2,240,571 with an interest rate of 1.670% per year to be repaid over the next 10 years. Assets in the amount of \$2,240,571 were capitalized and have related amortization of \$1,043,462 as of June 30, 2024.

## **LEGAL MATTERS**

### **Sovereign Immunity**

The Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S. (the “Governmental Immunity Act”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Governmental Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including the operation of a non-emergency motor vehicle owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity.

In such instances the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment.

The maximum amounts that may be recovered under the Governmental Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$350,000 for claims accruing before January 1, 2018, or the sum of \$387,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, or the sum of \$424,000 for claims accruing on or after January 1, 2022, and before January 1, 2026; (b) for an injury to two or more persons in any single occurrence, the sum of \$990,000 for claims accruing before January 1, 2018, except in such instance, no person may recover in excess of \$350,000, or the sum of \$1,093,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, except in such instance, no person may recover in excess of \$387,000, or the sum of \$1,195,000 for claims accruing on or after January 1, 2022, and before January 1, 2026, except in such instance, no person may recover in excess of \$424,000. These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index. The governing board of a public entity may increase any maximum amount that may be recovered from the public entity for certain types of injuries. However, a public entity may not be held liable either directly or by indemnification for punitive or exemplary damages unless the applicable entity voluntarily pays such damages in accordance with State law.

Suits against both the District and a public employee do not increase such maximum amounts which may be recovered. The District may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the District is required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of 10 mills per annum for all outstanding settlements or judgments.

The District may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability include suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

### **Pending and Threatened Litigation**

In connection with the issuance of the Bonds, the District will deliver a certificate to the effect that, as of the date of issuance of the Bonds, to the best of their knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body pending or threatened against the District, wherein an unfavorable decision, ruling or finding would have a material adverse effect upon the District's ability to comply with its obligations under the Bond Resolution.

### **Legal Representation**

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Butler Snow LLP, Denver, Colorado, Bond Counsel. Kutak Rock LLP has been retained to advise the District concerning, and has assisted the District in the preparation of, this Official Statement.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.



## TAX MATTERS

**General Matters.** In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds is excludable from gross income under federal income tax laws pursuant to the Tax Code, and interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions described above assume the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Tax Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Tax Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under laws of the State of Colorado in effect on the date of delivery of the Bonds, interest on the Bonds is exempt from Colorado income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

**Original Issue Discount.** The Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the Bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that

would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the “adjusted issue price” of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

**Original Issue Premium.** The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

**Backup Withholding.** As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Tax Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

**Changes in Federal and State Tax Law.** From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds are advised to consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Code upon their acquisition, holding or disposition of the Bonds.

## **MISCELLANEOUS**

### **Ratings**

Moody's Ratings ("Moody's") and S&P Global Ratings ("S&P") have assigned the respective ratings to the Bonds shown on the cover page hereof. The first rating by each rating agency is based on the availability of the State Intercept Program for the payment of debt service on the Bonds as described in "DISTRICT FINANCIAL INFORMATION—State Intercept Program." The second rating by each rating agency is based on the District's obligations under the Bond Resolution, without giving effect to bond insurance or the State Intercept Program.

The ratings referenced in the preceding paragraph reflect only the respective views of such rating agencies and any explanation of the significance of the ratings (as well as any positive or negative outlooks thereon or potential changes to any rating in the near future) may only be obtained from the rating agency furnishing them. The rating agencies may be contacted at Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and S&P, 55 Water Street, New York, New York 10041, respectively. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by one or both rating agencies if in their judgment circumstances so warrant. Any downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

### **Underwriting**

The Bonds are being sold by the District to the Underwriters, at a discount of \$\_\_\_\_\_ pursuant to a bond purchase agreement entered into between the Underwriters and the District. Expenses associated with the issuance of the Bonds are being paid by the District from proceeds of the Bonds. The right of the Underwriters to receive compensation in connection with the Bonds is contingent upon the actual sale and delivery of the Bonds. The Underwriters have initially offered the Bonds to the public at the prices or yields set forth on the inside cover page of this Official Statement, plus accrued interest from the date of the Bonds. Such prices or yields may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other investment banking firms in offering the Bonds to the public.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriters and their respective affiliates may make a market in credit default swaps with

respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

Stifel, Nicolaus & Company, Incorporated (“Stifel”) has made and may make additional voluntary contributions to various committees or foundations related to the District.

Stifel and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Piper Sandler & Co. made a voluntary contribution to the committee that was formed to support the Election that authorized the issuance of the Bonds. Piper Sandler & Co. has made and may make additional voluntary contributions to various committees or foundations also related to the District.

Piper Sandler & Co., (“Piper Sandler”) one of the Underwriters of the Bonds, has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co will purchase Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co sells.

RBC Capital Markets, LLC (“RBCCM”), an underwriter of the Bonds, has entered into a distribution arrangement with its affiliate City National Securities, Inc. (“CNS”). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the Bonds.

RBCCM made a voluntary contribution to the committee that was formed to support the election that authorized the issuance of the Bonds.

### **Potential Community Reinvestment Act Credit**

The Community Reinvestment Act of 1977 (the “CRA”) is federal legislation intended to encourage financial institutions to help meet the credit needs of the communities where they do business, including low- and moderate-income neighborhoods. Performance for purposes of the CRA is evaluated in a number of ways including credits for investment in organizations that provide free or reduced price

school meals through the National School Lunch Program to eligible students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program). For school year 2024/2025, 79.2% of the District's students were on free or reduced lunch. Accordingly, an investment in the Bonds may be eligible for credit under the CRA and regulations promulgated thereunder.

The final determination of whether an investment in the Bonds is eligible under the CRA would be made by the applicable federal financial supervisory agency which assesses compliance with the CRA. Such assessment would depend on such agency's evaluation of certain tests set forth under the CRA and related regulations, including its determination of the "primary purpose" of the investment. Consequently, there can be no guaranty or assurance as to what level of CRA credit, if any, would result from an investment in the Bonds. Any purchaser considering an investment in the Bonds for CRA credit is advised to consult with its officers responsible for compliance with CRA regulations and CRA regulators at its applicable federal financial supervisory agency.

### **Registration of Bonds**

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, or the Colorado Securities Act, as amended. THE DISTRICT ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

### **Undertaking To Provide Ongoing Disclosure**

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) ("Rule 15c2-12"), the District has covenanted, for the benefit of the holders of the Bonds, to provide certain financial information and other operating data and notices of certain enumerated events after the Bonds are issued. The form of the District's Continuing Disclosure Certificate is attached as Appendix A to this Official Statement.

During the past five years, the District's filings on the Electronic Municipal Market Access facility ("EMMA") operated by the Municipal Securities Rulemaking Board pursuant to the requirements of its continuing disclosure undertakings then in effect (the "Prior Undertakings") have included certain late and incomplete filings as described below.

The District timely filed its audited financial report for the Fiscal Year ended June 30, 2019. However, such filing was not properly linked to the District's then-outstanding General Obligation Refunding Bonds, Series 2017B (the "Series 2017B Bonds"). As the Series 2017B Bonds are no longer outstanding, no further action is necessary.

Failures to comply with the Rule or any future failure to comply with the Rule, by the District will not constitute an event of default under the Bond Resolution. Nevertheless, any future failures must be reported in accordance with the Rule, and any future failures and previously reported failures must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market.

### **Interest of Certain Persons Named in This Official Statement**

The legal fees to be paid to Butler Snow LLP and Kutak Rock LLP are contingent upon the sale and delivery of the Bonds.

### **Independent Auditors**

The basic financial statements of the District for the fiscal year ended June 30, 2024, which are appended hereto, have been audited by independent auditor, Plante Moran, PLLC, Denver, Colorado, as stated in their report appearing therein. The audit has been included without prior review or consent of the auditor.

### **Additional Information**

Copies of constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information summarized or referred to herein are available as described in “INTRODUCTION—Additional Information.”

### **Official Statement Certification**

The preparation of this Official Statement and its distribution have been authorized by the Board. This Official Statement is not to be construed as an agreement or contract between the District and any purchaser, owner or holder of any Bond.

JOINT SCHOOL DISTRICT NO. 28J IN ADAMS  
AND ARAPAHOE COUNTIES, COLORADO

By /s/ \_\_\_\_\_  
President, Board of Education

## APPENDIX A

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Joint School District No. 28J, Adams and Arapahoe Counties, Colorado (the “Issuer”) in connection with the issuance of its General Obligation Bonds, Series 2025 in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”), dated as of June \_\_, 2025. The Bonds are being issued pursuant to resolution adopted by the Board of Education of the Issuer on March 18, 2025 (the “Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Fiscal Year” shall mean the period beginning on July 1 and ending on June 30, or such other 12-month period as may be adopted by the Issuer in accordance with law.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement prepared in connection with the Bonds.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Certificate.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of each of the Issuer’s Fiscal Years, commencing nine (9) months following the end of the Issuer’s Fiscal Year ending June 30, 2025, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual

Report to the Dissemination Agent (if the Issuer has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the Issuer; it is not required that the format reflected in the Official Statement be used in future years.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit "A."

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit "B" hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of bondholders, *if material*;
- (8) Bond calls, *if material*, and tender offers;
- (9) Defeasances;



(10) Release, substitution or sale of property securing repayment of the Bonds, *if material*;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;<sup>1</sup>

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

(15) Incurrence of a financial obligation<sup>2</sup> of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation<sup>2</sup> of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require

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<sup>1</sup> For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

<sup>2</sup> For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Issuer intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the Issuer and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the Issuer described in this Disclosure Certificate, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) certify in writing to the Issuer that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this

Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: \_\_\_\_\_, 2025

JOINT SCHOOL DISTRICT NO. 28J, ADAMS AND  
ARAPAHOE COUNTIES, COLORADO

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT "A"**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Joint School District No. 28J, Adams and Arapahoe Counties, Colorado  
Name of Bond Issue: General Obligation Bonds, Series 2025 in the aggregate principal amount of  
\$\_\_\_\_\_.  
Date of Issuance: June \_\_, 2025  
CUSIP Number: 005482 \_\_\_\_

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated \_\_\_\_\_, 2025. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

JOINT SCHOOL DISTRICT NO. 28J, ADAMS AND  
ARAPAHOE COUNTIES, COLORADO

By: \_\_\_\_\_

## **EXHIBIT “B”**

### **OFFICIAL STATEMENT TABLES TO BE UPDATED**

II	History of District’s Mill Levy *
III	History of District’s Gross Assessed Valuation *
IV	History of District’s Assessed Valuation-Adams County Portion *
V	History of District’s Assessed Valuation-Arapahoe County Portion *
VIII	Historical Property Tax Collections *
XI	Funded Pupil Count *

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**APPENDIX B**

**AUDITED BASIC FINANCIAL STATEMENTS  
OF THE DISTRICT AS OF AND FOR THE  
FISCAL YEAR ENDED JUNE 30, 2024**

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**AURORA PUBLIC SCHOOLS**  
**15701 E. First Avenue, Suite 106**  
**Aurora, Colorado 80011**

**Joint School District No. 28-J**  
**of the Counties of Adams and Arapahoe, Colorado**

**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2024**

**BOARD OF EDUCATION**

Dr. Anne Keke, President

Michael Carter, Vice President

Tiffany Tasker, Treasurer

Danielle Tomwing, Secretary

Tramaine Duncan, Director

Dr. Debra E. Gerkin, Director

Vicki Reinhard, Director

**Superintendent**

Michael Giles, Jr.

**Prepared by**

Division of Finance

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**JOINT SCHOOL DISTRICT No. 28-J OF THE  
COUNTIES OF ADAMS AND ARAPAHOE, COLORADO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2024**

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**JOINT SCHOOL DISTRICT No. 28-J OF THE  
COUNTIES OF ADAMS AND ARAPAHOE, COLORADO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2024**

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## **INTRODUCTORY SECTION**

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## Board of Education and Superintendent



Clockwise from top left:

Tiffany Tasker, Tramaine Duncan, Danielle Tomwing, Michael Carter, Vicki Reinhard  
Dr. Debra E. Gerkin, Superintendent Michael Giles, Jr., and Board President Dr. Anne Keke

The district is governed by a seven-member board of education. Directors are elected at successive biennial elections by registered voters residing in the district. Current directors serve staggered four-year terms of office. The board holds regular meetings on the third Tuesday of each month. Special meetings are held as needed. Directors elect board officers following each election. Members of the board of education receive no compensation for their services to the district. The district superintendent serves as the executive officer of the board. The superintendent does not maintain any voting privileges.

Among its duties, the board is empowered to:

- Employ all personnel required to maintain the operations and carry out the education programs of the district
- Determine and pay personnel compensatory wages
- Establish enrollment boundaries for each school's geographic area
- Determine educational programs to be provided by the district
- Prescribe textbooks for any course of instruction or study in such programs



# AURORA

## PUBLIC SCHOOLS

— Power Your Potential —



**Division of the Superintendent**  
15701 E. First Ave.  
Suite 206  
Aurora, CO 80011



Phone: 303-365-7800  
Fax: 303-326-1280

November 25, 2024

### **To the Members of the Board of Education:**

The Annual Comprehensive Financial Report for Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, is hereby presented to the Board of Education and stakeholders of Aurora Public Schools. This report for fiscal year ended June 30, 2024, was prepared by the Division of Finance and includes the audit opinion of the independent auditors, Plante & Moran, PLLC, who conducted the annual audit of the financial statements in accordance with generally accepted auditing standards and in compliance with state statutes.

Plante & Moran, PLLC, certified public accountants, issued an unmodified (clean) opinion on the financial statements of the district for the fiscal year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of all the information presented in this report. The district's financial services department prepared this report, which contains management's representations concerning the finances of the district. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and reported in a manner to present fairly, the financial position and activities of the district's various funds. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities are included.

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

### **Profile of the District**

Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, (Aurora Public Schools or APS), is a political subdivision of the state of Colorado with an independent governing Board of Education. The original school district was established in 1885 and was created in its current configuration in 1962. APS is one of the largest and most diverse school districts in Colorado. The district serves nearly 40,000 students representing families with longstanding connections to the community and families who come from more than 130 countries. The APS community is rich in culture, assets, and opportunity.

The district is located in Aurora, Colorado, a city on the eastern border of Denver, Colorado, and covers 160 square miles. APS provides a full range of educational programs to a funded enrollment of 38,016 students, as authorized by Colorado state statutes. The district is an independent school district that is a public corporation duly organized and existing under the constitution and laws of the state of Colorado.

During 2023-24, the district consists of four child development centers, 20 elementary schools, ten combination elementary and middle schools, five middle schools, one combination grades 6-12 school, one combination grades P-12 school, five high schools, one vocational/technical college, one home school support program, one gifted and talented combination elementary and middle school, and nine charter schools. In school year 2023-24, 2,597 teachers were employed by the district.

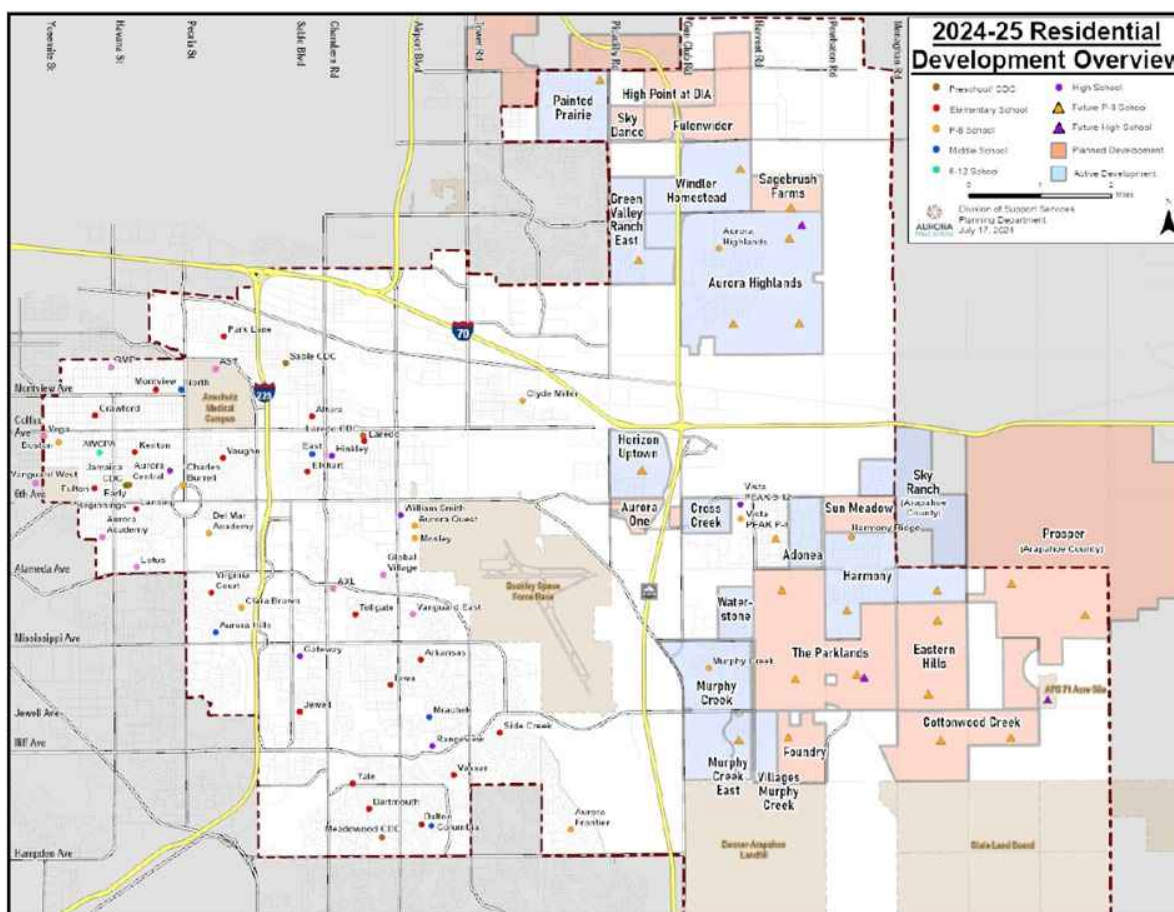
In addition to regular education, student offerings include special education, vocational education at the technical college, pre-school, gifted and talented, English language acquisition and International Baccalaureate programs.

A seven-member Board of Education governs the district. Each board member is elected by the public and serves a four-year term. The Board of Education is required by state statute to adopt annual budgets that represent a complete financial plan for the ensuing fiscal year. § 22 44 110(4), C.R.S. The Board of Education must adopt a resolution specifying appropriations for each governmental fund. Pursuant to these requirements, the district uses a detailed programmatic and line-item budget for planning expenditures. 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 amounts) is established at the individual fund level. Quarterly financial reports are prepared for each fund and distributed to the board and district administrators. While allowing minor deviations from budgets at the line-item level, department and program-level budget areas stay within their total appropriations ensured by continuing management control of expenditures. Budget-to-actual comparison reports are available online to all program directors and department supervisors. These reports highlight budgetary variances and the significant line-item deviations are discussed with appropriate supervisory administrators. This report includes all district funds and 10 component units: the Aurora Public Schools Foundation and nine charter schools. The nine charter schools are: Academy of Advanced Learning, Aurora Academy, Aurora Science and Tech of Denver School of Science and Technology, Inc., AXL Charter School, Global Village Academy, Lotus School for Excellence, Rocky Mountain Preparatory School at Fletcher, Vanguard Classical School, and Vega Collegiate Academy.

## **Economy**

The district is located almost entirely within the city of Aurora and other portions are located in unincorporated Adams and Arapahoe counties. With over 404,000 residents, Aurora is the 52nd largest city in the nation and the third largest in the state of Colorado. Over 200,000 of residents aged 16 and above are employed. The city of Aurora covers 160 square miles. Approximately 13,286 businesses employ over 200,000 people. City demographics indicate that 41.5 percent are college graduates. Median household income is \$72,052, and the median age is 35. Most of Aurora's new residential development continues to take place in southeast and northeast Aurora along the E-470 tollway, shown on the map on the next page, providing a major north-south thoroughfare in the center of the district. Approximately 55 percent of the area within the district boundaries is not developed. The Aurora Highlands, Painted Prairie, Green Valley Ranch East and Horizon Uptown are examples of mixed-use developments currently operating or planned along the E-470 corridor.

The map below shows the geographic locations of residential developments, Buckley Space Force Base and E-470 located within the borders of Aurora Public Schools.



Map provided by: Aurora Public Schools Planning Department

The Anschutz Medical Campus and Fitzsimons Innovation Community consists of one square mile undergoing a significant transformation in the heart of Aurora and the school district. The site, with almost 30,000 employees, is home to the University of Colorado Anschutz Medical Campus, UHealth University of Colorado Hospital, Children's Hospital Colorado, U.S. Department of Veterans Affairs Rocky Mountain Regional VA Medical Center and several other centers for health care, biomedical research and workforce development. The Anschutz/Fitzsimons site currently generates about \$13 billion in economic impact and is expected to employ approximately 45,000 people when fully developed. The site includes residential, hotel and retail spaces.

Buckley Space Force Base significantly contributes to the economic development in the city and attracts core aerospace-related industries. The base is home to Buckley Garrison that is responsible for the operational mission of the Space Delta 4 Missile Warning Delta (DEL 4). DEL 4 provides strategic and theater missile warnings and provides tipping and cueing to missile defense forces, battlespace awareness, and technical intelligence. Buckley is home to more than 83 other tenants representing every branch of service and components – Active Duty, National Guard and Reserve as well as the Aerospace Data Facility – Colorado. The base has an annual economic impact of nearly \$2.5 billion to the region. Raytheon is a large private employer with more than 2,400 employees (Northrop Grumman has 1,000 and Lockheed Martin has 600). Amazon, Lockheed Martin and The Boeing Company all have major operations in the city of Aurora.

## **Long-Term Financial Planning**

The fund balance in the General Fund is a measure of the ability of the district's finances to sustain operations in the event of a financial downturn. Fund balance increased by \$1.1 million, from \$95.4 million to \$96.5 million. Total fund balance in the General Fund is 17.5 percent of total ordinary General Fund revenues (excluding other financing sources), which includes fund balances that are restricted (e.g., three percent TABOR emergency reserve), assigned for identified needs (e.g., the Board's cash fund emergency reserve), and unassigned fund balances to cover contingencies caused by unpredictable revenues and potentially volatile expenditures.

Looking to the future, Colorado's K-12 funding remains uncertain. Long-term estimates of state funding for K-12 education will be predicated on sustained state-wide economic growth that is sufficient to cover inflation and student growth, while at the same time being able to meet other resource demands such as Medicaid, social programs, prisons, roads and higher education.

Outstanding general obligation debt as of June 30, 2024, is \$297.9 million. During 2023-24, \$17.4 million from the district's bond program authorized in 2016 and the BEST grant was expended to renovate existing schools. Approximately 88 percent of the district's 65 schools (and 88 percent of school buildings) are over 20 years old and roughly 47 percent (and 47 percent of school buildings) are over 40 years old. Every school will benefit from various projects funded from the 2016 bond program.

## **Financial Policies**

The district's system of internal controls is designed to provide reasonable, but not absolute, assurance that assets are adequately safeguarded, transactions are accurately recorded and expenditures are properly authorized. Those controls also assure the reliability of financial records for preparing financial statements and maintaining the accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework.

The district's accounting and budgeting systems are integrated, which facilitates budgetary control. Also, the systems include integrity checks and balances which help assure only valid transactions become permanent records. The district's existing systems of budgetary and accounting controls are designed to provide reasonable assurance that error or irregularities of a material nature are prevented or are detected within a reasonable period. We believe that the district's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The district's internal control structure is subject to periodic review by management and independent external auditors.

The District Accountability Advisory Committee, comprised of parents, staff and community members, reviews the district's budget annually at its public budget hearings in May.

## **Colorado Public School Finance**

School funding in Colorado is primarily generated by the School Finance Act with per pupil revenues distributed to districts based upon a finance formula. This formula is designed to equalize school funding across districts for variations in local property values and student needs. Statewide, Colorado school district funding was reduced by \$141.2 million through the application of the budget stabilization factor. The state reduced the budget stabilization factor in 2023-24 from

3.7 percent to 1.5 percent. The reduction to the factor increased the district's per pupil revenue. During 2023-24, the district received \$11,555 per pupil, \$1,201 more per pupil than the prior year.

Considering declining funded student enrollments, the district prepares budgets that use conservative revenue assumptions. These assumptions include decline in state per pupil revenue and modest estimates of district funded pupil count.

For fiscal year 2024-25, the district's per pupil funding is budgeted to increase by \$634, from \$11,555 to \$12,189. Overall, the district budgeted an increase in total per pupil funding of \$28.3 million. The increase in per pupil funding does not restore state funding to the level that would have occurred if the state could fully fund the school finance formula.

The Public School Finance Act of 1994 provides state funding for charter schools authorized by the local Board of Education. Funding flows from the state, through the district, and then to the charter schools. Charter schools receive per pupil funding, a proportionate share of local mill levy override funding, state capital construction funding and federal start-up funds, if applicable. The district had 9 charter schools operating in 2023-24: Academy of Advanced Learning, Aurora Academy, Aurora Science and Tech of Denver School of Science and Technology, Inc., AXL Charter School, Global Village Academy, Lotus School for Excellence, Rocky Mountain Preparatory School at Fletcher, Vanguard Classical School and Vega Collegiate Academy.

### **Local Property Tax Support**

Property taxes collected during the 2023-24 fiscal year were based on calendar 2023 assessed valuations which are budgeted to increase 35.4 percent (based on net assessed valuation) over the prior year.

The mill levy programs approved by APS voters in 1990, 2008, 2012 and 2018 provide funding for instruction-related programs that support student achievement. For example, mill levy dollars fund increased instruction in math, science and literacy, and classroom technology at most APS schools.

### **Major Initiatives**

In September 2022, the APS Board of Education adopted a set of Results to reflect the APS community's priorities in terms of what they can expect students to know and be able to do. These Results are focused on early literacy, high school graduation, and closing the opportunity gap with a particular focus on key transition years of 6th and 9th grade. The APS Board of Education also adopted a set of Limitations that reflect the values of the community. These Limitations serve as guardrails for the Superintendent to ensure the community's values are not compromised in pursuit of improved student outcomes.

APS continues to use its strategic plan, APS 2026: Faces of the Future as its key strategies for driving these improved outcomes and achieving our vision that: Every Student Shapes a Successful Future. APS 2026, which was launched in 2021-22, builds on the momentum, opportunity and impact that resulted from APS' previous strategic plan, APS 2020. APS 2026 includes four strategic goals to ensure that we achieve our vision. Every student will have:

- Goal 1: A Plan for Their Future
- Goal 2: A Set of Skills to Implement Their Plan
- Goal 3: Credentials that Open Doors
- Goal 4: A Community of Support

Like school districts across the state and country, APS finds itself continuing to respond to the significant impacts that the COVID-19 pandemic has had on our students academically and behaviorally. In response to Lessons Learned from the COVID-19 Pandemic, APS is implementing the APS Resiliency and Recovery Plan, with financial support from the American Rescue Plan ESSER funds and prioritization of other district funds. APS' Resiliency and Recovery Plan will focus on closing the opportunity and resource divides created or exacerbated by the COVID-19 global pandemic by using one-time resources in a way that builds sustainable capacity to implement our strategic plan, meet the APS Board of Education directed results (student outcomes), and fulfill APS' mission. This will include focusing on responding to student learning loss—the continued social and academic progress that students would have made in absence of the disruption to student learning; supporting ongoing infrastructure needs and those elevated by the pandemic, and supporting system and capacity building for meeting student needs. However, in order to be fiscally responsible and minimize the potential impact of a fiscal cliff when ESSER funds are no longer available in Fall 2024, APS has been gradually reducing reliance on these funds.

In addition to the APS 2026 and Resiliency and Recovery, APS is implementing a new comprehensive, long-term education and facilities plan called Blueprint APS. The Blueprint APS considers the decline in enrollment for the district over the past several years that is particularly affecting schools in the western part of the district and anticipated growth in housing developments on the eastern part of the district. In June 2018, APS began engaging the community to get input on the future of APS and what they wanted for their children. With direction from the community and the APS Board of Education, APS is implementing its Blueprint APS Framework. The Blueprint APS Framework includes shifting neighborhood schools to boundary schools, implementation of regions with specialties aligned to community assets, and more district-run schools for families to choose from, such as magnet schools. For APS, this will mean changes to align with Blueprint APS and the changes the community is experiencing, including repurposing of existing schools and building of new schools. APS has begun implementation of several components of the Blueprint APS Framework, with identification of regional specializations for all seven regions and building two new P-8 school buildings in two regions which opened in the 2023-24 school year. Through Blueprint APS, APS has also made shifts to use our facilities in more effective, efficient and equitable ways by:

- repurposing two schools into magnet schools or programs which opened in 2022-23, one focused on arts and one on entrepreneurship and invention;
- repurposing one school building to serve students with behavioral health needs, repurposing one school into a Child Development Center that will open in the 2024-25 school year and position APS to expand preschool offerings; and
- closing four additional under enrolled schools at the end of the 2022-23 school year, for a total of 8 schools since the 2020-21 school year.

APS is also continuing implementation of key activities to support the health and safety of our students as a result of the passage of APS' 2018 Mill Levy Override. The ballot measure included funding to support expanding staff and training dedicated to student mental health; increasing pay to recruit and retain high quality teachers; expanding after-school learning programs for K-5 elementary students; and adding and providing seat belts on buses. This work has been instrumental in APS being able to respond in real time to the behavioral health and childcare needs of our students and families during the COVID-19 pandemic.

APS has continued to expand preschool offerings in line with the Colorado Universal Preschool Program, with additional classrooms added in the 2023-24 school year, more full-day offerings, and a new Child Development Center opening in 2024-25.

APS, like every other school district in the nation, does not have unlimited time or resources. This reality demands that we be focused, creative, and above all else, strategic. Our students, families and community deserve better schools and higher achievement. This belief fuels our work. It also drives a deep sense of urgency to be ready, to be flexible and to maximize the talent needed to improve outcomes across the district so that every student shapes a successful future.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 40th consecutive year that the district received this prestigious award. In order to receive a certificate of achievement, the district must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to generally accepted accounting principles and applicable legal requirements. This report must satisfy accounting principles generally accepted in the United States of America and applicable legal requirements.

In addition, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Aurora Public Schools for its annual comprehensive financial report for fiscal year ended June 30, 2023. This was the 6th consecutive year that the district received this prestigious award. This certificate is awarded to government units that publish an easy-to-read and well-organized annual comprehensive financial report whose content conforms to the program's standards. This report must satisfy accounting principles generally accepted in the United States of America and applicable legal requirements.

Certificates from both ASBO and GFOA are valid for a period of one year only. We believe that our current report continues to meet the certificate of achievement programs' requirements and we are submitting it to both ASBO and GFOA for review and certification.

The publishing of this document would not have been possible without many hours of work put forth by the district's finance department. In addition, the district appreciates its independent auditors, Plante & Moran, PLLC, for their professional assistance in preparing this report. Furthermore, we would like to express our appreciation to the district's planning and transportation departments, city of Aurora, Adams and Arapahoe counties and other governmental agencies that provided supplemental information used in the preparation of this report. Finally, supplemental information from the Internet home pages of several agencies, organizations and city and state governments was accessed during the compilation of this report. Garnering this information via the Internet was an efficient method to acquire relevant data for our report.

Respectfully submitted,



Michael Giles, Jr.  
Superintendent of Schools



Brett Johnson  
Chief Financial Officer



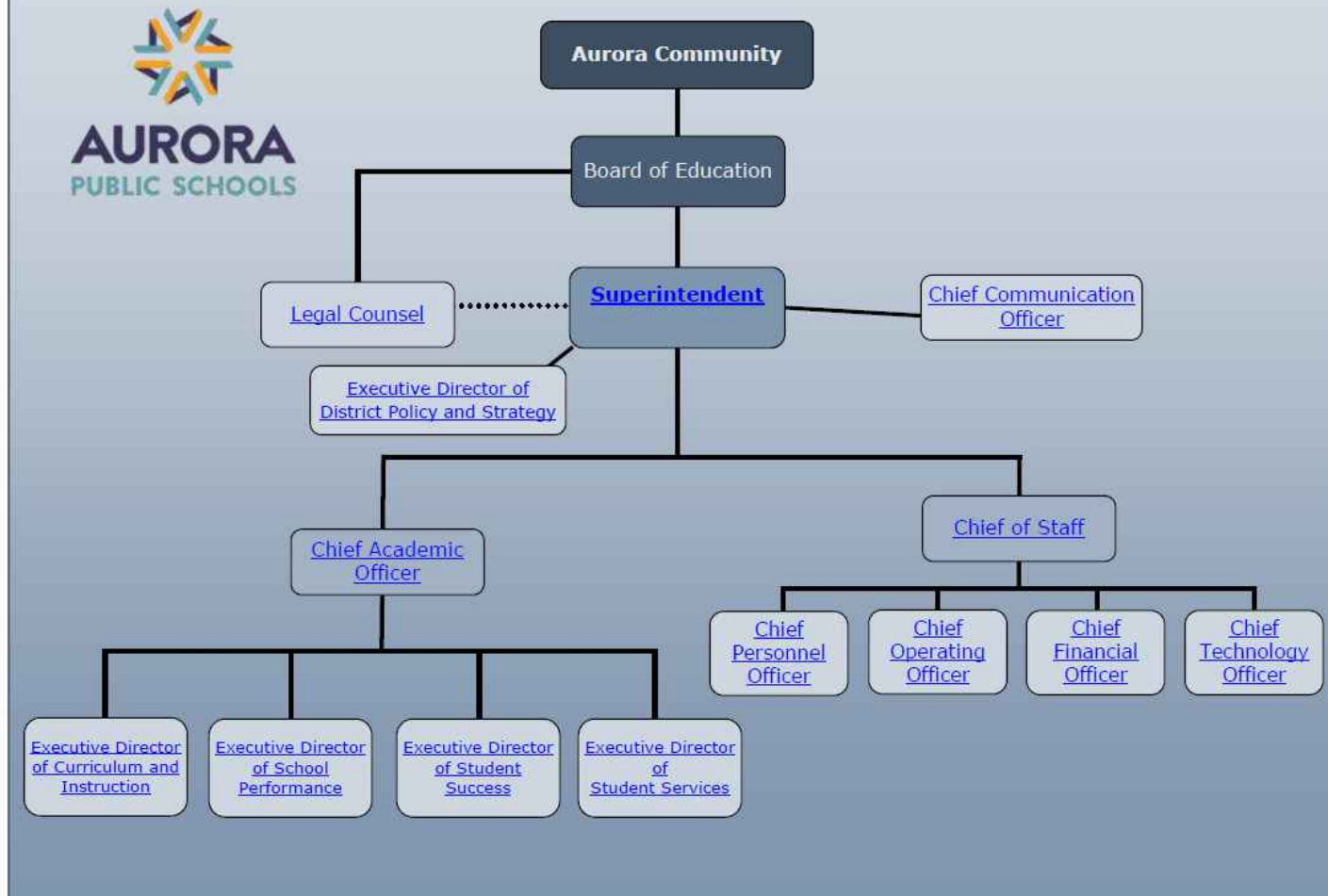
# AURORA

## PUBLIC SCHOOLS

— Power Your Potential —



## District Organizational Structure 2023-24 School Year





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Joint School District No. 28J  
of the Counties of Adams and Arapahoe  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Joint School District 28J of the Counties of  
Adams and Araphahoe, Colorado**

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

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



**Ryan S. Stechschulte  
President**

A handwritten signature in black ink, likely belonging to James M. Rowan.

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



# AURORA

## PUBLIC SCHOOLS

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## **FINANCIAL SECTION**

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## **Independent Auditor's Report**

To the Board of Education  
Joint School District No. 28-J of the Counties  
of Adams and Arapahoe, Colorado

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the "School District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado as of June 30, 2024 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Academy of Advanced Learning; Aurora Academy; Aurora Science and Tech of Denver School of Science and Technology, Inc.; AXL Charter School; Global Village Academy; Lotus School for Excellence; Rocky Mountain Preparatory School at Fletcher; Vanguard Classical School; or Vega Collegiate Academy, which represent 97.93 percent and 98.23 percent of the assets and revenue, respectively, of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado's aggregate discretely presented component units. Those financial 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 Academy of Advanced Learning; Aurora Academy; Aurora Science and Tech of Denver School of Science and Technology, Inc.; AXL Charter School; Global Village Academy; Lotus School for Excellence; Rocky Mountain Preparatory School at Fletcher; Vanguard Classical School; and Vega Collegiate Academy, is based solely on the reports of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Vanguard Classical School and the Aurora Public Schools Foundation were not audited under *Government Auditing Standards*.

#### **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.

To the Board of Education  
Joint School District No. 28-J of the Counties  
of Adams and Arapahoe, Colorado

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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



To the Board of Education  
Joint School District No. 28-J of the Counties  
of Adams and Arapahoe, Colorado

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado's basic financial statements. The supplementary information, as identified in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover 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 whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024 on our consideration of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado'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 Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

November 25, 2024



# AURORA

## PUBLIC SCHOOLS

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**Management's Discussion and  
Analysis**  
(Unaudited)

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2024

The management of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (Aurora Public Schools or APS), offers to readers this discussion and analysis of the district's financial performance for the year ended June 30, 2024. This discussion and analysis focus on the primary government and does not include its discretely presented component units. We encourage readers to consider the information presented here in conjunction with the transmittal letter, basic financial statements, notes to the basic financial statements, the required supplementary information, supplementary information and the statistical section to further enhance their understanding of APS' financial performance.

### **Financial Highlights**

On the statement of net position, assets and deferred outflows of resources were less than the district's liabilities and deferred inflows of resources, resulting in a net position deficit of \$144.4 million. Total assets increased by \$17.7 million, deferred outflows of resources increased by \$74.7 million, total liabilities increased by \$55.4 million and deferred inflows of resources decreased by \$36.9 million.

On the statement of activities, general revenues totaling \$638.6 million accounted for 80.3 percent of all revenues of the primary government. Program revenues provided \$157.0 million, or 19.7 percent of all revenues, directly supporting the functions and programs of the primary government. Total expenses increased from \$717.3 million in 2022-23 to \$721.7 million in 2023-24.

Governmental funds reported combined ending fund balances of \$340.4 million, an increase of \$28.5 million from the prior year. Unassigned fund balance of \$29.3 million in the General Fund is available for district use. Nonspendable fund balance for prepaid items totaled \$4.1 million; fund balances restricted for statutory requirements and committed for contractual agreements totaled \$253.6 million; fund balance amounts assigned by district management for various operations and contingencies totaled \$53.3 million.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the district's basic financial statements. This annual report consists of a series of financial statements and notes to those statements organized so the reader can understand the district as a whole. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also includes a section of required supplementary information and a section of supplementary information intended to furnish additional detail to support the basic financial statements.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the district's finances using accounting methods similar to those used by 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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2024

The statement of activities shows how the government's net position changed during the most recent fiscal year. All the current year's revenues and expenses are accounted for in the statement of activities when the event occurs, regardless of the timing of when cash is received or paid. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused leave).

### **Fund Financial Statements**

The fund financial statements focus on the district's major funds and provide more detailed information about the district. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district has two kinds of funds: governmental funds and fiduciary funds.

#### *Governmental Funds*

Most of the district's activities are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending in future periods. The governmental fund statements provide a detailed, short-term view on the financial resources that can be spent in the near future on the district's programs.

The focus of governmental funds is narrower than that of the government-wide financial statements, so it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions.

Because there are differences between governmental activities (shown in the statement of net position and the statement of activities previously discussed) and governmental funds, two reconciliations are provided in the financial statements. The major differences between the financial reporting on governmental activities and governmental funds relate to the district's long-term liabilities and acquisition of capital assets. The district maintains ten individual 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 balances for the General, Bond Redemption, Grants, Nutrition Services, Building and Capital Reserve, all of which are considered to be major funds. Data for the other four governmental funds (Athletic, Medicaid, Pickens Post-Secondary and Pupil Activity) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements included in this report.

#### *Fiduciary Fund*

The district operates one fiduciary fund, the Health Trust Fund. The district is the fiduciary for assets that belong to others. The district is responsible for ensuring that the assets reported in the Health Trust Fund are used only for their intended purposes. Additions to the Health Trust Fund are employer and employee contributions for the operations of the self-funded health insurance program. These assets cannot be used to finance district operations and are not included in the government-wide financial statements.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2024

**Notes to Basic Financial Statements**

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Required Supplementary Information and Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also includes required supplementary information containing the district's budgetary schedules for the district's General Fund, Grants Fund, and Nutrition Services Fund, as well as pension information as required by GASB 68 and OPEB information as required by GASB 75. Other supplementary information, including financial statements and budgetary comparisons for the district's other governmental funds, and financial statements for the district's fiduciary funds and component units, follows the required supplementary information. Legal compliance information for budgetary requirements and the Auditor's Integrity Report is included in other supplementary information.

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. Liabilities and deferred inflows of resources exceed assets and deferred outflows of resources by \$144.4 million.

**Comparative Condensed Summary of Net Position**

	<b>Primary Government</b>			
	<b>Governmental Activities</b>			
	June 30, 2024	June 30, 2023	Increase (Decrease)	% Change from prior year
Current assets	\$ 208,005,632	\$ 206,600,629	\$ 1,405,003	0.7%
Noncurrent assets, excluding capital and lease assets	201,900,240	181,938,769	19,961,471	11.0%
Capital, lease and IT subscription assets, net	602,033,761	605,691,934	(3,658,173)	-0.6%
<b>Total assets</b>	<b>1,011,939,633</b>	<b>994,231,332</b>	<b>17,708,301</b>	<b>1.8%</b>
Deferred outflows of resources	235,834,928	161,121,693	74,713,235	46.4%
Current liabilities	136,174,613	137,474,088	(1,299,475)	-0.9%
Noncurrent liabilities outstanding	1,199,672,869	1,142,975,466	56,697,403	5.0%
<b>Total liabilities</b>	<b>1,335,847,482</b>	<b>1,280,449,554</b>	<b>55,397,928</b>	<b>4.3%</b>
Deferred inflows of resources	56,285,521	93,190,422	(36,904,901)	-39.6%
Net investment in capital assets	271,522,809	214,538,766	56,984,043	26.6%
Restricted	236,366,324	186,118,204	50,248,120	27.0%
Unrestricted (deficit)	(652,247,575)	(618,943,921)	(33,303,654)	5.4%
<b>Total net position (deficit)</b>	<b>\$ (144,358,442)</b>	<b>\$ (218,286,951)</b>	<b>\$ 73,928,509</b>	<b>-33.9%</b>

As of June 30, 2024, assets were not sufficient to fund liabilities. The sole reason for liabilities exceeding assets is due to amounts related to the PERA pension and OPEB. As required by GASB 68, the district recorded a noncurrent liability of \$884.6 million for its net pension liability. APS has no legal obligation to fund this shortfall, nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA. The district also recorded a noncurrent liability of \$21.4 million as required by GASB 75 for net OPEB liability. Deferred

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2024

outflows of resources related to the pension plan and OPEB increased by \$74.7 million, due to the difference between projected and actual earnings on investments, change in assumptions and change in proportionate share of contributions. Deferred inflows of resources related to the pension plan and OPEB decreased by \$35.0 million, due to the difference between projected and actual earnings on investments, change in assumptions and change in proportionate share of contributions. Overall, the district's total net position changed from a deficit of \$218.3 million to a deficit of \$144.4 million. See footnotes 1, 10 and 11 in Notes to the Financial Statements for additional information on GASB 68 and GASB 75.

A significant portion of the district's assets are its investments in capital assets, such as land, buildings, vehicles and equipment. The value of capital assets, including non-depreciable and depreciable assets, net of depreciation, decreased by \$3.7 million, from \$605.7 million to \$602.0 million. The change is primarily due to deletion of capital assets offset by depreciation and amortization. Noncurrent assets consisting of cash, cash equivalents and investments that are restricted for capital construction and renovations of schools and support buildings, bond debt service and charter school agreements totaled \$201.9 million, an increase of \$20.0 million over the previous year. This increase is due to capital spending of restricted cash offset by property tax receipts for bond debt service and restricted investment income receipts.

Current assets increased by \$1.4 million primarily due to an increase in accounts receivable, due to timing of the receipt of payments from grantors. Current liabilities decreased by \$1.3 million primarily due to reclasses of noncurrent liabilities due within one year. Noncurrent liabilities increased by \$56.7 million primarily due to the change in net pension liability.

Historically, the district's restricted net position includes six categories: 1) a TABOR emergency reserve mandated by the Article X, Section 20, of the Colorado constitution, 2) Medicaid grant funds restricted for the improvement of student achievement, 3) student fees charged for instructional programs, restricted by § 22 32 117(2)(c), C.R.S, 4) funds restricted for charter school agreements, 5) funds for long-term debt service generated by bond redemption property taxes, and 6) funds restricted for nutrition services. In accordance with the TABOR emergency reserve mandate, the primary government reserved 3.0 percent of applicable expenditures, totaling \$14.2 million.

The district's net position for governmental activities increased by \$73.9 million. The reasons for this overall increase are discussed in the following sections for governmental activities.

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**Comparative Summary of Activities and Changes in Net Position**

	<b>Primary Government</b>			
	<b>Governmental Activities</b>			
	Year Ended June 30, 2024	Year Ended June 30, 2023	Increase (Decrease)	from prior year
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 27,868,499	\$ 24,885,451	\$ 2,983,048	12.0%
Operating grants & contributions	124,814,769	135,767,728	(10,952,959)	-8.1%
Capital grants & contributions	4,327,948	2,862,727	1,465,221	51.2%
General revenues:				
Property taxes	399,212,754	322,431,106	76,781,648	23.8%
State School Finance Act	226,783,626	235,972,204	(9,188,578)	-3.9%
Other	12,622,932	10,320,311	2,302,621	22.3%
<b>Total revenues</b>	<b>795,630,528</b>	<b>732,239,527</b>	<b>63,391,001</b>	
<b>EXPENSES</b>				
Instruction	318,536,739	299,172,358	19,364,381	6.5%
Pupil support	94,986,063	93,680,675	1,305,388	1.4%
Instructional staff support	45,411,955	49,067,375	(3,655,420)	-7.4%
General administration	9,965,933	12,118,181	(2,152,248)	-17.8%
School administration	41,950,536	46,435,347	(4,484,811)	-9.7%
Business administration	9,935,518	8,993,555	941,963	10.5%
Operations & maintenance	55,118,612	58,487,304	(3,368,692)	-5.8%
Transportation	24,287,508	19,035,591	5,251,917	27.6%
Personnel/data/risk management	39,264,914	30,395,944	8,868,970	29.2%
Other support services	45,266,817	45,466,321	(199,504)	-0.4%
Food service operations	28,732,992	24,440,342	4,292,650	17.6%
Interest on long-term debt	8,244,432	30,046,040	(21,801,608)	-72.6%
<b>Total expenses</b>	<b>721,702,019</b>	<b>717,339,033</b>	<b>4,362,986</b>	<b>0.6%</b>
<b>Change in net position</b>	<b>73,928,509</b>	<b>14,900,494</b>	<b>59,028,015</b>	<b>396.1%</b>
<b>Net position (deficit) - beginning of year</b>	<b>(218,286,951)</b>	<b>(233,187,445)</b>	<b>14,900,494</b>	<b>-6.4%</b>
<b>Net position (deficit) - end of year</b>	<b>\$ (144,358,442)</b>	<b>\$ (218,286,951)</b>	<b>\$ 73,928,509</b>	<b>-33.9%</b>

Most revenues to Colorado's school districts are provided through the Public School Finance Act of 1994 (as amended). The district's adjusted total program funding for 2023-24 was \$424.0 million based on a funded pupil count of 36,706 and per pupil total program funding of \$11,552, compared to total program funding of \$390.6 million based on a funded pupil count of 37,727 and per pupil total program funding of \$10,354 for 2022-23.

Of the \$424.0 million adjusted funding, \$274.1 million was funded through state equalization and the remainder through a combination of local property and specific ownership taxes compared to \$278.6 million funded through state equalization in 2022-23. The district distributes per pupil total program funding to its charters as state funding is received.

The primary government, which excludes charters, generated \$226.8 million in School Finance Act, unrestricted monies, for 2023-24 compared with \$236.0 million in 2022-23. General revenues also included property tax revenues of \$399.2 million in 2023-24 compared to \$322.4 million in 2022-23. Total property tax revenues include School Finance Act mills, Mill Levy Override Election mills, Tax Abatement mills and Bond Redemption Fund mills. Property tax revenue increased by



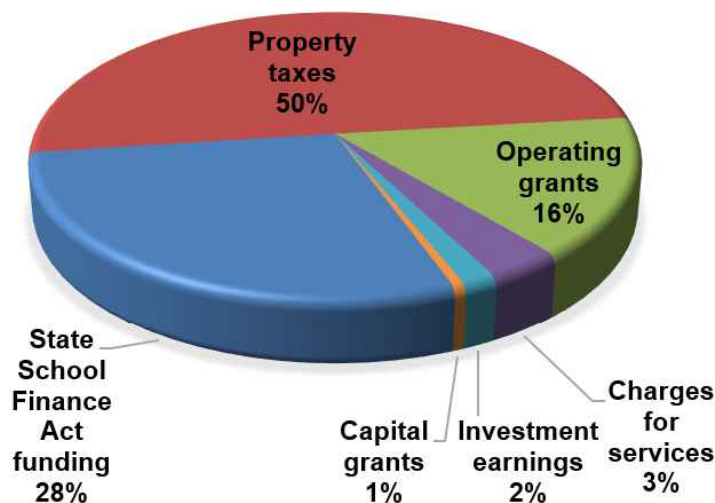
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\$76.8 million in 2023-24 due to mill levy overrides and increased net assessed valuation of property located within the district.

The state's budget balancing factor, the budget stabilization factor, decreased from the prior year. In 2023-24, the district's total per-pupil funding increased by 11.6 percent, or \$6.8 million prior to a state calculated allocation to state authorized charter schools, compared to a reduction of 7.7 percent, or \$15.3 million in the prior year due to the budget stabilization factor. The budget stabilization factor continues to have an adverse impact on the district's budget; state funding has not been restored to the level that would have occurred if the state could fully fund the state's school finance formula. If sufficient state revenues were available, the district would receive \$11,738 per pupil, compared to \$11,552 per pupil actually received in 2023-24.

The following chart illustrates the district's revenues by source.

**Revenues by Source - Primary Government  
Year Ended June 30, 2024**



Expenses for governmental activities increased by \$10.9 million as discussed in the governmental funds section below.

The net expenses of governmental activities after program revenues are applied was \$564.7 million in 2023-24 compared with \$553.8 million in 2022-23. General revenues, such as property taxes and school finance act revenue, fund these net expenses.

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**Financial Analysis of 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. Unassigned fund balance may serve as a useful measure of the net resources available for spending. The governmental funds use the modified accrual basis of accounting. The fund financial statements provide detailed information about the district's most significant funds and summarize less significant funds into one column. The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

Governmental funds had total revenues and other financing sources of \$801.8 million and expenditures including other financing uses of \$773.4 million. As of the end of the current fiscal year, the district's ten governmental funds reported combined ending fund balances of \$340.4 million, an increase of \$28.5 million.

The Colorado constitution requires a TABOR emergency reserve of 3.0 percent of fiscal year revenues, with revenues for gifts, federal funds, and bonded debt service excluded from this requirement. The constitution refers to "fiscal year spending" that, definitionally, refers to revenue. On the district's Balance Sheet for Governmental Funds, the required amount of \$14.2 million is shown as fund balance restricted for TABOR emergency reserve. The General Fund's unassigned fund balance is \$29.3 million, which provides a measure of the district's net resources available for spending at the end of the fiscal year. In general, unassigned fund balances are necessary to cover contingencies caused by unpredictable revenues and potentially volatile expenditures. The district's board of education established a policy in November 2003, and revised it in April 2017, that requires a minimum total fund balance of 5.0 percent of revenue using the TABOR calculation.

The Building Fund is used to account for construction projects financed by the sale of general obligation bonds and proceeds from the BEST grant. The fund recorded an ending fund balance of \$19.0 million, a decrease of \$14.4 million from the prior year. The district expended \$17.4 million that was offset by revenues of \$3.0 million. Aurora voters approved \$300 million in general obligations bonds in November 2016. The district issued the bonds in January 2017 (\$200.0 million), December 2019 (\$26.5 million), and July 2021 (\$73.5 million).

The Bond Redemption Fund had a fund balance increase of \$43.3 million due to property tax and other revenues exceeding required payments on outstanding debt. The Nutrition Services Fund had an increase of \$0.8 million in fund balance from operations primarily due to higher federal and state revenues in excess of operating expenditures. Finally, the Capital Reserve Fund had a decrease in fund balance of \$5.7 million due to expenditures exceeding other financing sources and revenue.

Property tax revenue increased by \$76.8 million compared to last year. The increase is due to increases in net assessed valuations on the real property located within the district. Specific ownership tax revenue, taxes paid annually on motor vehicles, increased by \$6.1 million from \$18.5 million to \$24.6 million, or an increase of 33.0 percent, in 2023-24. Federal grants

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decreased \$21.5 million as the post-COVID stimulus programs wind down. The decrease in other financing sources is due to the reduction in the issuance of general obligation bonds.

**Revenues and Other Financing Sources**

Governmental Funds

	Year Ended		Increase (Decrease)	% Change from prior year
	June 30, 2024	June 30, 2023		
Local:				
Property and specific ownership taxes	\$ 399,212,754	\$ 322,431,106	\$ 76,781,648	23.8%
Other	48,150,818	48,377,194	(226,376)	-0.5%
State	257,505,904	261,723,219	(4,217,315)	-1.6%
Federal	88,202,902	92,639,543	(4,436,641)	-4.8%
Subtotal	793,072,378	725,171,062	67,901,316	9.4%
Other financing sources	8,710,445	148,486,989	(139,776,544)	-94.1%
Total	<u>\$ 801,782,823</u>	<u>\$ 873,658,051</u>	<u>\$ (71,875,228)</u>	<u>-8.2%</u>

**Expenditures and Other Financing Uses**

Governmental Funds

	Year Ended		Increase (Decrease)	% Change from prior year
	June 30, 2024	June 30, 2023		
Instruction	\$ 292,993,098	\$ 288,127,121	\$ 4,865,977	1.7%
Pupil support	91,305,605	89,732,140	1,573,465	1.8%
Instructional staff support	43,502,426	46,826,553	(3,324,127)	-7.1%
General administration	9,469,028	11,559,482	(2,090,454)	-18.1%
School administration	40,246,496	44,233,662	(3,987,166)	-9.0%
Business administration	6,906,513	7,082,023	(175,510)	-2.5%
Operations and maintenance	48,739,397	51,876,844	(3,137,447)	-6.0%
Transportation services	21,936,728	20,735,786	1,200,942	5.8%
Personnel/data/risk management	38,443,990	29,130,257	9,313,733	32.0%
Other support services	27,892,747	25,732,841	2,159,906	8.4%
Food service operations	28,643,184	25,125,506	3,517,678	14.0%
Facilities acquisition/improvement	33,970,094	121,991,863	(88,021,769)	-72.2%
Debt service	81,073,205	88,092,903	(7,019,698)	-8.0%
Subtotal	765,122,511	850,246,981	(85,124,470)	-10.0%
Other financing uses	8,237,465	144,895,580	(136,658,115)	-94.3%
Total	<u>\$ 773,359,976</u>	<u>\$ 995,142,561</u>	<u>\$ (221,782,585)</u>	<u>-22.3%</u>

Governmental fund expenditures decreased by 10.0 percent or \$85.1 million not including a substantial decrease in other financing uses. Other financing uses of 8.2 million included transfers out for capital reserve expenditures (\$2.1 million) and other governmental funds (\$6.1 million). The district reduced expenditures for facilities improvement by \$88 million as the APS Blueprint project was nearing completion. Debt service decreased by \$7 million as principal and interest payments were applied. Other decreases are due to the discontinuation of federal stimulus dollars.

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The district increases to expenditures included these items:

- Salaries and benefits increased by \$7.1 million which included the PERA on behalf payment from the state allocated to the district.
- Risk related expenses increased by \$9.3 million.
- Food Services expenses increased by \$3.5 million with the introduction of the Healthy Meals for All initiative.
- Contracted transportation increased by \$1.2 million due to the inability to hire bus drivers. Much of this cost was able to be covered through one-time Federal grant funds this year.
- The remaining increases are due to an increase in other purchased services, indirect costs, travel, technology equipment, and supplies accounts.

The majority of the district's governmental expenditures, 67.8 percent, are directed to the delivery of student instruction, providing additional student and staff support, student nutrition and transportation. These programs increased expenditures by \$55.6 million compared to 2022-23 and are accounted for in the instruction, pupil support, instructional staff support, school administration, food service operations and transportation programs. The district's administrative expenditures increased year over year by \$2.1 million and are 5.8 percent of total costs. These programs are accounted for in the general administration, business administration and other support services. The remaining 26.4 percent of expenditures relates to operations and maintenance, personnel/data/risk management, facilities acquisition and improvement, and debt service. These expenditures decreased by \$7.4 million as facilities improvement projects were completed in the prior year.

### **General Fund Budgetary Highlights**

#### **General Fund – Original budget compared to final budget**

Differences between the original budget and the final budget are included in the January 2024 budget appropriations as approved by the Board of Education. Changes to the budget take into consideration the availability of revenues from certifying the mill levy, finalizing the pupil count and receiving updated estimates on state funding. The general fund revenue budget increased due to the statutorily imposed limit on mill levy overrides, expected increases in state revenue, increase in earnings in investments, and increases to amounts charged to charters. The final budget allocates appropriated reserves once the amount and purpose are finalized. For example, expenditure budgets are increased once salary and benefit increases are finalized. The final budget allocated \$48.3 million of reserves into operating expenditures.

#### **General Fund – Budget to Actual Analysis**

General fund revenues exceeded budget by \$15.6 million. State revenues exceeded budget by \$12.6 million due to increases in state share (i.e., the state's share of the district's per pupil total program funding) and other categorial and grant revenues from the state. General fund federal revenue was lower by \$0.29 million as certain federal grants were originally budgeted in the grants fund. Local tax revenue exceeded budget by \$3.2 million due to adjustments in assessed valuations and increased collections.

Current general fund expenditures were lower than budget expenditures. Contingencies are budgeted as the actual programmatic investments are not always known during the budgeting process. \$48.3 million of contingencies were allocated during the final budget adoption. This year,

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with the assistance of state grants, federal funds and additional property taxes, significant one-time investments were made in instruction, operations and maintenance, and information technology. Instructional expenditures, including special education services, special programs, pre-school, after school programming, school administration, pupil support, instructional staff support, and instructional technology were higher by \$18.0 million. General and business administration expenditures were less than budget by \$3.7 million. Operations and maintenance were more than budget by \$4.0 million as utilities, security, and maintenance projects increased due to more cost pressures.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the General Fund including other financing uses totaled \$548.3 million. Unassigned fund balance represents 3.5 percent of actual expenditures while total fund balance represents 17.6 percent of budget-based expenditures. A significant portion of fund balance is assigned for specific purposes because of the APS Blueprint set-asides (i.e., magnet school projects), instructional carryover and textbook adoption, and materials for new schools. These funds are assigned to these purposes and, contingent upon appropriations, would be spent on the designations listed. Additionally, assignments are made to mitigate future risks related to exceptional student services, insurance risks, and underfunding of the universal preschool program. The estimated expenditure budget for the universal preschool program is greater than the amount of the estimated funding.

## **Capital and Lease Assets and Debt Administration**

### **Capital and Lease Assets**

Net of depreciation and amortization, the district's capital assets, including right-to-use assets, as of June 30, 2024, totaled \$602.0 million, which is invested in land, buildings, equipment, software, lease assets, subscription assets and construction-in-progress. Depreciation and amortization charges this year totaled \$27.5 million.

**Capital Assets, Leases and Subscriptions**  
(Net of Depreciation and Amortization)

	Primary Government Governmental Activities		Increase	% Change
	June 30, 2024	June 30, 2023	(Decrease)	from prior year
Capital assets:				
Land	\$ 25,224,399	\$ 25,244,194	\$ (19,795)	-0.1%
Buildings & improvements	437,756,113	360,172,751	77,583,362	21.5%
Equipment, software & vehicles	12,589,325	14,889,022	(2,299,697)	-15.4%
Subtotal	475,569,837	400,305,967	75,263,870	18.8%
Construction-in-progress	120,205,508	197,246,415	(77,040,907)	-39.1%
Lease assets:				
Land	1,473,221	1,510,051	(36,830)	-2.4%
Buildings	295,571	761,481	(465,910)	-61.2%
Machinery and equipment	532,964	691,211	(158,247)	-22.9%
Subscription assets:				
Subscription-based IT Arrangements	3,956,660	5,176,809	(1,220,149)	-23.6%
Total	<u>\$ 602,033,761</u>	<u>\$ 605,691,934</u>	<u>\$ (3,658,173)</u>	-0.6%

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The most significant impact on capital assets this year was the additions made to construction-in-progress due to the continuation of renovations and improvements to school buildings and other facilities funded by the sale of general obligation bonds in January 2017, December 2019 and July 2021. Additions to construction in progress totaled \$21.4 million. For more information on the district's capital and lease assets, refer to Note 5 Capital and Lease Assets in the Notes to the Financial Statements.

### Long-Term Debt

Long-term debt principal, accreted interest and premiums on general obligation debt totaled \$338.0 million in general obligations bonds, with \$70.2 million due in one year. Certificates of participation, leases, subscriptions, direct borrowing and debt financings totaled \$16.3 million, with \$4.3 million due in one year. For more information on the district's long-term debt, refer to Note 6 Noncurrent Liabilities in the Notes to the Financial Statements.

**Outstanding Debt as of June 30, 2024**

	Primary Government			
	Governmental Activities			
	June 30, 2024	June 30, 2023	Increase (Decrease)	% Change from prior year
General obligation bonds	\$ 297,912,496	\$ 359,179,436	\$ (61,266,940)	-17.1%
Premiums/(discounts)	40,129,213	46,730,524	(6,601,311)	-14.1%
Certificates of participation	6,580,000	7,575,000	(995,000)	-13.1%
Debt financing for capital assets	3,077,005	3,918,904	(841,899)	-21.5%
Debt financing for land purchase	905,286	905,286	-	0.0%
Arbitrage Liability	1,722,367	-	1,722,367	0.0%
Leases	2,627,208	3,100,804	(473,596)	-15.3%
Subscription-based IT Arrangements	1,342,017	1,943,792	(601,775)	-31.0%
Total	<u>\$ 354,295,592</u>	<u>\$ 423,353,746</u>	<u>\$ (69,058,154)</u>	-16.3%

Moody's and Fitch have awarded an Aa2 and an AA- rating, respectively, to the district.

### Economic Factors and Fiscal Year 2024-25 Budget

Each year, Aurora Public Schools prepares a budget plan with a 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 regulations, desired academic outcomes, student safety and fiscal responsibility. The budget plan for 2024-2025 supports the educational commitments of student learning, professional practice and collective responsibility.

In 2010-11, the Colorado General Assembly implemented a budget stabilization factor for total per-pupil program funding. For 2024-25, the budget stabilization factor has been eliminated. In 2023-24, the district's total program funding was reduced by 1.6 percent, or \$6.8 million before allocations to state authorized charter schools. The budget stabilization factor continues to have an adverse impact on the district's budget; state funding has not been restored to the level that

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would have occurred if the state could fully fund the school finance formula. If sufficient revenue were available in Colorado's General Fund, for 2023-24 the district would receive \$11,738 per pupil, compared to the projected amount of \$11,552.

As with any plan, the 2024-25 budget is based upon key assumptions. These range from changes in enrollment and per pupil revenue amounts to assessed valuations and staffing ratios. Assumptions upon which the 2024-25 budget are based include an increase of state per-pupil revenue to \$12,189.

Given continuing economic forecast uncertainties confronting the nation and Colorado, district leadership will continue to work closely with employee groups and members of the community to create options that maintain the financial health of Aurora Public Schools while continuing our progress in raising student achievement.

### **Contacting the District's Financial Management**

This financial report is designed to provide the district's citizens, taxpayers, parents, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional information, contact the Division of Finance, Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (dba Aurora Public Schools), 15701 East First Avenue, Suite 106, Aurora, Colorado, 80011, or visit our website at [www.aurorak12.org](http://www.aurorak12.org).



# AURORA

## PUBLIC SCHOOLS

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## **Basic Financial Statements**

**Joint School District No. 28-J of the  
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Statement of Net Position  
June 30, 2024**

	Primary Government Governmental Activities	Component Units Charter Schools
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 159,953,340	\$ 29,021,686
Due from other governments	-	564,745
Receivables (net of allowance for uncollectibles)	41,891,985	8,971,660
Inventories	1,655,328	-
Prepaid and deposit items	4,504,979	739,503
Total current assets	208,005,632	39,297,594
Noncurrent assets:		
Restricted: cash, cash equivalents and investments	201,900,240	8,433,456
Nondepreciable capital assets	145,429,907	5,142,873
Depreciable capital assets	456,603,854	96,501,163
Total noncurrent assets	803,934,001	110,077,492
<b>Total assets</b>	<b>1,011,939,633</b>	<b>149,375,086</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on bond refunding	-	685,765
Items related to pension plan	231,246,919	40,379,921
Items related to OPEB	4,588,009	1,276,604
Total deferred outflows of resources	235,834,928	42,342,290
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and other current liabilities	13,211,041	4,846,010
Accrued salaries and benefits	28,862,554	3,673,605
Liability claims and premiums	1,673,983	-
Intergovernmental payable	3,269,457	-
Unearned revenue	11,418,635	469,069
Accrued interest payable	1,249,311	1,247,332
General obligation bonds	70,179,725	-
Certificates of participation	1,025,000	-
Compensated absences	2,025,398	-
Notes, leases, IT subscription and mortgages payable	3,259,509	12,626,986
Total current liabilities	136,174,613	22,863,002
Noncurrent liabilities:		
Notes, leases, IT subscription and mortgages payable	4,692,007	88,306,286
General obligation bonds	267,861,984	-
Certificates of participation	5,555,000	-
Arbitrage liability	1,722,367	-
Net pension liability	884,610,675	127,415,025
Net OPEB liability	21,359,822	3,021,034
Compensated absences	13,871,014	-
Total noncurrent liabilities	1,199,672,869	218,742,345
<b>Total liabilities</b>	<b>1,335,847,482</b>	<b>241,605,347</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred gain on bond refunding	1,113,362	-
Items related to pension plan	45,092,730	3,629,749
Items related to OPEB	8,259,027	1,096,886
Items related to leases	1,820,402	2,741,663
Total deferred inflows of resources	56,285,521	7,468,298
<b>NET POSITION</b>		
Net investment in capital assets	271,522,809	1,916,030
Restricted for:		
Universal preschool program	1,826	-
TABOR emergency reserve	14,210,174	3,138,500
Medicaid	13,538,006	-
Student fees	11,236,184	-
Charter school agreements	1,336,287	-
Debt service	176,701,260	-
Nutrition services	19,342,587	-
Other	-	5,586,823
Unrestricted (deficit)	(652,247,575)	(67,997,622)
<b>Total net position (deficit)</b>	<b>\$ (144,358,442)</b>	<b>\$ (57,356,269)</b>

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Financial Position – Aurora Public Schools Foundation  
June 30, 2024**

**ASSETS**

Cash and cash equivalents	\$ 1,747,061
Investments	966,764
Other receivables	348,100
Other current assets	6,039
Total current assets	<u>3,067,964</u>
Contribution Receivables	<u>265,000</u>
<b>Total assets</b>	<u><u>\$ 3,332,964</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:

Other payables	\$ 59,575
Deferred revenue	<u>56,700</u>
Total liabilities	<u>116,275</u>

Net Assets:

Without donor restrictions	1,128,472
With donor restrictions	<u>2,088,217</u>
Total net assets	<u>3,216,689</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 3,332,964</u></u>

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Activities  
For the Fiscal Year Ended June 30, 2024**

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position	
		Charges for	Operating	Capital	Primary Government	Component Units
	Expenses	Services	Grants and	Grants and	Governmental	
			Contributions	Contributions	Activities	Charter Schools
<b>Functions/Programs</b>						
<b>Primary government:</b>						
Governmental activities:						
Instruction	\$ 318,536,739	\$ 10,894,260	\$ 82,339,480	\$ -	\$ (225,302,999)	\$ -
Pupil support	94,986,063	-	11,995,302	-	(82,990,761)	-
Instructional staff support	45,411,955	-	1,095,873	-	(44,316,082)	-
General administration	9,965,933	-	73,023	-	(9,892,910)	-
School administration	41,950,536	-	233,925	-	(41,716,611)	-
Business administration	9,935,518	-	22,397	-	(9,913,121)	-
Operations and maintenance	55,118,612	1,647,662	239,635	-	(53,231,315)	-
Transportation	24,287,508	-	168,098	-	(24,119,410)	-
Personnel/data services/risk management	39,264,914	-	57,321	-	(39,207,593)	-
Other support services	45,266,817	14,820,975	70,259	4,327,948	(26,047,635)	-
Food service operations	28,732,992	505,602	28,519,456	-	292,066	-
Interest on long-term debt	8,244,432	-	-	-	(8,244,432)	-
Total governmental activities	721,702,019	27,868,499	124,814,769	4,327,948	(564,690,803)	-
<b>Component units:</b>						
Charter schools	\$ 133,059,384	\$ 10,516,399	\$ 11,210,733	\$ 2,926,767	-	(108,405,485)
<b>General revenues:</b>						
Property taxes, levied for general use					284,797,718	-
Property taxes, levied for debt service					114,415,036	-
School Finance Act, unrestricted					226,783,626	74,541,836
Net earnings on investments					12,622,932	1,622,272
Grants and contributions not restricted to programs					-	388,411
Other - component units					-	22,201,765
Total general revenues					638,619,312	98,754,284
Change in net position					73,928,509	(9,651,201)
Net position (deficit) as previously reported - July 1, 2023					(218,286,951)	(50,331,528)
Restatement for change in reporting entity					-	2,626,460
Net position (deficit) as restated - July 1, 2023					(218,286,951)	(47,705,068)
Net position (deficit) - June 30, 2024					\$ (144,358,442)	\$ (57,356,269)

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Activities – Aurora Public Schools Foundation  
For the Fiscal Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains and other support:</b>			
Contributions – general	\$ 137,489	\$ 1,401,408	\$ 1,538,897
Contributions non-financial assets	92,171	2,300	94,471
Administrative fee income	18,547	-	18,547
Special events revenue	338,442	196,789	535,231
Less special events direct expenses	(109,516)	-	(109,516)
Investment income, net	82,519	86,011	168,530
Net assets released from restrictions	982,186	(982,186)	-
	<u>1,541,838</u>	<u>704,322</u>	<u>2,246,160</u>
Total revenues, gains and other support			
	<u>1,541,838</u>	<u>704,322</u>	<u>2,246,160</u>
<b>Expenses:</b>			
Program services:			
College and Career Centers	382,214	-	382,214
Scholarships	119,381	-	119,381
Special projects	394,629	-	394,629
	<u>896,224</u>	<u>-</u>	<u>896,224</u>
Total program services			
	<u>896,224</u>	<u>-</u>	<u>896,224</u>
Support services:			
General and administrative	160,885	-	160,885
Fundraising	162,440	-	162,440
	<u>1,219,549</u>	<u>-</u>	<u>1,219,549</u>
Total expenses			
	<u>1,219,549</u>	<u>-</u>	<u>1,219,549</u>
Change in net assets	322,289	704,322	1,026,611
Net assets, beginning of the year	806,183	1,383,895	2,190,078
Net assets, end of the year	<u>\$ 1,128,472</u>	<u>\$ 2,088,217</u>	<u>\$ 3,216,689</u>

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Balance Sheet – Governmental Funds  
June 30, 2024**

		Debt Service	Special Revenue	
		Bond		Nutrition
	General	Redemption	Grants	Services
<b>ASSETS</b>				
Assets:				
Cash and cash equivalents	\$ 108,439,506	\$ -	\$ -	\$ 18,146,214
Receivables (net of allowance for uncollectibles):				
Property taxes	15,724,590	3,711,712	-	-
Grants	218,674	-	18,025,488	527,583
Interfund receivable	8,555,701	-	-	-
Other	3,383,895	-	-	79,806
Prepaid items	4,281,135	-	-	462
Inventories	-	-	-	1,655,328
Restricted: Cash, cash equivalents and investments	1,546,973	172,989,548	-	-
Total assets	<u>\$ 142,150,474</u>	<u>\$ 176,701,260</u>	<u>\$ 18,025,488</u>	<u>\$ 20,409,393</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 8,166,254	\$ -	\$ 252,576	\$ 176,159
Intergovernmental payable	3,269,457	-	-	-
Retainages payable	71,154	-	-	-
Interfund payable	-	-	8,555,701	-
Accrued compensation	25,412,933	-	2,238,837	702,560
Unearned revenue - grants	10,357	-	6,978,374	64,832
Unearned revenue - other	-	-	-	122,793
Future claims liability	1,673,983	-	-	-
Compensated absences	719,533	-	-	-
Total liabilities	<u>39,323,671</u>	<u>-</u>	<u>18,025,488</u>	<u>1,066,344</u>
Deferred inflows of resources:				
Unavailable fund resources	4,538,329	1,829,555	-	-
Leases	1,820,402	-	-	-
Fund balances:				
Nonspendable - Prepaid items	3,876,166	-	-	462
Restricted for:				
Universal preschool program	1,826	-	-	-
TABOR emergency reserve	14,210,174	-	-	-
Medicaid	-	-	-	-
Student fees	-	-	-	-
Charter school agreements	1,336,287	-	-	-
Debt service	-	174,871,705	-	-
Capital projects	-	-	-	-
Nutrition services	-	-	-	19,342,587
Committed for - Contractual agreement	150,000	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Magnet school projects carryover	2,500,000	-	-	-
Leadership priorities	5,000,000	-	-	-
Athletic activity	-	-	-	-
Pupil activity	-	-	-	-
Exceptional student services	3,500,000	-	-	-
Universal preschool program	7,000,000	-	-	-
Instructional carryover	440,000	-	-	-
Instructional textbook adoption	8,900,000	-	-	-
New school curriculum and supplies carryover	1,500,000	-	-	-
Risk related activity	9,288,110	-	-	-
Fiscal management	9,473,449	-	-	-
Unassigned	29,292,060	-	-	-
Total fund balances	<u>96,468,072</u>	<u>174,871,705</u>	<u>-</u>	<u>19,343,049</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 142,150,474</u>	<u>\$ 176,701,260</u>	<u>\$ 18,025,488</u>	<u>\$ 20,409,393</u>

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

Capital Projects		Other Governmental	Total Governmental
Building	Capital Reserve		
\$ -	\$ 4,555,338	\$ 28,812,282	\$ 159,953,340
-	-	-	19,436,302
161,302	-	-	18,933,047
-	-	-	8,555,701
-	17,042	41,893	3,522,636
-	150,861	72,521	4,504,979
-	-	-	1,655,328
27,363,719	-	-	201,900,240
<u>\$ 27,525,021</u>	<u>\$ 4,723,241</u>	<u>\$ 28,926,696</u>	<u>\$ 418,461,573</u>
\$ 2,507,362	\$ 1,480,213	\$ 427,968	\$ 13,010,532
-	-	-	3,269,457
112,497	16,858	-	200,509
-	-	-	8,555,701
-	-	508,224	28,862,554
3,755,782	486,497	-	11,295,842
-	-	-	122,793
-	-	-	1,673,983
-	-	-	719,533
<u>6,375,641</u>	<u>1,983,568</u>	<u>936,192</u>	<u>67,710,904</u>
2,200,000	-	-	8,567,884
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,820,402</u>
-	150,861	72,521	4,100,010
-	-	-	1,826
-	-	-	14,210,174
-	-	13,538,006	13,538,006
-	-	11,236,184	11,236,184
-	-	-	1,336,287
-	-	-	174,871,705
18,949,380	-	-	18,949,380
-	-	-	19,342,587
-	-	-	150,000
-	2,588,812	-	2,588,812
-	-	-	2,500,000
-	-	-	5,000,000
-	-	849	849
-	-	3,142,944	3,142,944
-	-	-	3,500,000
-	-	-	7,000,000
-	-	-	440,000
-	-	-	8,900,000
-	-	-	1,500,000
-	-	-	9,288,110
-	-	-	9,473,449
-	-	-	29,292,060
<u>18,949,380</u>	<u>2,739,673</u>	<u>27,990,504</u>	<u>340,362,383</u>
<u>\$ 27,525,021</u>	<u>\$ 4,723,241</u>	<u>\$ 28,926,696</u>	<u>\$ 418,461,573</u>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Reconciliation of the Governmental Funds Balance Sheet to the  
Statement of Net Position  
June 30, 2024**

Amounts reported for governmental activities in the statement of net position differ because:

Total fund balances for governmental funds		\$ 340,362,383	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		602,033,761	
Deferred losses/(gains) on debt refundings are not recognized in the fund statements but are deferred outflows/(inflows) of resources in the government-wide financial statements.		(1,113,362)	
Noncurrent liabilities related to debt applicable to the district's governmental activities are not reported in the fund statements. However, these items are reported in the statement of net position.		(354,295,592)	
Certain deferred inflows related to unavailable fund resources do not provide current financial resources and the revenues are not recognized on the fund financial statements but are recognized on the government-wide financial statements.		8,567,884	
Certain long-term activities related to the district's pension plan are not reported in the governmental funds as they are not available in the current period, do not provide financial resources to the district, or are not due and payable in the current period. Those long-term activities include:			
Deferred outflows of resources	\$ 231,246,919		
Deferred inflows of resources	(45,092,730)		
Net pension liability	<u>(884,610,675)</u>		
Total pension effects		(698,456,486)	
Certain long-term activities related to the district's OPEB plan are not reported in the governmental funds as they are not available in the current period, do not provide financial resources to the district, or are not due and payable in the current period. Those long-term activities include:			
Deferred outflows of resources	4,588,009		
Deferred inflows of resources	(8,259,027)		
Net OPEB liability	<u>(21,359,822)</u>		
Total OPEB effects		(25,030,840)	
The current operating resources measurement focus in the governmental fund statements does not require the recognition of accrued interest payable for long-term debt. This amount represents the amount of interest payable accrued in the government-wide financial statements for long-term debt for general obligation debt.		(1,249,311)	
Compensated absences are included in the fund statements to the extent they are due and payable and the remainder are only included in the government-wide statement of net position.		<u>(15,176,879)</u>	
Total net position (deficit) of governmental activities		<u>\$ (144,358,442)</u>	

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





# AURORA

## PUBLIC SCHOOLS

— Power Your Potential —

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Fund  
For the Fiscal Year Ended June 30, 2024**

	General	Debt Service Bond Redemption	Special Revenue Grants	Nutrition Services
<b>REVENUES</b>				
Local:				
Property taxes	\$ 260,228,401	\$ 114,415,036	\$ -	\$ -
Specific ownership	24,569,317	-	-	-
Pupil activities	4,378	-	-	-
Tuition	158,718	-	-	-
Gifts and grants	17,896	-	1,903,203	5,168
Charges for services	10,566,310	-	-	505,602
Other	7,909,827	-	-	16,129
Cash in lieu of land dedication	-	-	-	-
Rental of buildings	1,595,073	-	-	-
Net earnings on investments	4,140,917	6,129,535	-	827,006
State:				
State equalization	199,504,486	-	-	-
Vocational education	850,098	-	-	-
Special education	15,620,907	-	66,172	-
Grants	16,234,835	-	6,555,038	5,738,286
Transportation	3,430,563	-	-	-
English Language Proficiency Act	4,537,244	-	-	-
READ Act	2,432,501	-	-	-
Gifted and talented	407,827	-	-	-
Federal grants	165,295	-	57,280,038	22,767,428
Medicaid reimbursements	-	-	-	-
Total revenues	552,374,593	120,544,571	65,804,451	29,859,619
<b>EXPENDITURES</b>				
Current:				
Instruction	260,492,049	-	20,702,394	-
Pupil support	69,169,261	-	16,828,579	5,299
Instructional staff support	31,799,684	-	9,310,967	-
General administration	7,304,773	7,275	1,663,406	-
School administration	39,164,151	-	687,634	-
Business administration	5,819,902	-	18,227	710,416
Operations and maintenance	45,934,711	-	1,943,134	772
Transportation services	8,388,045	-	12,837,373	-
Personnel/data/risk management	38,066,582	-	144,523	-
Other support services	26,239,133	-	1,146,288	-
Food service operations	7,523	-	334,200	28,301,461
Facilities acquisition and improvements	9,409,697	-	186,896	-
Debt service:				
Principal	1,524,094	61,266,940	734	21,733
Interest	182,357	15,958,133	96	582
Total expenditures	543,501,962	77,232,348	65,804,451	29,040,263
Excess (deficiency) of revenues over (under) expenditures	8,872,631	43,312,223	-	819,356
<b>OTHER FINANCING SOURCES (USES)</b>				
Financing from leases and subscriptions	472,980	-	-	-
Transfers in:				
General fund	-	-	-	-
Transfers out:				
Capital Reserve Fund	(2,117,925)	-	-	-
Nonmajor governmental funds	(6,119,540)	-	-	-
Total other financing sources (uses)	(7,764,485)	-	-	-
Net change in fund balances	1,108,146	43,312,223	-	819,356
Fund balances - July 1, 2023	95,359,926	131,559,482	-	18,523,693
Fund balances - June 30, 2024	\$ 96,468,072	\$ 174,871,705	\$ -	\$ 19,343,049

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

Capital Projects			
Building	Capital Reserve	Other Governmental	Total Governmental
\$ -	\$ -	\$ -	\$ 374,643,437
-	-	-	24,569,317
-	-	2,904,435	2,908,813
-	-	7,785,415	7,944,133
125,000	-	135,068	2,186,335
-	-	305,194	11,377,106
-	-	290,791	8,216,747
-	1,299,679	-	1,299,679
-	-	-	1,595,073
1,173,135	352,339	-	12,622,932
-	-	-	199,504,486
-	-	-	850,098
-	-	-	15,687,079
1,703,645	424,302	-	30,656,106
-	-	-	3,430,563
-	-	-	4,537,244
-	-	-	2,432,501
-	-	-	407,827
-	-	-	80,212,761
-	-	7,990,141	7,990,141
3,001,780	2,076,320	19,411,044	793,072,378
-	-	11,798,655	292,993,098
-	-	5,302,466	91,305,605
-	-	2,391,775	43,502,426
-	46,210	447,364	9,469,028
-	-	394,711	40,246,496
-	-	357,968	6,906,513
-	807,326	53,454	48,739,397
-	-	711,310	21,936,728
125,793	-	107,092	38,443,990
-	-	507,326	27,892,747
-	-	-	28,643,184
17,317,550	6,945,197	110,754	33,970,094
-	1,836,899	1,004	64,651,404
-	280,502	131	16,421,801
17,443,343	9,916,134	22,184,010	765,122,511
(14,441,563)	(7,839,814)	(2,772,966)	27,949,867
-	-	-	472,980
-	2,117,925	6,119,540	8,237,465
-	-	-	(2,117,925)
-	-	-	(6,119,540)
-	2,117,925	6,119,540	472,980
(14,441,563)	(5,721,889)	3,346,574	28,422,847
33,390,943	8,461,562	24,643,930	311,939,536
\$ 18,949,380	\$ 2,739,673	\$ 27,990,504	\$ 340,362,383

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2024**

Amounts reported for governmental activities in the statement of activities differ because:

Net changes in fund balances - total governmental funds	\$ 28,422,847
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Repayment of long-term debt is an expenditure in the governmental funds but reduces the liability in the statement of net position.	64,651,404
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Governmental funds report the effect of bond issuances, premiums, discounts, deferred gain (loss) on refunding issued, leases and subscriptions as an other financing source (use). However, in the statement of activities, the funds associated with the issuances are recorded as long-term liabilities and amounts associated with premiums, discounts, and deferred gain (loss) on refunding are allocated over the life of the debt and netted with interest expense. Also, in the statement of activities interest is accreted on the capital appreciation bonds, but is not reported in the governmental funds.

Issuance of financing from leases and subscriptions	(472,980)	
Amortization of bond discount/premium and deferred gain on refunding	<u>6,853,235</u>	6,380,255

Unavailable revenue does not provide current financial resources on the governmental fund financial statements, but this change in unavailable revenue from year to year is recognized on the government-wide financial statements.	2,780,941
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	23,137,160	
Depreciation expense	(24,914,197)	
Asset retirement activity	<u>-</u>	(1,777,037)
Total capital outlay reported as expenditures		

Governmental funds report right-to-use assets (leases and subscription-based IT arrangements) as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as amortization expense. This is the amount by which capital outlays exceeded amortization in the current period and also includes asset retirement activity and non-cash capital contributions, which is reported differently between the fund and government-wide financial statements.

Capital outlays - Right-to-use Assets	700,081	
Prepayments made on SBITA	(73,022)	
Amortization expense	<u>(2,581,217)</u>	(1,954,158)
Total capital outlay reported as expenditures		

A portion of the expense or expense offset related to pension (pension expense debit of \$27,452,056) and OPEB (OPEB expense credit of \$3,916,618) recorded in the statement of activities does not require use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	(23,535,438)
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The current operating resources measurement focus in the governmental fund statements does not require the recognition of accrued interest payable for long-term debt. This amount represents the change in amount of interest payable accrued in the government-wide statements for long-term debt for general obligation debt (\$1,249,311) from the previous year's balance (\$1,514,871).	265,560
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A portion of the change in compensated absences is not recognized as an expenditure in the fund financial statements but is recognized in the statement of activities.	<u>(1,305,865)</u>
Change in net position of governmental activities	<u><u>\$ 73,928,509</u></u>

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Fiduciary Net Position  
Fiduciary Fund – Health Trust Fund  
June 30, 2024**

	<u>Health Trust</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,865,611
Receivables	<u>2,838</u>
Total assets	<u><u>\$ 2,868,449</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>236,102</u>
Total liabilities	<u><u>236,102</u></u>
<b>NET POSITION</b>	
Net position restricted and held in trust for employee benefits	<u>2,632,347</u>
Total net position and liabilities	<u><u>\$ 2,868,449</u></u>

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund – Health Trust Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>Health Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Employer contributions	\$ 1,130,030
Employee contributions	<u>1,423,691</u>
Total contributions and additions	2,553,721
<b>DEDUCTIONS</b>	
Benefits	2,330,326
Administrative expense	<u>164,864</u>
Total deductions	<u>2,495,190</u>
Change in net position	58,531
Total net position, July 1, 2023	<u>2,573,816</u>
Total net position, June 30, 2024	<u><u>\$ 2,632,347</u></u>

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

**NOTES TO BASIC  
FINANCIAL STATEMENTS**

**Joint School District No. 28-J of the  
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Notes to Basic Financial Statements  
June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). In addition, the district conforms to the Colorado Financial Policies and Procedures Handbook as required by Colorado statutes. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. A summary of the significant accounting policies applied in the preparation of the basic financial statements is described below.

**Reporting Entity**

Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado, is a political subdivision and corporate body of the state of Colorado. The public elects a seven-member board of education, which has the authority to make decisions, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. The board members are elected for four-year terms. The district superintendent serves as the executive officer of the board. The superintendent does not maintain any voting privileges.

The district receives local, state, and federal funding and must comply with regulations established by all of these entities. The district is not included as a component unit in any other governmental reporting entity. In accordance with accounting principles generally accepted in the United States of America, these financial statements present all funds of the district and its component units.

**Discretely Presented Component Units – Charter Schools**

In 1993, the Colorado state legislature enacted the Charter School Act, § 22-30.5-101 *et seq.*, C.R.S., which permits the district to contract with individuals and organizations for the operation of charter schools within the district. A charter school operates as a public school within the district and is accountable to the school district's local board of education for purposes of ensuring compliance with applicable laws and charter provisions. The charter schools have separate governing boards, but a financial benefit/burden relationship exists as the district provides the majority of its funding, and its exclusion would render the district's financial statements incomplete. Charter schools are considered discretely presented component units for external financial reporting purposes. The district considers each of the component units to be nonmajor component units because none of the schools individually has a financial relationship with the district that is significant to require separate reporting within the basic financial statements. Combining schedules are included within the supplementary section of this annual comprehensive financial report.

Each charter school prepares its own separately issued financial statements. These statements can be obtained by sending a request to:

<b><u>School Name</u></b>	<b><u>Address</u></b>	
Academy of Advanced Learning	431 N. Sable Blvd.	Aurora, CO 80011
Aurora Academy	10251 E. First Ave.	Aurora, CO 80010
Aurora Expeditionary Learning Academy (AXL)	450 S. Chambers Rd.	Aurora, CO 80017
Aurora Science and Technology of		
Denver School of Science and Technology, Inc.	2510 N. Scranton St.	Aurora, CO 80045
Global Village Academy	16401 E. Alameda Pl.	Aurora, CO 80017



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Lotus School for Excellence	11001 E. Alameda Ave.	Aurora, CO 80012
Rocky Mountain Preparatory School at Fletcher	10455 E. 25th Ave.	Aurora, CO 80010
Vanguard Classical Schools	801 Yosemite St.	Aurora, CO 80230
Vega Collegiate Academy	1400 Yosemite St.	Aurora, CO 80010

Effective June 30, 2023, the board of Empower Community High School voted to close the school. Due to the closure, Empower Community High School is no longer included in this report. This resulted in a restatement of the beginning of the year net position for the discretely presented component units of \$2,626,460. Effective June 30, 2024, Academy of Advanced Learning's charter contract with the district was terminated as the school chose to be authorized by the Charter School Institute moving forward.

**Discretely Presented Component Unit – Aurora Public Schools Foundation**

The Aurora Public Schools Foundation was incorporated in 1987 as a non-profit organization. The foundation is a community-based advocate for quality public education for students within the district. Programs administered by the foundation provide a financial benefit to the district in the form of grants, scholarships and special projects which support innovative classroom initiatives and enhance the educational opportunities of district students and staff. In addition, donations to the foundation support various educational programs within the district. Even though the foundation is a separate legal entity and the district is not financially accountable for the foundation, the foundation's financial statements are included as part of the district's financial reporting entity because of the nature and significance of the relationship between the primary government and the foundation. The foundation solicits donations and manages those funds for the benefit of the students and district.

The foundation follows all applicable FASB standards. Since they do not follow governmental accounting, for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discretely presented component unit financial statements in order for them to conform to the presentation of the primary government. Complete financial statements for this component unit may be obtained from Aurora Public Schools Foundation administrative offices located at 15701 E. First Avenue, Suite 206, Aurora, Colorado 80011.

**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 non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from the discretely presented component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Capital asset depreciation is reported as a direct expense of the functional program that benefits from the use of the capital asset. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or

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segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the district's fiduciary fund. The fiduciary fund statement is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. When both restricted and unrestricted resources are available for use, it is the district's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental funds account for the district's general governmental activities and use the flow of current financial resources measurement focus. This measurement focus means that only current assets and current liabilities are included in these balance sheets. The reported fund balances are considered a measure of available spendable resources. Governmental fund operating statements show increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of available spendable resources during the reporting period.

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined, while available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual include property taxes and payments from the state for equalization funding, special education and vocational education reimbursements. Other revenues susceptible to accrual include tuition payments received from other school districts and rental receipts for building usage that occurred in the fiscal year but were paid after year-end. The district considers these other revenues available if they are collected within 60 days after year-end. Grant revenues are recognized if they are collected within a one-year period after the expenditures occur. Other local receipts are not susceptible to accrual since they are generally not measurable until received. The district considers all property tax revenues available if they are collected within 60 days after year-end. In addition, under the modified accrual basis of accounting, expenditures are recorded when the liability is incurred with two exceptions. These exceptions include (1) interest on general long-term obligations which is recognized when due, and (2) compensated absences such as accrued unused vacation pay and paid leave which are recognized when the obligations are expected to be liquidated when matured.

**Governmental Funds**

The General Fund is the government's primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

The Bond Redemption Fund is the government's debt service fund. It accounts for the accumulation of resources to pay general long-term debt principal, interest, and related costs.

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Because of its large cash balance, the Bond Redemption Fund is presented as a major fund on the governmental statements.

The Grants Fund is classified as a major special revenue fund and is used to account for revenues and expenditures related to federal, state and local grants. Special revenue funds are used to account for proceeds of special revenue sources that are legally or otherwise restricted to expenditures for specified purposes. Revenue restrictions in this fund are imposed by the grantor for the specific purposes of the grant.

The Nutrition Services Fund is classified as a major special revenue fund and is used to account for revenues and expenditures related to providing students with healthy and nutritious meals. Special revenue funds are used to account for proceeds that are legally or otherwise restricted to expenditures for specified purposes. Revenues in the Nutrition Services Fund are primarily from federal, state, and local sources specifically for school cafeteria operations. The fund balance of Nutrition Services operations is restricted for that fund's use only.

The Building Fund is a capital projects fund and accounts for construction and renovation projects funded by the sale of general obligation bonds.

The Capital Reserve Fund is a capital projects fund and accounts for ongoing capital outlay needs of the district such as equipment purchases and debt repayments.

**Fiduciary Fund**

The Health Trust Fund is an employee benefit trust fiduciary fund, was created on July 1, 2010, and is used to account for the district's self-insured dental insurance program and the employee-funded medical flexible spending accounts. Both employee and employer dental premiums fund dental claims that are processed through the dental insurance carrier. Medical flexible spending accounts are processed by a third-party administrator. The Health Trust Fund reports assets held by the district in a fiduciary capacity for employees and therefore cannot be used to support the government's own programs. The fund uses the economic resources measurement focus and the accrual basis of accounting.

**Major and Nonmajor Funds**

The district reports the following major funds.

<u>Fund Group</u>	<u>District Fund Name</u>	<u>Fund Type</u>
<i>Governmental Funds</i>	General Fund	General
	Bond Redemption Fund	Debt Service
	Grants Fund	Special Revenue
	Nutrition Services Fund	Special Revenue
	Building Fund	Capital Projects
	Capital Reserve Fund	Capital Projects

Additionally, the district reports four nonmajor government funds and one fiduciary fund.

<u>Fund Group</u>	<u>District Fund Name</u>	<u>Fund Type</u>
<i>Governmental Funds</i>	Athletic Fund	Special Revenue
	Medicaid Funds	Special Revenue
	Pickens Post-Secondary Fund	Special Revenue
	Pupil Activity	Special Revenue
<i>Fiduciary Fund</i>	Health Trust	Trust-Other Employee Benefits

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**Assets, Deferred Outflows/Inflows of Resources, Liabilities and Equity**

Cash and Investments

As mandated by § 22-45-103, C.R.S., the district maintains deposits for the Bond Redemption Fund in a third-party custodial bank. In order to maximize interest earnings, all other funds' cash deposits are maintained in a cash and investment pool.

The district maintains accountability for each fund's equity in pooled cash and investments. Interest earnings for combined deposits are generally distributed based on monthly cash balances. All pooled cash investments are considered cash equivalents for accounting purposes. Investments are carried at fair value based on current market quotations.

The district is required to deposit funds in eligible public depositories as defined by § 11-10.5-104, C.R.S. The eligible depository is required to pledge collateral having a fair value that exceeds 102 percent of uninsured aggregate public deposits to the Colorado Division of Banking. Eligible collateral types include obligations of the United States, the state of Colorado, local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. The collateral is not held in the name of the district but is part of a collateral pool. The district's bank deposits are entirely covered by federal depository insurance or collateralized in accordance with the statute.

The district maintains deposits in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment trust established by state statute for local governments in Colorado to pool surplus funds for investment purposes. COLOTRUST operates similarly to demand deposit accounts where each share is equal to one dollar. COLOTRUST invests in U.S. Treasury securities, written repurchase agreements, certain approved obligations of agencies of the U.S. government and commercial paper rated in the highest rating category. The district considers COLOTRUST funds, U.S. government securities and certificates of deposit with an original maturity of three months or less to be cash equivalents. Investments are reported at fair value (generally based on quoted market prices) except for the position in local government investment pools.

It is the policy of the district to invest public funds in a manner which will provide the highest investment return with the maximum security, meet the daily cash flow demands of the district, and conform to all federal, state and local statutes governing the investment of public funds. This policy applies to the investment of all financial assets and all funds of the district over which it exercises financial control. Investment activities are governed by § 24-75-601, C.R.S.

Interfund Transactions

Transactions between funds that are representative of lending or borrowing arrangements result in interfund balances. Balances representing the current portion of interfund loans are reported as due to/from other funds, while advances to/from other funds represent the noncurrent portion of interfund loans. Another type of interfund transaction is a transfer, which occurs when resources of one fund are transferred to another fund. For the fiscal year ended June 30, 2024, the district reported both interfund transfers and current interfund loans.

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**Receivables and Payables**

Property taxes are levied on December 15 and are payable in full by April 30, or in two equal installments due February 28 and June 15. Taxes are considered past due on June 15. Personal property taxes that remain unpaid as of October 1 will be subject to distraint, seizure and sale to satisfy taxes due. Adams and Arapahoe counties bill and collect property taxes for all taxing entities in the counties. Property tax receipts collected by the counties on behalf of the district are remitted to the district in the subsequent month. A fee of 0.25 percent on General Fund collections is retained by both counties as compensation for collecting the taxes and is reflected as an expenditure in the General Fund.

In the governmental statements, which use the modified accrual basis of accounting, property taxes are reported as receivables and deferred inflows of resources when taxes are levied. Taxes received within 60 days after year-end are reported as revenue and as county treasurers' receivables. In the government-wide financial statements, which use the full accrual basis of accounting, property taxes are recognized as revenue for the full levy amount in the period for which they are levied. All property tax receivables are shown net of an allowance for doubtful accounts, calculated as 1.10 percent of the year's total levy amount.

For federal and state grants and entitlements, a receivable is established when related expenditures exceed receipts, and revenue is recognized to the extent of related expenditures when eligibility requirements are met. Grant revenues are recognized if they are collected within a one-year period after the expenditures occur.

**Unearned Revenue – Grants and Other**

Unearned federal grant, state grant and entitlement revenues are established when receipts exceed expenditures and all eligibility requirements have not been met. Unearned revenue also includes community use rentals, tuition and other fees received in advance, but not yet earned.

**Inventories**

Inventories consist of expendable supplies held for consumption. Expenditures for supplies are recorded upon the release of these items to various schools and departments. Inventories for governmental activities are stated at cost as determined by the weighted average cost method. Expenses for food items are recorded when used. Inventories for food items are stated at cost as determined by the first-in, first-out method. Inventory balance at year end relates to Nutrition Services with the amount included with Nutrition Services' restricted fund balance as it is restricted for that fund's use only.

**Prepayments**

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 district records prepaid items using the consumption method. Fund balance is classified as nonspendable for certain prepayments. At June 30, 2024, prepaid amounts of \$404,969 are considered spendable as they relate to excess cash in an insurance pool that can either be applied to future claims or refunded to the district.

**Capital Assets**

The primary government considers capital equipment and vehicles to be those items having a useful life greater than one year and having an original item value greater than \$5,000. Capital renovations are considered to be those items that significantly enhance the value of previously

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existing assets and have a project value greater than \$25,000. In addition, capital improvements are those items that add new functionality to existing assets and have a project value greater than \$10,000. All capital assets are recorded at either original cost or an estimated historical cost in the case of assets for which actual cost was not determinable. Intangible assets, such as purchased software licenses or internally generated software applications having a cost or development value of \$5,000 or more, are capitalized and amortized over a three- to fifteen-year period. Donated assets have been recorded at acquisition value on the date of receipt. Expenditures that significantly enhance the value of an asset whether land, building, or equipment are capitalized according to the district's policies. However, expenditures for repairs, maintenance and expendable supplies are not capitalized.

Capital assets of the district are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Buildings and site improvements/renovations	10-20
Vehicles	7-12
Equipment	5-12
Intangible assets-software and software development	3-15

Each component unit has established its own capital asset policy and method of depreciation. Please refer to the financial statements of the component units for more information.

**Deferred Outflows/Inflows of Resources**

Deferred inflows of resources represent acquisition of net assets that applies to future periods and deferred outflows of resources represent consumption of net assets that applies to future periods. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as deferred inflows of resources, including leases.

Deferred outflows of resources of the entity consist of a deferred charge on refunding, pension items and OPEB items in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Refer to Notes 10 and 11 for information on deferred outflows of resources and deferred inflows of resources related to pension items and OPEB items, respectively.

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**Lessor Leases**

The district is the lessor for noncancellable leases of buildings and land. The district recognizes a lease receivable and a deferred inflows of resources in the government-wide and governmental fund financial statements. The district recognizes lease receivables with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the district initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the district determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The district uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the leases. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessees.

The district monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Lessee Leases**

The district is the lessee for noncancellable leases of vehicles, equipment, buildings, and land. The district recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The district recognizes lease assets with an initial, individual value of \$5,000 or more for vehicles and equipment. The district recognizes lease assets with an initial, individual value of \$25,000 or more for buildings and land.

At the commencement of a lease, the district initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

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

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

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The district monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with noncurrent liabilities on the statement of net position.

**Subscription-based Information Technology Arrangement**

The district is the end user of subscription-based information technology arrangements (SBITA) for the noncancellable right to use cloud enterprise resource programs, curriculum materials for teachers and students, and other information technology subscription arrangements. The district recognizes a SBITA liability and an intangible right-to-use asset (SBITA asset) in the government-wide financial statements. The district recognizes SBITA assets with an initial, individual annual value of \$5,000 or more for each SBITA.

At the commencement of a SBITA, the district initially measures the SBITA liability at the present value of payments expected to be made during the arrangement term. Subsequently, the liability is reduced by the principal portion of payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the arrangement commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying asset.

Key estimates and judgments related to SBITA include how the district determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

The district monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA assets and liabilities if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with capital assets and SBITA liabilities are reported with noncurrent liabilities on the statement of net position.

**Accrued Compensation**

Salaries and benefits of certain contractually employed personnel are paid over a 12-month period (for example, from August to July) for both the district and its charter school component units, but are earned during a school year of approximately 10 months.

**Compensated Absences – Accumulated Unused Paid Leave and Vacation Pay**

District policy allows employees to accumulate unused paid leave and vacation pay to specified limits. Upon retirement or termination of employment, employees with at least 10 years of service are entitled to be paid for a portion of their accumulated unused paid leave in excess of 30 days. Unused vacation leave is expected to be used in the year in which it was earned but may be accumulated and carried over to specified limits. Unused vacation is paid in full to specified limits upon an employee's retirement or termination of employment.



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In the governmental funds, which use the modified accrual basis of accounting, only the amounts due at the end of the fiscal year are accrued as current-year expenditures. These amounts are shown as fund liabilities. The General Fund is used to liquidate the compensated absences liabilities of the governmental funds.

In the government-wide financial statements, the district has estimated a portion of the total unused vacation pay and paid leave liability as due within one year with the remainder of the liability recorded as a long-term liability.

**Noncurrent Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds. Bond payables are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Bond premiums and discounts are recognized as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

General obligation bonds are serviced from property taxes and other revenues of the Bond Redemption Debt Service Fund. Refunded bonds are serviced by irrevocable refunding escrow accounts established at the time of refunding.

Accumulated unused vacation and paid leave for governmental funds are serviced from the General Fund.

The district has no legal obligation to fund the balance of the net pension liability recorded in the government-wide financial statements. Annual contributions to the pension plan are made from the fund in which an employee is paid.

**Fund Balances and Net Position**

Fund balances are the excess of assets plus deferred outflows of resources minus liabilities and deferred inflows of resources and are shown only in the governmental fund statements. Governmental fund balances are classified into five categories: restricted, committed, assigned, unassigned or nonspendable. Fund balance is reported as restricted when constraints placed on the use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assets that are required by outside sources to be used for a specific purpose are shown on the balance sheet as restricted assets. Any formal action, ordinance or resolution, of the board of education, the highest level of decision-making authority, which places constraints on the use of funds to a specific purpose is categorized as committed fund balance. Actions to remove the constraints, regardless if they were imposed by an ordinance or a resolution, would require the same level of difficulty needed to place constraints on the use of funds to a specific purpose. Fund balance is reported as assigned when the board or board designee intends to use the funds for a specific purpose. Under the board's adopted policy, only the board of education, superintendent, or the chief financial officer may assign amounts for specific purposes. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund

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balance is the residual classification for the General Fund and represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes and may only be reported in the General Fund.

The district does not have a policy for its use of unrestricted fund balance amounts, but considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balances could be used. When both restricted and unrestricted resources are available for use, it is the district's policy to use restricted resources first, and then use unrestricted resources as they are needed.

Net position is the excess of assets minus liabilities and is shown in the government-wide and fiduciary fund financial statements. Net position includes the following three classifications: (a) net investment in capital assets which consists of capital assets, net of accumulated depreciation, and reduced by the outstanding amount of debt which was issued to acquire or construct the capital assets, (b) restricted net position report amounts legally segregated for a specific future use, and (c) remaining net position is reported as unrestricted.

**On-Behalf Payments**

U.S. 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 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 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the district by the State of Colorado has been recorded as expenditures and revenue of \$1.48 million in the fund financial statements.

**Estimates**

Preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Upcoming Accounting Pronouncements**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

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In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, Certain Risk Disclosures, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

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

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Encumbrances

Outstanding encumbrances represent a commitment for the estimated amount of expenditures, which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year. Lapsed encumbrances are then reviewed by department supervisors to determine which will remain canceled and which will be reinstated and paid from the subsequent year's appropriations. Encumbrances are not considered expenditures until an actual liability is incurred.

Legal Compliance – Article X, Section 20 of the Colorado Constitution (the 1992 Taxpayers' Bill of Rights Amendment)

To comply with the Taxpayer Bill of Rights (TABOR) amendment, the district has budgeted and continues to report an emergency reserve. Recognition of this year's reserve of \$14,210,174 is shown as restricted fund balance in the General Fund. The emergency reserve cannot be used for adverse economic conditions, revenue shortfalls, or district salary or fringe benefit increases. The TABOR reserve is a permanent cash reserve that can only be used for declared unforeseen emergencies excluding adverse economic conditions, revenue shortfalls, and district salary, or fringe benefit increases. The district interprets the declared emergency limitation as prohibiting the use of the TABOR reserve for any purpose.

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**TABOR Fund Balance Reserve for Emergencies**

Qualifying revenues, all district funds		\$	802,229,669
Less excludable amounts:			
Federal Sources	\$	88,202,902	
Override Funding		117,405,438	
Gifts		2,220,233	
Property Sales		184,057	
Bond Redemption		120,544,571	
Total excludable amounts			<u>328,557,201</u>
Revenues subject to TABOR			473,672,468
TABOR reserve percentage			3%
Amount reserved for emergencies - district			<u>14,210,174</u>
Total amount reserved for emergencies		\$	<u><u>14,210,174</u></u>

Another restriction within the TABOR amendment addresses long-term or multi-year leases. District management carefully considers any such arrangements to prevent any noncompliance with this amendment. Since passage of the TABOR amendment, long-term agreements are structured through escrow arrangements and annual agreements. The amendment is subject to judicial interpretation; however, district management believes it is in compliance with these limitations.

In the November 2001 general election, voters approved an exemption from TABOR revenue and spending limitations for the district.

**Minimum Fund Balance/Cash Fund Emergency Policy**

As designated in district policy, DA-Fiscal Management Goals/Priority Objectives, the superintendent is required to maintain a minimum General Fund or cash fund emergency reserve of 5.0 percent of current year General Fund revenues less the 3.0 percent restricted amount required by the TABOR. The policy does not specify the circumstances under which these funds can be used or the method of repayment, if the funds are used. For the current fiscal year, the 5.0 percent reserve total for the district is \$23,683,623 presented as the district's TABOR and fiscal management of \$14,210,174 and \$9,473,449, respectively. The fiscal management amount of \$9,473,449 is shown as an assigned fund balance on the Balance Sheet for Governmental Funds.

**Subsequent Year Expenditures**

Budgets for each subsequent fiscal year are approved by the board of education. Some governmental funds have budgeted expenditures in excess of budgeted revenues; it is the intent of the district to utilize the ending fund balances from the prior fiscal year to provide for the excess expenditures. Of significance is the General Fund, Building Fund and the Capital Reserve Fund. The General Fund is primarily funded by local property taxes and state aid. The General Fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The Building Fund is funded by the sale of general obligation bonds in 2010, 2017 and 2019. The Capital Reserve Fund is a capital projects fund and accounts for ongoing capital outlay needs of the district such as equipment purchases and debt repayments. These funds for the Building Fund and the Capital Reserve Fund are included in restricted fund balances that are restricted specifically for capital projects, debt repayments and improvements of district facilities. Also, the Bond Redemption Fund has appropriated all of its fund balance for the purpose of scheduled payments of bond principal and interest.

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**NOTE 3: DEPOSITS AND INVESTMENTS**

Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments as of June 30, 2024, are classified in the financial statements as follows.

	Primary Government	Fiduciary Fund	Total
Cash and cash equivalents	\$ 159,953,340	\$ -	\$ 159,953,340
Restricted: Cash, cash equivalents and investments	201,900,240	-	201,900,240
Fiduciary fund	-	2,865,611	2,865,611
Total	<u>\$ 361,853,580</u>	<u>\$ 2,865,611</u>	<u>\$ 364,719,191</u>

Unspent proceeds of the 2019 and 2021 general obligation bonds in the Building Fund, the cash balances in the Bond Redemption Fund and cash balances related to charter school and other contractual agreements are restricted cash on the basic financial statements.

Deposits and Cash with Fiscal Agent

The Colorado General Assembly passed the Public Deposit Protection Act (the PDPA) in 1975. The purpose of the PDPA is to protect all public funds held on deposit in financial institutions. In the event eligible banks or savings and loan institutions default, statutes provide for the expedited repayment of public deposits not covered by the Federal Deposit Insurance Corporation. The district has no custodial credit risk because all deposits are insured by the Federal Deposit Insurance Corporation or are held in PDPA-eligible institutions. The district's cash deposits had a carrying amount of \$37,221,506 and a corresponding bank balance of \$44,363,495. Of the bank balance, \$44,113,495 was uninsured but collateralized in accordance with provisions of the PDPA.

Cash with fiscal agent is deposits held by an outside custodian in the district's name. Due to grant requirements whereby, funds are disbursed after the custodian approves the expenditures, these funds are restricted.

**Reconciliation of Deposits to Cash, Cash Equivalents and Investments  
Primary Government and Fiduciary Fund**

<u>Description</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking, money market and trust accounts	\$ 37,221,506	\$ 44,363,495
Cash with fiscal agent	10,545,341	-
Cash on hand	14,000	-
Total	<u>\$ 47,780,847</u>	<u>\$ 44,363,495</u>

Investments

During the year, the district investments comprised of fixed income accounts and COLOTRUST and are rated at least AA+ by Standard & Poor's. The district's investment policy requires all investments to comply with federal, state and local statutes governing the investment of public funds. As of June 30, 2024, the district investments of \$316,938,344 are invested in COLOTRUST.

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Investments are subject to many different types of risk, including credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The district's fixed income investments and COLOTRUST are highly rated by Standard & Poor's, an indication of low credit risk. The district has no foreign currency risk. Concentration of credit risk exists when 5.0 percent or more of the primary government's total investments is concentrated in any one issuer. When investments are concentrated in one issuer, a heightened potential for loss exists. The district has no concentration of credit risk. In general, investments issued or guaranteed by the U.S. government and other pooled investments are excluded from the concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2024, the District's investment balances and maturities, in years for those investments subject to interest rate risk were as follows:

<b>Asset</b>	<b>Value</b>	<b>Investment Maturities (in years)</b>
		<b>Less Than 1</b>
ColoTrust Plus+ (external investment pool)	\$ 316,938,344	\$ 316,938,344
Total	<u>\$ 316,938,344</u>	<u>\$ 316,938,344</u>

Overall credit risk is the chance that the issuer of an investment will not fulfill its obligations. To minimize overall credit risk, state law and district policies require that the district limit its investments to issuers, which have received one of the three highest rating categories by one, or more nationally recognized organizations that rate such issuers. Presented below is the actual rating at year-end for each investment type.

<b>Asset</b>	<b>Value</b>	<b>Standard &amp; Poor's Rating</b>
		<b>AAAm</b>
ColoTrust Plus+ (external investment pool)	\$ 316,938,344	\$ 316,938,344
Total investments	<u>\$ 316,938,344</u>	<u>\$ 316,938,344</u>

**Investment in Local Government Investment Pool**

At June 30, 2024, the district holds investments at COLOTRUST in the amount of \$316,938,344 which are measured at net asset value. The district utilizes one local government investment pool when a high degree of liquidity is prudent. COLOTRUST is a local government investment pool with a stable net asset value (NAV) and its NAV is measured at fair value per share. The 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, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. COLOTRUST may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of the U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as a custodian

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for COLOTRUST's portfolio pursuant to a custodian agreement. The custodian acts as a safekeeping agent for COLOTRUST's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST does not have any limitations or restrictions on participant withdrawals.

**Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

At June 30, 2024, the district had no investments with recurring fair value measurements.

**NOTE 4: RECEIVABLES, PAYABLES AND INTERFUND TRANSACTIONS**

**Receivables**

Receivables for the district's individual major and nonmajor governmental funds, including allowances for uncollectible accounts and interfund receivables, are as follows:

	Governmental Funds							Total Governmental Funds
	General	Bond Redemption	Grants	Nutrition Services	Building	Capital Reserve	Nonmajor Governmental	
<b>Receivables:</b>								
Property taxes, paid within 60 days of year-end	\$ 6,841,326	\$ 1,882,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,723,483
Property taxes, due within one year	11,770,170	3,108,576	-	-	-	-	-	14,878,746
Reimbursements for federal and state grants	218,674	-	18,025,488	527,583	161,302	-	-	18,933,047
Interfund	8,555,701	-	-	-	-	-	-	8,555,701
Other	3,383,895	-	-	79,806	-	17,042	41,893	3,522,636
Gross receivables	30,769,766	4,990,733	18,025,488	607,389	161,302	17,042	41,893	54,613,613
Less allowance for uncollectibles	(2,886,906)	(1,279,021)	-	-	-	-	-	(4,165,927)
Net total receivables	<u>\$ 27,882,860</u>	<u>\$ 3,711,712</u>	<u>\$ 18,025,488</u>	<u>\$ 607,389</u>	<u>\$ 161,302</u>	<u>\$ 17,042</u>	<u>\$ 41,893</u>	<u>\$ 50,447,686</u>

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Balances due to/from other funds are presented as interfund receivable and payable amounts on the balance sheet for governmental funds. Many federal and state grants operate on a reimbursement basis, causing the need for a short-term loan from the General Fund. Balance due to the General Fund from the Grants Fund at June 30, 2024 was \$8,555,701.

**Interfund Transactions**

Transfers are used to move unrestricted revenues from the fund that collects them to specific programs accounted for in other funds in accordance with budget authorizations. The General Fund transferred money to the Pickens Post-Secondary Fund and Athletic Fund to provide subsidies for operations and transfer revenues related to programs offered by those specific funds. The General Fund transferred money to the Capital Reserve Fund to meet current and future capital needs. Transfers processed during the fiscal year ended June 30, 2024, were as follows:

Transfers in:				
<u>Transfers out:</u>	<u>Pickens- Post Secondary Fund</u>	<u>Capital Reserve Fund</u>	<u>Athletic Fund</u>	<u>Total</u>
General Fund	\$ 219,540	\$ 2,117,925	\$ 5,900,000	\$ 8,237,465
Total	<u>\$ 219,540</u>	<u>\$ 2,117,925</u>	<u>\$ 5,900,000</u>	<u>\$ 8,237,465</u>

**Lease Receivables**

The district leases buildings and land to third parties. The lease period ranges from three to eighty-nine years and the district receives periodic payments with a total of \$300,000 per annum from these leases. The district recognized \$386,222 in lease revenue and \$167,890 in interest revenue during the fiscal year related to these leases. In addition, the district has various short term rental arrangements that are also included in rental of buildings.

As of June 30, 2024, the district's receivable for lease payments was \$2,439,295 included in other receivables in the general fund. Also, the district has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$1,820,402.



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**NOTE 5: CAPITAL, LEASE AND SUBSCRIPTION ASSETS AND NET INVESTMENT IN  
CAPITAL ASSETS**

A summary of the changes in capital, lease and subscription assets during the fiscal year ended June 30, 2024, follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Adjustment	Balance June 30, 2024
<b>Governmental activities:</b>						
<b>Capital assets, not being depreciated:</b>						
Land	\$ 25,244,194	\$ -	\$ -	\$ -	\$ (19,795)	\$ 25,224,399
Construction in progress	197,246,415	21,368,579	-	(98,406,247)	(3,239)	120,205,508
Total capital assets, not being depreciated	222,490,609	21,368,579	-	(98,406,247)	(23,034)	145,429,907
<b>Capital assets, being depreciated:</b>						
Buildings and site improvements	789,217,162	-	-	98,406,247	(3,466)	887,619,943
Machinery, equipment and vehicles	46,679,319	2,484,598	(2,719,038)	-	(676,132)	45,768,747
Intangible assets	7,399,208	-	-	-	(13,385)	7,385,823
Total capital assets, being depreciated	843,295,689	2,484,598	(2,719,038)	98,406,247	(692,983)	940,774,513
<b>Less accumulated depreciation for:</b>						
Building and site improvements	(429,044,411)	(20,884,670)	-	-	65,251	(449,863,830)
Machinery, equipment and vehicles	(32,603,143)	(3,847,298)	2,719,038	-	154,359	(33,577,044)
Intangible assets	(6,586,362)	(165,223)	-	-	(236,616)	(6,988,201)
Total accumulated depreciation	(468,233,916)	(24,897,191)	2,719,038	-	(17,006)	(490,429,075)
<b>Lease assets (right-to-use assets), being amortized:</b>						
Land	1,583,711	-	-	-	-	1,583,711
Buildings	1,447,353	-	-	-	-	1,447,353
Machinery and equipment	1,097,221	78,349	-	-	-	1,175,570
Total lease assets, being amortized	4,128,285	78,349	-	-	-	4,206,634
<b>Less accumulated amortization for lease assets:</b>						
Land	(73,660)	(36,830)	-	-	-	(110,490)
Buildings	(685,872)	(465,910)	-	-	-	(1,151,782)
Machinery and equipment	(406,010)	(236,596)	-	-	-	(642,606)
Total accumulated amortization	(1,165,542)	(739,336)	-	-	-	(1,904,878)
<b>Subscriptions (right-to-use assets), being amortized:</b>						
Subscription-based IT Arrangements	6,494,267	621,732	-	-	-	7,115,999
<b>Less accumulated amortization for:</b>						
Subscription-based IT Arrangements	(1,317,458)	(1,841,881)	-	-	-	(3,159,339)
Total capital assets, being depreciated, net	383,201,325	(24,293,729)	-	98,406,247	(709,989)	456,603,854
Governmental activities capital and lease assets, net	\$ 605,691,934	\$ (2,925,150)	\$ -	\$ -	\$ (733,023)	\$ 602,033,761

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Depreciation and amortization expenses were charged to functions/programs of the primary government as follows:

Governmental activities:	Depreciation	Amortization
Instruction	\$ 10,809,075	\$ -
Instructional staff support	77,047	-
General administration	240,374	-
Business administration	164,963	2,581,217
Operations & maintenance	5,238,827	-
Transportation	2,426,793	-
Personnel/data services/risk management	81,440	-
Food service operations	399,721	-
Facilities Acquisition and Construction Services	5,476,551	-
Total depreciation expense - governmental activities	<u>\$ 24,914,791</u>	<u>\$ 2,581,217</u>

Net investment in capital assets consists of capital, lease and subscription assets, net of accumulated depreciation/amortization, unspent bond proceeds and reduced by outstanding balances of bonds, notes, leases, subscription liabilities and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in the determination of net investment in capital assets.

**Net Investment in Capital Assets:**

Governmental activities capital, lease and subscription assets,	\$ 602,033,761
net reductions:	
Outstanding principal of capital-related borrowings related	
to the government's own capital and lease assets	(338,041,709)
2020 Certificates of participation	(6,580,000)
Debt financing for capital assets	(3,077,005)
Debt financing for land purchase	(905,286)
Leases	(2,627,208)
Subscription-based IT Arrangements	(1,342,017)
Deferred (gain)/loss on bond refunding	(1,113,362)
Building Fund accounts payable	(2,507,362)
Capital Reserve Fund accounts payable	(1,480,213)
Retainages payable for all funds	(200,509)
Additions:	
Building Fund restricted cash	27,363,719
Net investment in capital assets	<u>\$ 271,522,809</u>

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**NOTE 6: NONCURRENT LIABILITIES**

General Obligation Bonds

The district issues bonds to finance construction, renovation, and repair of schools and support site facilities. When market and interest rates are favorable, the district may refinance outstanding debt with new debt to reduce interest payments or restructure the debt service requirement of the Bond Redemption Fund. The bonds are serviced from property tax revenues. As of June 30, 2024, total general obligation bonds outstanding are \$297,912,496, and total unamortized premium is \$40,129,213.

The management of the district has complied with all significant financial bond covenants regarding its original bond issues and refunding bond issues. In general, bond covenants for each of the following issues include:

- The district will not take any action or omit to take any action that jeopardizes the federal and state tax-free status of the bonds or bond coupons to the bondholder.
- The district will provide annual financial information to each bond repository.
- The district will prepare and file an annual budget and annual financial report with the appropriate state agency.
- The district will comply with the continuing disclosure certificate, which will be executed by the officers of the district in connection with the delivery of the bonds.

General Obligation Bonds

A description of each issue follows.

- In January 2017, the district issued \$200,000,000 in the 2017A General Obligation Bonds. The current outstanding balance is \$122,445,000. These bonds began maturing on December 1, 2017, with the final principal payment due on December 1, 2036. The interest rate is 5.0 percent. Remaining annual payments for principal and interest range from \$1,025,000 to \$40,400,750.
- In December 2019, the district issued \$26,521,099 in the 2019 General Obligation Bonds. The current outstanding balance is \$22,367,496. These bonds began maturing on December 1, 2020, with the final principal payment due on December 1, 2039. The interest rate is 2.952 percent. Remaining annual payments for principal and interest range from \$1,748,731 to \$1,757,726.
- On July 27, 2021, the district issued \$73,475,000 in the General Obligation Bonds, Series 2021A. These bonds begin maturing on December 1, 2025, with the final principal payment due on December 1, 2029. The interest rate is 5.0 percent. Remaining annual payments for principal and interest range from \$3,673,750 to \$35,393,250. Estimated arbitrage liability as of June 30, 2024 is \$918,100. The final arbitrage liability report will be calculated as of July 2026, when the total amount of interest earnings will be available.
- On July 27, 2021, the district issued \$47,620,000 in the General Obligation Refunding Bonds, Series 2021B. The current outstanding balance is \$12,390,000. These bonds began maturing on December 1, 2021, with the final principal payment due on December 1, 2024. The interest rate on the bonds is 5.0 percent. The remaining annual payment for principal and interest is \$12,699,750. Estimated arbitrage liability as of June 30, 2024 is \$612,067. The final arbitrage liability report will be calculated as of July 2026, when the total amount of interest earnings will be available.

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- On September 20, 2022, the district issued \$126,260,000 in the General Obligation Refunding Bonds, Series 2022. Current outstanding balance is \$67,235,000. These bonds began maturing on December 1, 2022, with the final principal payment due on December 1, 2028. The interest rate is 5.0 percent. Remaining annual payments for principal and interest range from \$8,292,250 to \$39,553,750. Estimated arbitrage liability as of June 30, 2024 is \$192,200. The final arbitrage liability report will be calculated as of September 2027, when the total amount of interest earnings will be available

**Certificates of Participation**

On June 25, 2020, the district sold certificates of participation (COP) with a par value of \$7,575,000. The proceeds from the COP are being used to build a new grades 6-12 school. The outstanding amount due on the COP is collateralized by related future rental income and the property that the funds are being used to construct. The COP matures on December 1, 2029, and bears interest at a per annum fixed rate of 2.77 percent. Remaining annual payments for principal and interest range from \$1,188,337 to \$1,193,070.

**Debt Financing for Capital Assets**

The Board of Education approved a master purchase agreement for financing the costs of acquiring approximately 80 buses and support vehicles for school purposes and other essential need equipment in an amount not to exceed \$12.0 million over approximately a five-year period. The titles to the capital assets are held by the creditor and they will not be released until the debts are fully repaid.

On September 1, 2016, the district financed 14 buses and 36 support vehicles in the amount of \$2,411,380 with an interest rate of 1.726 percent per year to be repaid over the next 10 years.

On September 11, 2017, the district financed 16 buses and 7 support vehicles in the amount of \$1,931,000 with an interest rate of 2.098 percent per year to be repaid over the next 10 years.

On June 21, 2018, the district financed 18 buses and 3 support vehicles in the amount of \$1,837,761 with an interest rate of 3.414 percent per year to be repaid over the next 10 years.

On January 26, 2021, the district financed 16 buses and 3 support vehicles in the amount of \$2,240,571 with an interest rate of 1.670 percent per year to be repaid over the next 10 years.

**Debt Financing for Land Purchase (AST Building)**

On February 20, 2020, the district purchased land for the building of the AST school site. The purchase price was \$4,750,245 with an initial payment made at closing of \$3,844,959 and an additional \$905,286 due to the seller in the future in the form of cash-in-lieu payments received. This financing has no interest due or maturity date. The timing of these future payments is unknown, as cash-in-lieu payments yet to be received by the district depend on the timing of development of certain residential units as per the purchase agreement. The \$905,286 debt financing for the land purchase is reflected as non-current liabilities due within a year.

**Lease Payables**

The district is lessee to various vehicles, equipment, buildings and land for the use of such leased assets. As of June 30, 2024, the value of the lease liability was \$2,627,208. The district is required to make monthly principal and interest payments of \$55,000. The leases have interest rates in the range of 4.70% to 7.66% per annum.

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**SBITA Liability**

The district is the end user to various subscription-based IT arrangement assets. As of June 30, 2024, the value of the SBITA liability was \$1,342,017. The district is required to make monthly principal and interest payments of \$150,000. The SBITA have an interest rate of 4.80% per annum.

**Compensated Absences**

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the district has recorded the accrued liability for compensated absences in the accompanying basic financial statements. The subsequent table summarizes total liabilities and current year activity for compensated absences. Per GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, the amount of \$719,533 recorded in the General Fund in the governmental statements represents the mature portion of total compensated absences liabilities.

**Computation of Legal Debt Margin**

Pursuant to state law, a school district has a limit of bonded indebtedness of the greater of 20 percent of its valuation for taxable property as it exists on the December 10 prior to the date of issuance or 6.0 percent of its statutory actual valuation of the taxable property in the district as of the December 10 prior to the date of issuance. Additionally, the limit on bonded indebtedness is increased to 25 percent of its valuation for taxable property of the district if such district qualifies as a “high growth” district. In the November 2016 Election, voters approved the use of the higher 6.0 percent limit. The debt limit is only applicable at the time of issuance of bonds. Refunding bonds may be issued notwithstanding the debt limit because they are issued at a lower interest rate and would save the district money.

The percentages and amounts used in the following calculation are based on the December 2023 actual valuation and the June 30, 2024, outstanding general obligation bonds payable.

Debt Limit Factors	Actual Valuation	Percentage of Actual Valuation
Valuation - Adams County	\$ 12,249,666,591	-
Valuation - Arapahoe County	30,068,811,251	-
Total valuation	42,318,477,842	-
Apply percentage	6.0%	-
Legal debt limit	2,539,108,671	6.0%
Less general obligation bonds payable	297,912,496	0.7%
Debt margin	\$ 2,241,196,175	5.3%

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**Changes in Noncurrent Liabilities**

Noncurrent liability activity for the year ended June 30, 2024, was as follows:

<u>Issues:</u>	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
2017A General obligation bonds	135,480,000	-	13,035,000	122,445,000	13,690,000
2019 Matching money bonds	23,449,436	-	1,081,940	22,367,496	1,113,879
2021A General obligation bonds	73,475,000	-	-	73,475,000	-
2021B Refunding bonds	24,190,000	-	11,800,000	12,390,000	12,390,000
2022 Refunding bonds	102,585,000	-	35,350,000	67,235,000	37,120,000
Subtotal general obligation debt	359,179,436	-	61,266,940	297,912,496	64,313,879
Premiums/(discounts) on GO debt	46,730,524	-	6,601,311	40,129,213	5,865,846
Subtotal general obligation debt, net	405,909,960	-	67,868,251	338,041,709	70,179,725
2020 Certificates of participation	7,575,000	-	995,000	6,580,000	1,025,000
Subtotal COPs	7,575,000	-	995,000	6,580,000	1,025,000
Direct borrowing for capital assets	3,918,904	-	841,899	3,077,005	860,173
Subtotal debt financing	3,918,904	-	841,899	3,077,005	860,173
Debt financing for land purchase	905,286	-	-	905,286	905,286
Subtotal debt for land purchase	905,286	-	-	905,286	905,286
Arbitrage liability	-	1,722,367	-	1,722,367	-
Subtotal arbitrage liability	-	1,722,367	-	1,722,367	-
Leases	3,100,804	78,349	551,945	2,627,208	528,894
Subtotal leases	3,100,804	78,349	551,945	2,627,208	528,894
SBITAs	1,943,792	394,632	996,407	1,342,017	965,156
Subtotal SBITAs	1,943,792	394,632	996,407	1,342,017	965,156
Total debt outstanding	423,353,746	2,195,348	71,253,502	354,295,592	74,464,234
<u>Compensated absences:</u>					
Unpaid vacation	6,886,633	1,848,791	1,400,147	7,335,277	1,084,964
Unpaid sick leave	7,795,737	1,600,747	835,349	8,561,135	940,434
Total compensated absences	14,682,370	3,449,538	2,235,496	15,896,412	2,025,398
Total changes in noncurrent liabilities	\$ 438,036,116	\$ 5,644,886	\$ 73,488,998	\$ 370,192,004	\$ 76,489,632

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**Summary of Debt Service Requirements to Maturity**

The following schedules reflect the debt service requirements of the district's long-term debt. The long-term debt is included in the governmental activities, as of June 30, 2024:

Date	General Obligation Debt	Total Interest	Total
2025	64,313,879	12,841,098	77,154,977
2026	13,636,761	10,915,481	24,552,242
2027	14,290,613	10,241,129	24,531,742
2028	23,390,465	9,323,637	32,714,102
2029	24,536,345	8,150,727	32,687,072
2030-2034	145,118,118	16,113,235	161,231,353
2035-2039	10,903,018	1,076,171	11,979,189
2040-2044	1,723,297	25,436	1,748,733
Total outstanding principal	<u>\$ 297,912,496</u>	<u>\$ 68,686,914</u>	<u>\$ 366,599,410</u>

Date	Certificates of Participation	Total Interest	Total
2025	1,025,000	168,070	1,193,070
2026	1,050,000	139,331	1,189,331
2027	1,080,000	109,830	1,189,830
2028	1,110,000	79,499	1,189,499
2029	1,140,000	48,337	1,188,337
2030	1,175,000	16,272	1,191,272
Total	<u>\$ 6,580,000</u>	<u>\$ 561,339</u>	<u>\$ 7,141,339</u>

Date	Direct Borrowing for Capital Assets	Total Interest	Total
2025	860,173	64,682	924,855
2026	878,882	45,973	924,855
2027	638,092	26,826	664,918
2028	229,433	11,688	241,121
2029	233,265	7,856	241,121
2030	237,160	3,961	241,121
Total	<u>\$ 3,077,005</u>	<u>\$ 160,986</u>	<u>\$ 3,237,991</u>

Date	Lease Principal	Total Interest	Total
2025	528,894	104,791	633,685
2026	215,752	86,874	302,626
2027	74,703	79,382	154,085
2028	20,648	77,163	97,811
2029	943	76,658	77,601
2030-2034	(4,050)	384,672	380,622
2035-2039	39,167	381,070	420,237
2040-2044	98,367	365,608	463,975
2045-2049	178,237	334,030	512,267
2050-2054	284,744	280,840	565,584
2055-2059	425,485	198,965	624,450
2060-2064	764,318	79,329	843,647
Total	<u>\$ 2,627,208</u>	<u>\$ 2,449,382</u>	<u>\$ 5,076,590</u>

Date	SBITA Principal	Total Interest	Total
2025	965,156	47,914	1,013,070
2026	376,861	14,833	391,694
Total	<u>\$ 1,342,017</u>	<u>\$ 62,747</u>	<u>\$ 1,404,764</u>

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**NOTE 7: SHORT-TERM DEBT**

To meet short-term General Fund cash flow needs, the district participates in the state of Colorado Interest-Free Loan Program. There were two draws made in January and February 2024. The payment back to the state was made on March 12, 2024. Short-term debt activity relating to this program for the year ended June 30, 2024 was as follows:

Balance July 1, 2023	Draws	Payments	Balance June 30, 2024
\$ -	\$ 44,843,162	\$ 44,843,162	\$ -

**NOTE 8: RISK MANAGEMENT**

The district is exposed to various risks of loss such as theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by a combination of risk retention programs, purchased insurance coverages from independent carriers, and by participating in two risk pools. Property and casualty losses, claims and purchased insurance protection are accounted for in the district's General Fund. Settled claims from these risks have not exceeded commercial coverage for each of the past three fiscal years. Some insurance coverage has had additional exclusions in the policies making the district's risk retention slightly higher.

The Colorado Governmental Immunity Act provides protection against several types of claims and establishes damage limits for claims not protected under the Act. In accordance with C.R.S. 24-10-114(l)(b), the limitations on judgments set forth in C.R.S. 24-10-114(1)(a)(I)&(II) are as follows:

*For all claims for relief that accrue before January 1, 2018, the adjusted limitation is:*

- \$350,000 for any injury to one person in any single occurrence.
- \$990,000 for any injury to two or more persons in any single occurrence; except that, in such instance, no person may recover in excess of \$350,000.

*For all claims for relief that accrue on or after January 1, 2018, and before January 1, 2022, the adjusted limitation is:*

- \$387,000 for any injury to one person in any single occurrence.
- \$1,093,000 for any injury to two or more persons in any single occurrence; except that, in such instance, no person may recover in excess of \$387,000.

*For all claims for relief that accrue on or after January 1, 2022, and before January 1, 2026, the adjusted limitation is:*

- \$424,000 for any injury to one person in any single occurrence.
- \$1,195,000 for any injury to two or more persons in any single occurrence; except that, in such instance, no person may recover in excess of \$424,000.



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**Self-insurance Programs and Purchased Insurance Coverages**

The district self-insures the first \$100,000 of each property loss/claim and purchases insurance for any additional property loss/claim up to \$1,000,000,000. For any loss caused by wind or hail, the deductible is 5% of the value of property damaged, with a \$250,000 minimum deductible. The district purchases other insurance policies for crime, first and third party cyber, fiduciary, foreign travel, pollution, boiler & machinery and student professional liability with varying deductibles and limits.

**Workers' Compensation**

In 1986, the district joined other Colorado school districts to form the Joint School Districts' Workers' Compensation Self-Insurance Pool (JSD) with the purpose to control costs related to workers' compensation incidents. JSD is managed by an independent manager chosen by the pool's board of directors. Board membership consists of one member from each of the four participating school districts. Each member's initial contribution and subsequent share of expenses and contributions is based on JSD's and respective member's payroll, projected losses, standard premiums, experience modifications, and other variable expenses as estimated by JSD management and approved by the JSD board. The district's share of expenses is reported in the district's basic financial statements. JSD has no current or long-term debt. Each member of JSD is responsible for the first \$100,000 of each loss. Losses between \$100,000 and \$550,000 are shared between the member districts and losses in excess of \$550,000 are reinsured for up to statutory limits. This pool is audited each year by Clifton Larson Allen LLP. Actuarial services are performed by Willis Towers Watson. Requests for JSD financial statements can be sent to Brown and Brown, 8000 E. Maplewood Avenue, Suite 350, Greenwood Village, Colorado 80111.

**Liability**

The district self-insures the first \$250,000 of each liability loss/claim and purchases insurance for the next \$10,000,000 of each loss/claim. General liability, auto liability and errors and omissions coverage are purchased through the Excess-of-Loss Self Insurance Pool (ELSIP), a public entity risk pool. ELSIP is managed by an independent manager chosen by ELSIP's board of directors. The board is comprised of one member from each of three participating districts. Each member's initial and subsequent share of expenses is determined by its student enrollment, as approved by the board. This pool is audited each year by Clifton Larson Allen LLP. Provision for estimated insurance claims incurred but not reported includes components for each type of coverage in effect (see Note 9.) Requests for ELSIP financial statements can be sent to Secteur Insurance Consulting, 10541 Kicking Horse Drive, Littleton, CO 80125.

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

**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 grantor agencies to request reimbursement for disallowed expenditures. District management believes disallowances, if any, would not materially affect the overall financial position or results of operations of the district.

**Litigation**

Certain lawsuits are presently pending against the district. The district and its legal counsel believe that any liability resulting from such lawsuits would not materially affect the overall financial position or results of operations of the district.

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**Insurance Claims**

Liabilities for retained risk claims are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities for claims incurred but not reported are estimated by applying industry-published loss development standards to current outstanding claims. In addition, incurred claims in the table below include loss amounts that develop into actual payments within the 60-day accrual period. Actual payments can vary from the original estimated amount. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Unpaid claims, beginning of the year	\$ 712,362	\$ 1,641,413
Incurred claims, including changes in IBNR	1,431,186	(838,366)
Claim payments	<u>(469,565)</u>	<u>(90,685)</u>
Unpaid claims, end of year	<u><u>\$ 1,673,983</u></u>	<u><u>\$ 712,362</u></u>

**Construction Commitments**

As of June 30, 2024, the district had various commitments for the acquisition and construction of capital projects. Resources in the Building and Capital Reserve Capital Projects Funds are restricted for construction commitments. The following table provides a detail of significant commitments:

<u>Project Description</u>	<u>Project to Date Expenditures</u>	<u>Commitments at June 30, 2024</u>
2022 BEST Grant - District Wide Safety and Security	\$ 1,807,950	\$ 776,444
2022 BEST Grant North Gym Floor	658,153	15,115
AST Phase II	15,274,735	1,012,904
Aurora Highlands P-8	51,491,577	84,578
AWCPA Classroom Add., Roof Repairs, Renewal	744,770	8,436
BEST Fire Alarms + Supplemental	4,661,413	263,130
Boston K8 ECE Addition, Turf Field & Renewal	54,705	1,495
Crossroads Building Renewal	7,645	3,614
Dartmouth Building Renewal	102,246	355
Del Mar Academy P-8	45,938,742	140,227
District Building Renewal Admin	336,082	1,146
Districtwide Improvements - Safety	5,525,607	31,085
Health Sciences High School Master Plan	127,840	119,850
Horizon Uptown P-8 Design	737,275	3,895,238
Mobile Moves	1,469,664	2,781,609
Nutrition Services Freezer/Cooler Design	242,458	913,505
Paris ECE Addition, Turf Field & Renewal	42,083	175
Printer Reprogramming for Security Cards	18,000	18,000
Technology Equipment Renewal	10,564,553	34,165
Virginia Court Concrete Repair	4,723	2,450
Virginia Court Whole Building Remodel	10,144,719	67,779
Wheeling Building Renewal	132,919	576
Total	<u><u>\$ 150,087,859</u></u>	<u><u>\$ 10,171,876</u></u>

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**NOTE 10: DEFINED BENEFIT PENSION PLAN**

Summary of Significant Accounting Policies - Pension

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

General Information about the Pension Plan

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

*Benefits provided as of December 31, 2023.* 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 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible

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

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

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

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

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

<sup>1</sup>Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the district were \$70,657,664 for the year ended June 30, 2024.

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

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

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

At June 30, 2024, the district reported a liability of \$884,610,675 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 district as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the district were as follows:

District's proportionate share of the net pension liability	\$	884,610,675
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District		19,396,887
Total	\$	<u>904,007,562</u>

At December 31, 2023, the district's proportion was 5.002 percent, which was an increase of 0.898 percent from its proportionate share measured as of December 31, 2022.

For the year ended June 30, 2024, the district recognized pension expense of \$98,109,721 and revenue of \$1,815,660 for the support from the State as a nonemployer contributing entity. At June 30, 2024, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 41,947,294	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	63,412,811	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	88,898,597	45,092,730
Contributions subsequent to the measurement date	36,988,217	-
Total	<u>\$ 231,246,919</u>	<u>\$ 45,092,730</u>

\$36,988,217 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 ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Fiscal Year Ending June 30,	Amount
2025	\$ 19,948,477
2026	74,069,901
2027	72,828,776
2028	(17,681,186)
2029	-
	<u>\$ 149,165,968</u>

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

**Actuarial Assumptions:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 1,182,871,635	\$ 884,610,675	\$ 635,897,136

*Pension plan fiduciary net position.* Detailed information about the SCHDTF's FNP is available in PERA's ACFR which can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

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

Summary of Significant Accounting Policies - Defined Benefit Other Post Employment Benefit (OPEB)

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

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General Information about the OPEB Plan

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

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

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

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

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plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the district were \$3,536,354 for the year ended June 30, 2024.

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

At June 30, 2024, the district reported a liability of \$21,359,822 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the OTL to December 31, 2023. The district's proportion of the net OPEB liability was based on the district's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the district's proportion was 2.99 percent, which was a decrease of 0.13 percent from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the district recognized OPEB expense of \$(380,264). At June 30, 2024, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 4,377,901
Changes of assumptions or other inputs	251,179	2,264,861
Net difference between projected and actual earnings on OPEB plan investments	660,613	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,824,992	1,616,265
Contributions subsequent to the measurement date	1,851,225	-
Total	<u>\$ 4,588,009</u>	<u>\$ 8,259,027</u>

The amount of \$1,851,225 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows

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

For the Fiscal Year Ending June 30,	Amount
2025	\$ (2,058,802)
2026	(1,078,141)
2027	(497,525)
2028	(1,215,696)
2029	(504,782)
Thereafter	(167,298)
	<u>\$ (5,522,244)</u>

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

**Actuarial Assumptions:**

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans <sup>1</sup>	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035

<sup>1</sup>UnitedHealthcare MAPD PPO plans are 0% for 2023.

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age,

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gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

**Age-Related Morbidity Assumptions**

<b>Participant Age</b>	<b>Annual Increase (Male)</b>	<b>Annual Increase (Female)</b>
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

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

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

The 2023 Medicare Part A premium is \$506 (actual dollars) per month. All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A

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premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

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

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

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

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 20,746,764	\$ 21,359,822	\$ 22,026,690

<sup>1</sup>For the January 1, 2024, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.



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- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 25,228,632	\$ 21,359,822	\$ 18,050,053

*OPEB plan fiduciary net position.* Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

**NOTE 12: DEFINED CONTRIBUTION PLANS & DEFERRED COMPENSATION PLAN**

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

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Funding Policy – The PERAPlus 401(k) Plan 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. The plan uses a third-party administrator, and all costs of administration and funding are borne by the plan participants. The district does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions, and investment earnings. For the year ended June 30, 2024, program members contributed \$1,464,597 to the plan.

**Deferred Compensation Plan (PERAPlus 457 Plan)**

Plan Description – Employees of the district may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

Funding Policy - The PERAPlus 457 Plan 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 1603 of the C.R.S., as amended. Plan participation is voluntary and contributions are separate from others made to PERA. The plan uses a third-party administrator, and all costs of administration and funding are borne by the plan participants. The district does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2024, program members contributed \$868,243 to the plan.

**403(b) Defined Contribution Plan**

In addition, employees may contribute to a tax-sheltered annuity in accordance with 403(b) plan and district policies and regulations, an Internal Revenue Code 403(b) defined contribution plan. The plan is held for the benefits of the participants and beneficiaries and all investments are participant-directed. The 403(b) plan is funded by voluntary member contributions up to the maximum limit set by the Internal Revenue Service. The district does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2024, program members contributed \$2,604,290 to the plan.

**NOTE 13: RELATED-PARTY TRANSACTIONS**

The district provides administrative and other services to its eleven charter schools, shown as discretely presented component units. The amount of charges for services, in accordance with governing state statutes, for the fiscal year ended June 30, 2024 was \$10,664,454 which have been recorded in the district's financial statements.

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**NOTE 14: SUBSEQUENT EVENTS**

In August 2024, the district issued \$7.8 million in Certificates of Participation to participate in an Energy Performance Contract to make upgrades to LED lighting and optimizing irrigation systems to create energy efficiencies district wide.

In the November 2024 election, voters approved a \$1 billion general obligation bond to pay for enhanced health, safety and security, a new healthcare focused job skills training high school, career and technical education expansion, mental health support spaces, renovations and modernizations plus much more. The bond passed with 74% approval from our community.

The voters also approved a \$30 million debt free schools mill levy in the November election. This mill levy will help fund ongoing maintenance needs and free up general fund dollars to pay for attracting and retaining teachers by increasing salaries, mental health resources and counseling services and career, technology and skilled trades classes that offer students real-world learning. This measure passed with a 63% approval rating from our community.



# AURORA

## PUBLIC SCHOOLS

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## **Required Supplementary Information**

This section presents the budgetary comparison schedules for the General Fund and the Grants and Nutrition Services Funds, the major special revenue funds. It also includes schedules regarding the district's proportionate share of PERA's net pension liability and their annual contributions.

### **Budgetary Comparisons**

#### **General Fund**

All activities of the district are reported in the General Fund unless there is a legal or contractual requirement to use another fund. Most instructional and administrative expenditures are processed through the General Fund. Primary revenue sources are local property taxes and state aid.

#### **Grants Fund**

This fund is used to account for revenues and expenditures related to federal, state and local grants.

#### **Nutrition Services Fund**

Nutrition Services operates the school lunch and breakfast programs and serves nutritious meals to district students and adults. In addition, summer meal programs, after school snack programs, nutrition education, in-service programs and emergency feeding sites are offered.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Local:				
Property taxes	\$ 229,455,062	\$ 258,509,302	\$ 260,228,401	\$ 1,719,099
Specific ownership	18,000,000	18,000,000	24,569,317	6,569,317
Pupil Activities	5,000	5,000	4,378	(622)
Tuition	225,000	225,000	158,718	(66,282)
Gifts and grants	-	-	17,896	17,896
Charges for services	11,592,871	11,592,871	10,566,310	(1,026,561)
Other	8,780,000	12,701,960	7,909,827	(4,792,133)
Rental of buildings	1,500,000	1,500,000	1,595,073	95,073
Net earnings on investments	3,400,000	3,400,000	4,140,917	740,917
State:				
State equalization	240,633,764	191,058,731	199,504,486	8,445,755
Vocational education	870,629	850,098	850,098	-
Special education	15,828,000	15,602,197	15,620,907	18,710
Transportation	2,535,834	3,108,549	3,430,563	322,014
English Language Proficiency Act	3,492,131	4,537,244	4,537,244	-
READ Act	2,397,648	2,432,500	2,432,501	1
Gifted and talented	377,605	377,605	407,827	30,222
Grants	247,437	12,402,090	16,234,835	3,832,745
Federal grants	454,204	454,204	165,295	(288,909)
Total revenues	539,795,185	536,757,351	552,374,593	15,617,242
<b>EXPENDITURES</b>				
Current:				
Instruction	263,331,300	259,157,350	260,492,049	(1,334,699)
Pupil support	58,287,084	59,861,291	69,169,261	(9,307,970)
Instructional staff support	29,598,333	27,806,235	31,799,684	(3,993,449)
General administration	8,492,978	8,762,070	7,304,773	1,457,297
School administration	33,532,501	35,812,646	39,164,151	(3,351,505)
Business administration	8,036,823	8,036,823	5,819,902	2,216,921
Operations and maintenance	41,255,795	41,876,546	45,934,711	(4,058,165)
Transportation services	15,549,274	15,549,274	8,388,045	7,161,229
Personnel/data/risk management	29,752,276	39,019,972	38,066,582	953,390
Other support services	30,149,251	30,642,251	26,239,133	4,403,118
Food service operations	-	-	7,523	(7,523)
Facilities acquisition and improvements	579,782	5,579,782	9,409,697	(3,829,915)
Debt service:				
Principal	449,463	449,463	1,524,094	(1,074,631)
Interest	132,243	132,243	182,357	(50,114)
Contingencies and appropriated reserves	89,729,356	91,556,431	-	91,556,431
Total expenditures	608,876,459	624,242,377	543,501,962	80,740,415
Excess (deficiency) of revenues over (under) expenditures	(69,081,274)	(87,485,026)	8,872,631	96,357,657
<b>OTHER FINANCING SOURCES (USES)</b>				
Financing from leases and subscriptions	180,000	180,000	472,980	292,980
Transfers out	(7,354,900)	(8,054,900)	(8,237,465)	(182,565)
Total other financing sources (uses)	(7,174,900)	(7,874,900)	(7,764,485)	110,415
Net change in fund balance	\$ (76,256,174)	\$ (95,359,926)	1,108,146	\$ 96,468,072
Fund balance - July 1, 2023			95,359,926	
Fund balance - June 30, 2024			\$ 96,468,072	

The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Special Revenue Fund – Grants Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Local:				
Gifts and grants	\$ 15,704,943	\$ 14,767,606	\$ 1,903,203	\$ (12,864,403)
State:				
Special education	-	-	66,172	66,172
State grants	12,278,835	11,329,455	6,555,038	(4,774,417)
Federal grants	55,928,512	66,973,509	57,280,038	(9,693,471)
Total revenues	<u>83,912,290</u>	<u>93,070,570</u>	<u>65,804,451</u>	<u>(27,266,119)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	45,547,773	36,437,629	20,702,394	15,735,235
Pupil support	12,810,578	23,514,257	16,828,579	6,685,678
Instructional staff support	16,394,904	14,234,058	9,310,967	4,923,091
General administration	2,209,901	4,299,728	1,663,406	2,636,322
School administration	234,835	2,788,112	687,634	2,100,478
Business administration	-	-	18,227	(18,227)
Operations and maintenance	800,000	2,446,008	1,943,134	502,874
Transportation services	-	3,902,468	12,837,373	(8,934,905)
Personnel/data/risk management	2,830,000	2,642,748	144,523	2,498,225
Other support services	2,575,734	2,391,000	1,146,288	1,244,712
Food service operations	508,565	318,804	334,200	(15,396)
Facilities acquisition and improvements	-	95,758	186,896	(91,138)
Debt service:				
Principal	-	-	734	(734)
Interest	-	-	96	(96)
Total expenditures	<u>83,912,290</u>	<u>93,070,570</u>	<u>65,804,451</u>	<u>27,266,119</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - July 1, 2023			-	
Fund balance - June 30, 2024			<u>\$ -</u>	

The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Special Revenue Fund – Nutrition Services Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Local:				
Gifts and grants	\$ -	\$ -	\$ 5,168	\$ 5,168
Charges for services	301,292	419,520	505,602	86,082
Other	-	-	16,129	16,129
Net earnings on investments	500,000	700,000	827,006	127,006
State:				
State grants	602,090	7,167,000	5,738,286	(1,428,714)
Federal grants	18,718,948	21,759,882	22,767,428	1,007,546
Total revenues	<u>20,122,330</u>	<u>30,046,402</u>	<u>29,859,619</u>	<u>(186,783)</u>
<b>EXPENDITURES</b>				
Current:				
Pupil support	-	3,808	5,299	(1,491)
Business administration	-	767,051	710,416	56,635
Operations and maintenance	-	614	772	(158)
Food service operations	33,439,169	47,776,022	28,301,461	19,474,561
Debt service:				-
Principal	-	21,000	21,733	(733)
Interest	-	1,600	582	1,018
Total expenditures	<u>33,439,169</u>	<u>48,570,095</u>	<u>29,040,263</u>	<u>19,529,832</u>
Excess (deficiency) of revenues over (under) expenditures	(13,316,839)	(18,523,693)	819,356	19,343,049
Net change in fund balance	<u>\$ (13,316,839)</u>	<u>\$ (18,523,693)</u>	<u>819,356</u>	<u>\$ 19,343,049</u>
Fund balance - July 1, 2023			18,523,693	
Fund balance - June 30, 2024			<u>\$ 19,343,049</u>	

The notes to the required supplementary information are an integral part of this statement.



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of the District's Proportionate Share of the Net Pension Liability  
PERA – School Division Trust Fund  
For the Year Ended December 31**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's proportion of the net pension liability	5.002%	4.104%	4.866%	5.263%	4.424%	4.259%	5.070%	5.378%	5.383%	5.243%
District's proportionate share of the net pension liability	\$ 884,610,675	\$ 747,281,881	\$ 566,325,130	\$ 795,638,277	\$ 660,924,055	\$ 754,076,588	\$ 1,639,450,659	\$ 1,601,209,456	\$ 823,387,622	\$ 710,633,013
State's proportionate share of the net pension liability	19,396,887	217,765,450	64,921,943	-	83,829,810	103,109,501	-	-	-	-
Total	\$ 904,007,562	\$ 965,047,331	\$ 631,247,073	\$ 795,638,277	\$ 744,753,865	\$ 857,186,089	\$ 1,639,450,659	\$ 1,601,209,456	\$ 823,387,622	\$ 710,633,013
District's covered payroll	\$ 330,709,834	\$ 316,517,613	\$ 304,138,860	\$ 281,367,527	\$ 259,915,969	\$ 234,119,925	\$ 233,872,275	\$ 241,369,031	\$ 234,613,404	\$ 219,654,425
District's proportionate share of the net pension liability as a percentage of its covered payroll	267.49%	236.09%	186.21%	282.78%	254.28%	322.00%	701.00%	663.39%	350.96%	323.52%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.84%

Note 1: Information above is presented as of the measurement date.

Note 2: Information is not available for years prior to 2014; additional years will be displayed as they become available.

Note 3: The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of the District's Pension Contributions  
PERA – School Division Trust Fund  
For the Fiscal Year Ended June 30**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 70,657,665	\$ 66,342,852	\$ 61,507,704	\$ 58,802,255	\$ 52,623,554	\$ 46,667,818	\$ 43,185,850	\$ 44,036,255	\$ 42,960,962	\$ 38,200,248
Contributions in relation to the contractually required contribution	(70,657,665)	(66,342,852)	(61,507,704)	(58,802,255)	(52,623,554)	(46,667,818)	(43,185,850)	(44,036,255)	(42,960,962)	(38,200,248)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 346,701,345	\$ 325,524,557	\$ 309,391,589	\$ 295,788,912	\$ 271,535,443	\$ 243,951,629	\$ 228,710,727	\$ 239,566,489	\$ 242,250,288	\$ 226,217,490
Contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.89%

Note 1: Information above is presented as of the district's fiscal year.

Note 2: Information is not available for years prior to 2015; additional years will be displayed as they become available.

Note 3: The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of the District's Proportionate Share of the Net OPEB Liability  
Health Care Trust  
For the Year Ended December 31**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
District's proportion of the net OPEB liability	2.993%	3.119%	3.177%	3.043%	2.891%	2.768%	2.881%
District's proportionate share of the net OPEB liability	\$ 21,359,822	\$ 25,466,977	\$ 27,399,177	\$ 28,911,987	\$ 32,490,947	\$ 37,661,634	\$ 37,438,154
District's covered payroll	\$ 330,709,834	\$ 316,517,613	\$ 304,138,860	\$ 281,367,527	\$ 259,915,969	\$ 234,119,925	\$ 233,872,275
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.50%

Note 1: Information above is presented as of the measurement date.

Note 2: Information is not currently available for years prior to 2017; additional years will be displayed as they become available.

Note 3: The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of the District's OPEB Contributions  
Health Care Trust Fund  
For the Fiscal Year Ended June 30**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 3,536,354	\$ 3,320,351	\$ 3,155,794	\$ 3,017,047	\$ 2,769,661	\$ 2,488,307	\$ 2,332,850
Contributions in relation to the statutorily required contribution	<u>(3,536,354)</u>	<u>(3,320,351)</u>	<u>(3,155,794)</u>	<u>(3,017,047)</u>	<u>(2,769,661)</u>	<u>(2,488,307)</u>	<u>(2,332,850)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 346,701,345	\$ 325,524,557	\$ 309,391,589	\$ 295,788,912	\$ 271,535,443	\$ 243,951,629	\$ 228,710,727
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Note 1: Information above is presented as of the district's fiscal year.

Note 2: Information is not currently available for years prior to 2018; additional years will be displayed as they become available.

Note 3: The notes to the required supplementary information are an integral part of this statement.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to the Required Supplementary Information  
June 30, 2024**

**NOTE 1: BUDGETARY INFORMATION**

The district follows these procedures in establishing the budgetary data reflected in the financial statements.

- i. Per state statute (§ 22-44-105, C.R.S.), legally adopted budgets are required for all funds. During May, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July. Budgets include estimated expenditures and the means of financing them.
- ii. Public hearings are conducted by the board of education to obtain taxpayer comments.
- iii. Prior to June 30th, the budget is adopted by formal resolution of the board of education, and the district issues a separate budget document.
- iv. Authorizations to transfer budgeted amounts between Colorado Department of Education defined function groups or budget transfers, which change the total fund appropriation, must be approved by the board of education. The superintendent of schools must approve all other line item budget transfers. Actual expenditures and operating transfers out may not legally exceed appropriations at the individual fund level. Budgetary control is maintained at the supervisory department level.
- v. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- vi. Budget amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year.
- vii. Appropriations for all funds lapse at fiscal year-end.

**NOTE 2: SIGNIFICANT CHANGES AFFECTING TRENDS IN ACTUARIAL INFORMATION**

*2023 changes of assumptions or other inputs since the December 31, 2022 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.
- There were no changes made to the actuarial methods or assumptions.

**Defined Benefit Other Post-Employment Benefits (OPEB) Pension Plan:**

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to the Required Supplementary Information  
June 30, 2024**

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

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

*2022 changes of assumptions or other inputs since the December 31, 2021 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

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

**Defined Benefit Other Post-Employment Benefits (OPEB) Pension Plan:**

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

*2021 changes of assumptions or other inputs since the December 31, 2020 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- The assumption used to value the AI cap benefit provision was changed from 1.25 percent to 1.00 percent.

**Defined Benefit Other Post-Employment Benefits (OPEB) Pension Plan:**

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

*2020 changes of assumptions or other inputs since the December 31, 2019 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rate of termination/withdrawal, retirement and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to PubT-2010 Healthy Retiree Table, adjusted as follows:
  - Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

**Joint School District No. 28-J of the  
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- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019
- The disabled mortality assumption for the Division Trust Funds was based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

**Defined Benefit Other Post-Employment Benefits (OPEB) Pension Plan:**

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rate of termination/withdrawal, retirement and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:
  - Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019
- The disabled mortality assumption for the Division Trust Funds was based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

*2019 changes of assumptions or other inputs since the December 31, 2018 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- The assumption used to value the annual increase cap benefit provision was changed from 1.50 percent to 1.25 percent.

**Defined Benefit Other Post-Employment Benefits (OPEB) Pension Plan:**

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

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
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June 30, 2024**

*2018 changes of assumptions or other inputs since the December 31, 2017 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- The single equivalent interest rate (SEIR) for the School Division was increased from 4.78 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the fiduciary net position (FNP), thereby eliminating the need to apply the municipal bond index rate.

**Defined Benefit Other Post Employment Benefits (OPEB) Pension Plan:**

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

*2017 changes in assumptions or other inputs since the December 31, 2016 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- The single equivalent interest rate (SIER) for the School Division was lowered from 5.26 percent to 4.78 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the fiduciary net position (FNP), and the resulting application of the municipal bond rate.
- The municipal bond index rate used in the determination of the SIER for the State, School, and Judicial Divisions changed from 3.86 percent to 3.43 percent on the measurement date.

**Defined Benefit Other Post Employment Pension (OPEB) Plan:**

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

*2016 changes in assumptions or other inputs since the December 31, 2015 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- Investment rate of return assumption was lowered from 7.5 percent to 7.25 percent.
- Price inflation assumption decreased was lowered from 2.80 percent to 2.40 percent.
- Wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables, updated from the RP-2000 Mortality Tables.
- The discount rate was lowered from 7.50 percent to 5.26 percent.

*2015 changes in assumptions or other inputs since the December 31, 2014 actuarial valuation are as follows:*

**Defined Benefit Pension Plan:**

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefit.
  - Refinement of the 18-month AI timing.



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June 30, 2024**

- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
  - Recognition of merit salary increases in the first projection year.
  - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustment to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.



# AURORA

## PUBLIC SCHOOLS

— Power Your Potential —

## **SUPPLEMENTARY INFORMATION**

This section presents the major and nonmajor fund financial statements. These statements show a more detailed look at the funds.

## **Major Governmental Funds**

### **Bond Redemption Fund**

This fund is used to account for property tax revenues and expenditures related to general long-term debt principal, interest, and related costs.

### **Building Fund**

This fund is used to account for expenditures related to major construction, repair, or remodel of district sites. Funding for these projects was provided by the sale of the 2010, 2017, 2019 and 2021 General Obligation Bonds.

### **Capital Reserve Fund**

This fund is used to account for the transfers from the General Fund and other revenue sources allocated or earned in this fund. Associated expenditures are for the ongoing capital needs of the district, such as reserve for debt payments, technology, capital projects, deferred maintenance, heating, ventilation and air conditioning (HVAC) projects, vehicles and roofing projects.

## **Nonmajor Governmental Funds**

### **Athletic Fund**

This fund is used to account for activities of the middle school intramural program and high school interscholastic athletic program. Financing is provided through a general fund subsidy and user fees.

### **Medicaid Fund**

In 1997, the Colorado Legislature enacted legislation authorizing school district to receive and encumber Medicaid reimbursements. This fund is used to account for Medicaid reimbursements which support local school health and related services. Funding also is intended to increase access to preventative and primary care services for low-income, under-insured and uninsured school aged children.

### **Pickens Post-Secondary Fund**

This fund is used to account for the tuition-based activities of the Pickens Post-Secondary Fund. Pickens Technical College provides vocational programs offered for post-secondary credit under the standards established by the state board for community college and occupational education.

### **Pupil Activity Fund**

This fund is used to record financial transactions related to school-sponsored pupil organizations and activities. These activities are self-supporting and do not receive direct or indirect district support. Effective July 1, 2019, in accordance with GASB No. 84, *Fiduciary Activities*, this fund is reported as a special revenue fund.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Debt Service Fund – Bond Redemption Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Local:				
Property taxes	\$ 95,947,307	\$ 116,274,550	\$ 114,415,036	\$ (1,859,514)
Net earnings on investments	2,750,000	4,250,000	6,129,535	1,879,535
Total revenues	<u>98,697,307</u>	<u>120,524,550</u>	<u>120,544,571</u>	<u>20,021</u>
<b>EXPENDITURES</b>				
Current:				
General administration	10,000	-	7,275	(7,275)
Debt service:				
Principal	61,266,940	61,266,940	61,266,940	-
Interest	15,958,133	15,958,133	15,958,133	-
Bond issuance costs	-	10,000	-	10,000
Contingency	151,707,254	174,848,959	-	174,848,959
Total expenditures	<u>228,942,327</u>	<u>252,084,032</u>	<u>77,232,348</u>	<u>174,851,684</u>
Excess (deficiency) of revenues over (under) expenditures	(130,245,020)	(131,559,482)	43,312,223	174,871,705
Net change in fund balance	<u>\$ (130,245,020)</u>	<u>\$ (131,559,482)</u>	<u>43,312,223</u>	<u>\$ 174,871,705</u>
Fund balance - July 1, 2023			131,559,482	
Fund balance - June 30, 2024			<u>\$ 174,871,705</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Capital Projects Fund – Building Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Local:				
Gifts and grants	\$ -	\$ 125,000	\$ 125,000	\$ -
Net earnings on investments	500,000	1,000,000	1,173,135	173,135
State:				
State Grants	7,051,888	6,486,837	1,703,645	(4,783,192)
Total revenues	<u>7,551,888</u>	<u>7,611,837</u>	<u>3,001,780</u>	<u>(4,610,057)</u>
<b>EXPENDITURES</b>				
Current:				
Personnel/data/risk management	-	123,478	125,793	(2,315)
Facilities acquisition and improvements	<u>52,147,817</u>	<u>40,879,302</u>	<u>17,317,550</u>	<u>23,561,752</u>
Total expenditures	<u>52,147,817</u>	<u>41,002,780</u>	<u>17,443,343</u>	<u>23,559,437</u>
Excess (deficiency) of revenues over (under) expenditures	(44,595,929)	(33,390,943)	(14,441,563)	18,949,380
Net change in fund balance	<u>\$ (44,595,929)</u>	<u>\$ (33,390,943)</u>	<u>(14,441,563)</u>	<u>\$ 18,949,380</u>
Fund balance - July 1, 2023			33,390,943	
Fund balance - June 30, 2024			<u>\$ 18,949,380</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Capital Projects Fund – Capital Reserve Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Local:				
Other	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Cash in lieu of land dedication	1,000,000	1,000,000	1,299,679	299,679
Net earnings on investments	250,000	250,000	352,339	102,339
State:				
State grants	-	977,365	424,302	(553,063)
Total revenues	<u>1,350,000</u>	<u>2,327,365</u>	<u>2,076,320</u>	<u>(251,045)</u>
<b>EXPENDITURES</b>				
Current:				
General administration	-	55,000	46,210	8,790
Operations and maintenance	-	396,600	807,326	(410,726)
Transportation services	-	200,000	-	200,000
Facilities acquisition and improvements	1,350,000	10,139,350	6,945,197	3,194,153
Debt:				
Principal	1,836,899	1,836,899	1,836,899	-
Interest	279,003	279,003	280,502	(1,499)
Contingencies and appropriated reserves	2,117,925	-	-	-
Total expenditures	<u>5,583,827</u>	<u>12,906,852</u>	<u>9,916,134</u>	<u>2,990,718</u>
Excess (deficiency) of revenues over (under) expenditures	(4,233,827)	(10,579,487)	(7,839,814)	2,739,673
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,117,925	2,117,925	2,117,925	-
Total other financing sources	<u>2,117,925</u>	<u>2,117,925</u>	<u>2,117,925</u>	<u>-</u>
Net change in fund balance	<u>\$ (2,115,902)</u>	<u>\$ (8,461,562)</u>	<u>(5,721,889)</u>	<u>\$ 2,739,673</u>
Fund balance - July 1, 2023			8,461,562	
Fund balance - June 30, 2024			<u>\$ 2,739,673</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2024**

	Special Revenue				Total Nonmajor Governmental Funds
	Athletic	Medicaid	Pickens Post- Secondary	Pupil Activity	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 68,378	\$ 13,898,092	\$ 11,618,555	\$ 3,227,257	\$ 28,812,282
Receivables - other	66	-	31,328	10,499	41,893
Prepaid items	20,151	26,142	6,832	19,396	72,521
Total assets	<u>\$ 88,595</u>	<u>\$ 13,924,234</u>	<u>\$ 11,656,715</u>	<u>\$ 3,257,152</u>	<u>\$ 28,926,696</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 56,050	\$ 183,634	\$ 93,472	\$ 94,812	\$ 427,968
Accrued compensation	11,545	176,452	320,227	-	508,224
Total liabilities	<u>67,595</u>	<u>360,086</u>	<u>413,699</u>	<u>94,812</u>	<u>936,192</u>
Fund balances:					
Nonspendable:					
Prepaid items	20,151	26,142	6,832	19,396	72,521
Restricted for:					
Medicaid	-	13,538,006	-	-	13,538,006
Student fees	-	-	11,236,184	-	11,236,184
Assigned to:					
Athletic activity	849	-	-	-	849
Pupil activity	-	-	-	3,142,944	3,142,944
Unassigned	-	-	-	-	-
Total fund balances	<u>21,000</u>	<u>13,564,148</u>	<u>11,243,016</u>	<u>3,162,340</u>	<u>27,990,504</u>
Total liabilities and fund balances	<u>\$ 88,595</u>	<u>\$ 13,924,234</u>	<u>\$ 11,656,715</u>	<u>\$ 3,257,152</u>	<u>\$ 28,926,696</u>



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2024**

	Special Revenue				Total Nonmajor Governmental Funds
	Athletic	Medicaid	Pickens Post- Secondary	Pupil Activity	
<b>REVENUES</b>					
Local:					
Pupil activities	\$ 416,913	\$ -	\$ 608,814	\$ 1,878,708	\$ 2,904,435
Tuition	7,534	-	7,771,991	5,890	7,785,415
Gifts and grants	240	-	22,586	112,242	135,068
Charges for services	-	-	305,194	-	305,194
Other	57,899	-	-	232,892	290,791
Medicaid reimbursements	-	7,990,141	-	-	7,990,141
Total revenues	<u>482,586</u>	<u>7,990,141</u>	<u>8,708,585</u>	<u>2,229,732</u>	<u>19,411,044</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	4,636,844	85,092	5,060,379	2,016,340	11,798,655
Pupil support	223,100	4,797,004	122,378	159,984	5,302,466
Instructional staff support	1,358,131	209,484	824,160	-	2,391,775
General administration	9,394	417,588	72	20,310	447,364
School administration	2,739	-	372,216	19,756	394,711
Business administration	-	-	357,968	-	357,968
Operations and maintenance	50,834	-	1,445	1,175	53,454
Transportation services	-	711,310	-	-	711,310
Personnel/Data/Risk Management	-	-	107,092	-	107,092
Other support services	32,410	21,049	453,867	-	507,326
Facilities acquisition and improvements	61,037	-	49,717	-	110,754
Debt service:					
Principal	-	270	734	-	1,004
Interest	-	35	96	-	131
Total expenditures	<u>6,374,489</u>	<u>6,241,832</u>	<u>7,350,124</u>	<u>2,217,565</u>	<u>22,184,010</u>
Excess (deficiency) of revenues over (under) expenditures	(5,891,903)	1,748,309	1,358,461	12,167	(2,772,966)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	5,900,000	-	219,540	-	6,119,540
Total other financing sources	<u>5,900,000</u>	<u>-</u>	<u>219,540</u>	<u>-</u>	<u>6,119,540</u>
Net change in fund balances	8,097	1,748,309	1,578,001	12,167	3,346,574
Fund balance - July 1, 2023	<u>12,903</u>	<u>11,815,839</u>	<u>9,665,015</u>	<u>3,150,173</u>	<u>24,643,930</u>
Fund balance - June 30, 2024	<u>\$ 21,000</u>	<u>\$ 13,564,148</u>	<u>\$ 11,243,016</u>	<u>\$ 3,162,340</u>	<u>\$ 27,990,504</u>

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Revenue Fund – Athletic Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Local:				
Pupil activities	\$ 640,300	\$ 627,398	\$ 416,913	\$ (210,485)
Tuition	-	-	7,534	7,534
Gifts and grants	-	-	240	240
Other	40,000	40,000	57,899	17,899
Total revenues	<u>680,300</u>	<u>667,398</u>	<u>482,586</u>	<u>(184,812)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	4,549,014	3,973,989	4,636,844	(662,855)
Pupil support	94,791	244,026	223,100	20,926
Instructional staff support	2,035,625	2,035,625	1,358,131	677,494
General administration	43,243	43,243	9,394	33,849
School administration	-	-	2,739	(2,739)
Operations and maintenance	-	-	50,834	(50,834)
Other support services	283,418	283,418	32,410	251,008
Contingencies and appropriated reserves	-	-	-	-
Facilities acquisition and improvements	-	-	61,037	(61,037)
Total expenditures	<u>7,006,091</u>	<u>6,580,301</u>	<u>6,374,489</u>	<u>205,812</u>
Excess (deficiency) of revenues over (under) expenditures	(6,325,791)	(5,912,903)	(5,891,903)	21,000
<b>OTHER FINANCING SOURCES</b>				
Transfers in	5,200,000	5,900,000	5,900,000	-
Total other financing sources	<u>5,200,000</u>	<u>5,900,000</u>	<u>5,900,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,125,791)</u>	<u>\$ (12,903)</u>	<u>8,097</u>	<u>\$ 21,000</u>
Fund balance - July 1, 2023			<u>12,903</u>	
Fund balance - June 30, 2024			<u>\$ 21,000</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Revenue Fund – Medicaid Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Medicaid reimbursements	\$ 6,700,000	\$ 6,878,554	\$ 7,990,141	\$ 1,111,587
Total revenues	6,700,000	6,878,554	7,990,141	1,111,587
<b>EXPENDITURES</b>				
Current:				
Instruction	-	83,128	85,092	(1,964)
Pupil support	17,614,778	17,111,933	4,797,004	12,314,929
Instructional staff support	-	208,427	209,484	(1,057)
General administration	-	453,009	417,588	35,421
Transportation services	1,001,000	753,698	711,310	42,388
Other support services	-	84,198	21,049	63,149
Debt service:				
Principal	-	-	270	(270)
Interest	-	-	35	(35)
Total expenditures	18,615,778	18,694,393	6,241,832	12,452,561
Excess (deficiency) of revenues over (under) expenditures	(11,915,778)	(11,815,839)	1,748,309	13,564,148
Net change in fund balance	\$ (11,915,778)	\$ (11,815,839)	1,748,309	\$ 13,564,148
Fund balance - July 1, 2023			11,815,839	
Fund balance - June 30, 2024			\$ 13,564,148	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Revenue Fund – Pickens Post-Secondary Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Local:				
Pupil activities	\$ 950,000	\$ 223,401	\$ 608,814	\$ 385,413
Tuition	6,150,000	7,437,768	7,771,991	334,223
Gifts and grants	-	-	22,586	22,586
Charges for services	400,000	193,799	305,194	111,395
Total revenues	<u>7,500,000</u>	<u>7,854,968</u>	<u>8,708,585</u>	<u>853,617</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	6,337,739	3,633,772	5,060,379	(1,426,607)
Pupil support	275,056	106,798	122,378	(15,580)
Instructional staff support	8,397,186	12,283,566	824,160	11,459,406
General administration	-	216	72	144
School administration	460,000	312,080	372,216	(60,136)
Business administration	327,619	372,016	357,968	14,048
Operations and maintenance	-	261	1,445	(1,184)
Personnel/data/risk management	103,621	111,768	107,092	4,676
Other support services	108,572	689,176	453,867	235,309
Facilities acquisition and improvements	150,000	10,330	49,717	(39,387)
Debt service:				
Principal	-	-	734	(734)
Interest	-	-	96	(96)
Total expenditures	<u>16,159,793</u>	<u>17,519,983</u>	<u>7,350,124</u>	<u>10,169,859</u>
Excess (deficiency) of revenues over (under) expenditures	(8,659,793)	(9,665,015)	1,358,461	11,023,476
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	36,975	-	219,540	219,540
Total other financing sources (uses)	<u>36,975</u>	<u>-</u>	<u>219,540</u>	<u>219,540</u>
Net change in fund balance	<u>\$ (8,622,818)</u>	<u>\$ (9,665,015)</u>	<u>1,578,001</u>	<u>\$ 11,243,016</u>
Fund balance - July 1, 2023			<u>9,665,015</u>	
Fund balance - June 30, 2024			<u>\$ 11,243,016</u>	

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Special Revenue Fund – Pupil Activity Fund  
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Local:				
Pupil activities	\$ 1,855,434	\$ 1,392,402	\$ 1,878,708	\$ 486,306
Tution	-	-	5,890	5,890
Gifts and grants	-	195,424	112,242	(83,182)
Other	-	132,983	232,892	99,909
Total revenues	<u>1,855,434</u>	<u>1,720,809</u>	<u>2,229,732</u>	<u>508,923</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	4,993,440	4,531,882	2,016,340	2,515,542
Pupil support	77,146	215,949	159,984	55,965
Instructional staff support	9,655	9,904	-	9,904
General administration	945	62,135	20,310	41,825
School administration	-	33,426	19,756	13,670
Business administration	-	147	-	147
Operations and maintenance	592	592	1,175	(583)
Personnel/data/risk management	5,967	5,967	-	5,967
Other support services	10,638	10,980	-	10,980
Total expenditures	<u>5,098,383</u>	<u>4,870,982</u>	<u>2,217,565</u>	<u>2,653,417</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,242,949)</u>	<u>(3,150,173)</u>	<u>12,167</u>	<u>3,162,340</u>
Net change in fund balance	<u>\$ (3,242,949)</u>	<u>\$ (3,150,173)</u>	<u>12,167</u>	<u>\$ 3,162,340</u>
Fund balance - July 1, 2023			<u>3,150,173</u>	
Fund balance - June 30, 2024			<u>\$ 3,162,340</u>	



# AURORA

## PUBLIC SCHOOLS

— Power Your Potential —

## **Supplementary Schedules – Nonmajor Component Units Charter Schools**

### **Academy of Advanced Learning**

Academy of Advanced Learning began operations with the district July 1, 2017. The school serves students in kindergarten through eighth grades. Effective June 30, 2024, Academy of Advanced Learning's charter school contract with the district was terminated.

### **Aurora Academy**

Aurora Academy began operations with the district on July 1, 2000. The school serves students in kindergarten through eighth grades.

### **Aurora Science and Tech of Denver School of Science and Technology, Inc.**

Aurora Science and Tech began operations with the district on July 1, 2019. The school operates on two campuses, a middle school and a high school, and serves students in sixth through twelfth grades.

### **AXL Charter School**

AXL began operations with the district on July 1, 2008. The school serves students in preschool through eighth grades.

### **Global Village Academy**

Global Village Academy began operations with the district on July 1, 2007. The school serves students in kindergarten through eighth grades.

### **Lotus School for Excellence**

Lotus School of Excellence began operations with the district on July 1, 2006. The school serves students in kindergarten through twelfth grades.

### **Rocky Mountain Preparatory at Fletcher**

Rocky Mountain Preparatory began operations with the district on July 1, 2016. The school serves students in preschool through fifth grades.

### **Vanguard Classical School**

Vanguard began operations with the district on July 1, 2007. The school operates two campuses, East and West, and serves students in kindergarten through twelfth grades.

### **Vega Collegiate Academy**

Vega Collegiate Academy began operations with the district on July 1, 2017. The school serves students in kindergarten through eighth grades.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Combining Statement of Net Position  
Component Units – Charter Schools  
June 30, 2024**

	Academy of Advanced Learning	Aurora Academy	Aurora Science and Tech of DSST	AXL Charter School	Global Village Academy	Lotus School for Excellence	Rocky Mountain Preparatory School at Fletcher	Vanguard Classical School	Vega Collegiate Academy	Total
<b>ASSETS</b>										
Current assets:										
Cash and cash equivalents	\$ 33,432	\$ 3,436,484	\$ (30,180)	\$ 648,603	\$ 5,986,747	\$ 3,804,817	\$ 4,220,822	\$ 8,562,460	\$ 2,358,501	\$ 29,021,686
Due from other governments	84,247	-	-	-	-	148,377	-	276,825	55,296	564,745
Receivables (net of allowance for uncollectibles)	252,021	121,486	3,635,412	195,117	3,025,633	188,362	1,066,340	320,269	167,020	8,971,660
Prepaid items and other assets	181,206	53,961	12,763	89,822	24,121	77,927	26,374	197,517	75,812	739,503
Total current assets	550,906	3,611,931	3,617,995	933,542	9,036,501	4,219,483	5,313,536	9,357,071	2,656,629	39,297,594
Noncurrent assets:										
Restricted: Cash and cash equivalents and investments	345,124	709,128	25,286	254,257	2,823,417	135,627	-	1,817,570	2,323,047	8,433,456
Capital assets (net of accumulated depreciation/amortization):										
Land	-	310,000	-	-	1,101,789	590,820	-	-	-	2,002,609
Construction in progress	-	1,906,342	-	1,233,922	-	-	-	-	-	3,140,264
Buildings and improvements	8,614,526	4,927,350	387,616	280,380	19,194,874	14,060,573	-	22,883,755	11,999,293	82,348,367
Equipment and vehicles	-	343,618	-	91,464	18,866	923,722	-	72,460	88,177	1,538,307
Right-to-use assets - leases, IT subscriptions, vehicles	7,299,017	-	473,148	4,006,897	383,278	-	-	60,479	391,670	12,614,489
Total noncurrent assets	16,258,667	8,196,438	886,050	5,866,920	23,522,224	15,710,742	-	24,834,264	14,802,187	110,077,492
<b>Total assets</b>	<b>16,809,573</b>	<b>11,808,369</b>	<b>4,504,045</b>	<b>6,800,462</b>	<b>32,558,725</b>	<b>19,930,225</b>	<b>5,313,536</b>	<b>34,191,335</b>	<b>17,458,816</b>	<b>149,375,086</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Deferred loss on bond refunding	-	186,793	-	-	498,972	-	-	-	-	685,765
Items related to pension plan	7,722,608	2,966,911	5,676,356	1,908,171	4,648,455	4,904,463	4,189,475	5,329,626	3,033,856	40,379,921
Items related to OPEB	282,619	44,870	286,006	30,580	78,289	84,025	159,736	108,230	202,249	1,276,604
<b>Total deferred outflows of resources</b>	<b>8,005,227</b>	<b>3,198,574</b>	<b>5,962,362</b>	<b>1,938,751</b>	<b>5,225,716</b>	<b>4,988,488</b>	<b>4,349,211</b>	<b>5,437,856</b>	<b>3,236,105</b>	<b>42,342,290</b>
<b>LIABILITIES</b>										
Current liabilities:										
Accounts payable and other current liabilities	777,616	1,045,696	102,139	266,489	1,680,167	215,886	173,998	518,487	65,532	4,846,010
Accrued salaries and benefits	565,662	452,999	354,629	396,323	621,773	587,698	-	694,521	-	3,673,605
Unearned revenue	257,617	-	-	-	151,923	675	19,698	-	39,156	469,069
Accrued interest payable	31,514	42,701	-	37,080	325,268	21,878	-	525,984	262,907	1,247,332
Notes, leases, IT subscriptions and mortgages payable	971,713	305,047	64,271	1,181,431	9,058,183	295,614	-	411,210	339,517	12,626,986
Total current liabilities	2,604,122	1,846,443	521,039	1,881,323	11,837,314	1,121,751	193,696	2,150,202	707,112	22,863,002
Noncurrent liabilities:										
Net pension liability	22,028,950	10,575,782	12,342,138	6,794,844	16,027,587	18,833,818	12,142,744	18,918,307	9,750,855	127,415,025
Net OPEB liability	532,196	255,363	298,013	164,068	331,190	454,761	293,198	456,801	235,444	3,021,034
Notes, leases, IT subscriptions and mortgages payable	15,955,232	3,242,310	379,726	4,122,922	18,465,486	7,591,378	-	23,743,270	14,805,962	88,306,286
Total noncurrent liabilities	38,516,378	14,073,455	13,019,877	11,081,834	34,824,263	26,879,957	12,435,942	43,118,378	24,792,261	218,742,345
<b>Total liabilities</b>	<b>41,120,500</b>	<b>15,919,898</b>	<b>13,540,916</b>	<b>12,963,157</b>	<b>46,661,577</b>	<b>28,001,708</b>	<b>12,629,638</b>	<b>45,268,580</b>	<b>25,499,373</b>	<b>241,605,347</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Items related to pension plan	210,831	370,420	-	338,561	783,115	806,807	478,655	641,360	-	3,629,749
Items related to OPEB	165,517	81,143	92,680	64,531	176,473	165,808	91,183	157,952	101,599	1,096,886
Items related to leases	-	-	-	-	2,741,663	-	-	-	-	2,741,663
<b>Total deferred inflows of resources</b>	<b>376,348</b>	<b>451,563</b>	<b>92,680</b>	<b>403,092</b>	<b>3,701,251</b>	<b>972,615</b>	<b>569,838</b>	<b>799,312</b>	<b>101,599</b>	<b>7,468,298</b>
<b>NET POSITION</b>										
Net investment in capital assets	(1,013,402)	4,126,746	416,767	308,310	(6,824,862)	7,688,123	-	(1,024,238)	(1,761,414)	1,916,030
Restricted for:										
TABOR emergency reserve	206,489	253,412	419,460	221,236	449,116	477,500	309,087	521,000	281,200	3,138,500
Other	263,610	-	61,247	-	2,823,417	-	-	1,228,038	1,210,511	5,586,823
Unrestricted (deficit)	(16,138,745)	(5,744,676)	(4,064,663)	(5,156,582)	(9,026,058)	(12,221,233)	(3,845,816)	(7,163,501)	(4,636,348)	(67,997,622)
<b>Total net position (deficit)</b>	<b>\$ (16,682,048)</b>	<b>\$ (1,364,518)</b>	<b>\$ (3,167,189)</b>	<b>\$ (4,627,036)</b>	<b>\$ (12,578,387)</b>	<b>\$ (4,055,610)</b>	<b>\$ (3,536,729)</b>	<b>\$ (6,438,701)</b>	<b>\$ (4,906,051)</b>	<b>\$ (57,356,269)</b>



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Combining Statement of Activities  
Component Units – Charter Schools  
For the Fiscal Year Ended June 30, 2024**

	Academy of Advanced Learning	Aurora Academy	Aurora Science and Tech of DSST	AXL Charter School	Global Village Academy	Lotus School for Excellence	Rocky Mountain Preparatory School at Fletcher	Vanguard Classical School	Vega Collegiate	Total
<b>Expenses</b>										
Governmental activities	\$ 26,727,429	\$ 8,123,871	\$ 15,421,375	\$ 6,648,276	\$ 16,725,558	\$ 15,483,932	\$ 13,029,777	\$ 19,261,720	\$ 11,637,446	\$ 133,059,384
Total expenses	<u>26,727,429</u>	<u>8,123,871</u>	<u>15,421,375</u>	<u>6,648,276</u>	<u>16,725,558</u>	<u>15,483,932</u>	<u>13,029,777</u>	<u>19,261,720</u>	<u>11,637,446</u>	<u>133,059,384</u>
<b>Program revenues</b>										
Charges for services	7,175,887	54,782	59,575	12,884	79,011	732,833	884,599	1,500,876	15,952	10,516,399
Operating grants and contributions	2,275,363	349,722	1,480,780	500,381	1,028,674	881,151	1,424,960	1,409,335	1,860,367	11,210,733
Capital grants and contributions	311,813	202,857	-	137,483	338,359	376,791	912,263	429,288	217,913	2,926,767
Total program revenues	<u>9,763,063</u>	<u>607,361</u>	<u>1,540,355</u>	<u>650,748</u>	<u>1,446,044</u>	<u>1,990,775</u>	<u>3,221,822</u>	<u>3,339,499</u>	<u>2,094,232</u>	<u>24,653,899</u>
Net expenses	(16,964,366)	(7,516,510)	(13,881,020)	(5,997,528)	(15,279,514)	(13,493,157)	(9,807,955)	(15,922,221)	(9,543,214)	(108,405,485)
<b>General revenues:</b>										
School finance act, unrestricted	8,883,512	6,053,264	8,706,271	4,343,563	9,937,188	11,029,121	6,562,724	12,626,369	6,399,824	74,541,836
Net earnings on investments	22,101	245,148	99,380	10,537	403,591	195,969	78,142	506,843	60,561	1,622,272
Grants and contributions not restricted to programs	-	-	366,747	-	-	-	-	21,664	-	388,411
Other	2,413,073	1,833,364	2,688,928	2,103,372	3,640,603	2,851,012	1,685,208	3,290,498	1,695,707	22,201,765
Total general revenues	<u>11,318,686</u>	<u>8,131,776</u>	<u>11,861,326</u>	<u>6,457,472</u>	<u>13,981,382</u>	<u>14,076,102</u>	<u>8,326,074</u>	<u>16,445,374</u>	<u>8,156,092</u>	<u>98,754,284</u>
Change in net position	(5,645,680)	615,266	(2,019,694)	459,944	(1,298,132)	582,945	(1,481,881)	523,153	(1,387,122)	(9,651,201)
Net position (deficit) as restated - July 1, 2023	<u>(11,036,368)</u>	<u>(1,979,784)</u>	<u>(1,147,495)</u>	<u>(5,086,980)</u>	<u>(11,280,255)</u>	<u>(4,638,555)</u>	<u>(2,054,848)</u>	<u>(6,961,854)</u>	<u>(3,518,929)</u>	<u>(47,705,068)</u>
Net position (deficit) - June 30, 2024	<u>\$ (16,682,048)</u>	<u>\$ (1,364,518)</u>	<u>\$ (3,167,189)</u>	<u>\$ (4,627,036)</u>	<u>\$ (12,578,387)</u>	<u>\$ (4,055,610)</u>	<u>\$ (3,536,729)</u>	<u>\$ (6,438,701)</u>	<u>\$ (4,906,051)</u>	<u>\$ (57,356,269)</u>



## Colorado Department of Education

### Auditors Integrity Report

District: 0180 - Adams-Arapahoe 28J

Fiscal Year 2023-24  
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
<b>Governmental</b>	<b>+</b>		<b>-</b>	<b>=</b>
10 General Fund	90,359,926	514,984,177	518,236,951	87,107,152
18 Risk Mgmt Sub-Fund of General Fund	5,000,000	13,471,278	9,147,679	9,323,599
19 Colorado Preschool Program Fund	0	16,154,653	16,117,332	37,321
<b>Sub- Total</b>	<b>95,359,926</b>	<b>544,610,107</b>	<b>543,501,962</b>	<b>96,468,072</b>
11 Charter School Fund	28,685,715	123,214,947	122,277,182	29,623,480
20,26-29 Special Revenue Fund	21,493,756	23,300,853	19,966,445	24,828,164
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	18,523,693	29,859,619	29,040,262	19,343,049
22 Govt Designated-Purpose Grants Fund	0	65,804,451	65,804,451	0
23 Pupil Activity Special Revenue Fund	3,150,173	2,229,732	2,217,565	3,162,340
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	131,559,482	120,544,571	77,232,348	174,871,705
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	33,390,943	3,001,780	17,443,343	18,949,381
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	8,461,562	4,194,245	9,916,135	2,739,673
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>340,625,251</b>	<b>916,760,306</b>	<b>887,399,694</b>	<b>369,985,863</b>
<b>Proprietary</b>				
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	-242,275	6,811,929	6,985,106	-415,452
<b>Totals</b>	<b>-242,275</b>	<b>6,811,929</b>	<b>6,985,106</b>	<b>-415,452</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	2,573,816	1,423,691	1,365,160	2,632,347
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	2,190,078	2,246,160	1,219,549	3,216,689
<b>Totals</b>	<b>4,763,894</b>	<b>3,669,851</b>	<b>2,584,709</b>	<b>5,849,036</b>

FINAL

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

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## STATISTICAL SECTION (UNAUDITED)

Detailed information about Aurora Public School's annual comprehensive financial report is presented in the Statistical Section 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.

<b>Contents</b>	<b>Page</b>
Financial Trends	129
These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.	
Revenue Capacity	136
These schedules contain information to help the reader assess one of the district's most significant local revenue sources, the property tax.	
Debt Capacity	142
These schedules present information to help the reader to assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	
Demographic and Economic Information	146
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	
Operating Information	148
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to services the district provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. Links provided as specific source references are original links which may have expired or are no longer valid.

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**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Net Position by Component  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Governmental activities:										
Net investment in capital assets	\$ 18,748,887	\$ 24,061,345	\$ 33,582,219	\$ 64,577,395	\$ 74,657,134	\$ 103,888,391	\$ 117,415,039	\$ 125,656,525	\$ 214,538,766	\$ 271,522,809
Restricted	50,648,446	57,065,755	68,241,264	76,663,926	97,255,276	121,774,324	145,580,575	177,789,182	186,118,204	236,366,324
Unrestricted	(615,197,910)	(668,057,787)	(946,564,450)	(1,261,588,811)	(1,112,597,303)	(952,998,885)	(724,033,638)	(536,633,152)	(618,943,921)	(652,247,575)
Total governmental activities										
net position (deficit)	(545,800,577)	(586,930,687)	(844,740,967)	(1,120,347,490)	(940,684,893)	(727,336,170)	(461,038,024)	(233,187,445)	(218,286,951)	(144,358,442)
Primary government										
Net investment in capital assets	18,748,887	24,061,345	33,582,219	64,577,395	74,657,134	103,888,391	117,415,039	125,656,525	214,538,766	271,522,809
Restricted	50,648,446	57,065,755	68,241,264	76,663,926	97,255,276	121,774,324	145,580,575	177,789,182	186,118,204	236,366,324
Unrestricted	(615,197,910)	(668,057,787)	(946,564,450)	(1,261,588,811)	(1,112,597,303)	(952,998,885)	(724,033,638)	(536,633,152)	(618,943,921)	(652,247,575)
Total governmental activities										
net position (deficit)	<u>\$ (545,800,577)</u>	<u>\$ (586,930,687)</u>	<u>\$ (844,740,967)</u>	<u>\$ (1,120,347,490)</u>	<u>\$ (940,684,893)</u>	<u>\$ (727,336,170)</u>	<u>\$ (461,038,024)</u>	<u>\$ (233,187,445)</u>	<u>\$ (218,286,951)</u>	<u>\$ (144,358,442)</u>

Note 1: This schedule consolidates data from the government-wide financial statements that utilize the full accrual basis of accounting.

Note 2: During 2014-15, the district adopted GASB 68. Prior year and earlier have not been restated for the adoption of GASB 68 because it is impractical to do so.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Expenses, Program Revenues and Net (Expense)/Revenue  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>EXPENSES</b>										
Governmental activities:										
Instruction	\$ 244,552,029	\$ 267,967,412	\$ 387,982,826	\$ 380,254,999	\$ 170,369,692	\$ 174,053,652	\$ 167,588,694	\$ 176,911,630	\$ 299,172,358	\$ 318,536,739
Supporting services	183,829,425	210,162,350	318,968,190	329,952,503	183,868,742	202,640,036	227,614,744	266,973,325	388,120,635	394,920,848
Interest	15,552,211	14,960,302	17,363,928	20,695,296	19,877,104	19,565,840	19,452,373	24,263,034	30,046,040	8,244,432
Total governmental activities expense	443,933,665	493,090,064	724,314,944	730,902,798	374,115,538	396,259,528	414,655,811	468,147,989	717,339,033	721,702,019
Total primary government expenses	<u>\$ 443,933,665</u>	<u>\$ 493,090,064</u>	<u>\$ 724,314,944</u>	<u>\$ 730,902,798</u>	<u>\$ 374,115,538</u>	<u>\$ 396,259,528</u>	<u>\$ 414,655,811</u>	<u>\$ 468,147,989</u>	<u>\$ 717,339,033</u>	<u>\$ 721,702,019</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services--instruction programs	\$ 5,929,784	\$ 6,215,052	\$ 6,542,641	\$ 7,993,537	\$ 8,173,184	\$ 10,035,034	\$ 5,844,519	\$ 9,635,658	\$ 9,898,672	\$ 10,894,260
Charges for services--other programs	5,892,764	5,436,096	6,002,869	7,341,251	8,615,894	10,516,367	10,719,662	12,944,044	14,986,779	16,974,239
Operating grants and contributions	51,189,828	55,215,023	57,223,026	58,038,488	65,770,177	65,875,346	160,437,356	133,110,243	135,767,728	124,814,769
Capital grants and contributions	1,094,341	1,637,303	4,181,729	5,532,458	4,213,538	1,567,907	4,881,784	7,736,643	2,862,727	4,327,948
Total governmental activities	64,106,717	68,503,474	73,950,265	78,905,734	86,772,793	87,994,654	181,883,321	163,426,588	163,515,906	157,011,216
Total primary government program revenues	<u>\$ 64,106,717</u>	<u>\$ 68,503,474</u>	<u>\$ 73,950,265</u>	<u>\$ 78,905,734</u>	<u>\$ 86,772,793</u>	<u>\$ 87,994,654</u>	<u>\$ 181,883,321</u>	<u>\$ 163,426,588</u>	<u>\$ 163,515,906</u>	<u>\$ 157,011,216</u>
Net (expense) / revenue										
Governmental activities	<u>\$ (379,826,948)</u>	<u>\$ (424,586,590)</u>	<u>\$ (650,364,679)</u>	<u>\$ (651,997,064)</u>	<u>\$ (287,342,745)</u>	<u>\$ (308,264,874)</u>	<u>\$ (232,772,490)</u>	<u>\$ (304,721,401)</u>	<u>\$ (553,823,127)</u>	<u>\$ (564,690,803)</u>
Total primary government net expense	<u>\$ (379,826,948)</u>	<u>\$ (424,586,590)</u>	<u>\$ (650,364,679)</u>	<u>\$ (651,997,064)</u>	<u>\$ (287,342,745)</u>	<u>\$ (308,264,874)</u>	<u>\$ (232,772,490)</u>	<u>\$ (304,721,401)</u>	<u>\$ (553,823,127)</u>	<u>\$ (564,690,803)</u>

Note 1: This schedule consolidates data from the government-wide financial statements that utilize the full accrual basis of accounting.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
General Revenues and Total Change in Net Position  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Net (expense) / revenue</b>										
Governmental activities	\$ (379,826,948)	\$ (424,586,590)	\$ (650,364,679)	\$ (651,997,064)	\$ (287,342,745)	\$ (308,264,874)	\$ (232,772,490)	\$ (304,721,401)	\$ (553,823,127)	\$ (564,690,803)
Total primary government net expense	<u>\$ (379,826,948)</u>	<u>\$ (424,586,590)</u>	<u>\$ (650,364,679)</u>	<u>\$ (651,997,064)</u>	<u>\$ (287,342,745)</u>	<u>\$ (308,264,874)</u>	<u>\$ (232,772,490)</u>	<u>\$ (304,721,401)</u>	<u>\$ (553,823,127)</u>	<u>\$ (564,690,803)</u>
<b>General revenue and other changes in net position</b>										
Governmental activities:										
Property taxes, levied for debt service and general fund use	\$ 128,152,396	\$ 152,056,002	\$ 161,122,405	\$ 189,896,466	\$ 226,785,004	\$ 274,402,739	\$ 287,173,369	\$ 310,743,869	\$ 322,431,106	\$ 399,212,754
School finance act, unrestricted	226,238,914	230,042,314	228,988,569	221,921,447	233,366,711	239,175,271	210,519,931	220,807,146	235,972,204	226,783,626
Earnings on investments	1,317,941	1,358,164	2,443,425	2,975,954	6,853,627	6,014,603	1,377,336	1,020,965	10,320,311	12,622,932
Total governmental activities	<u>355,709,251</u>	<u>383,456,480</u>	<u>392,554,399</u>	<u>414,793,867</u>	<u>467,005,342</u>	<u>519,592,613</u>	<u>499,070,636</u>	<u>532,571,980</u>	<u>568,723,621</u>	<u>638,619,312</u>
Total primary government	<u>\$ 355,709,251</u>	<u>\$ 383,456,480</u>	<u>\$ 392,554,399</u>	<u>\$ 414,793,867</u>	<u>\$ 467,005,342</u>	<u>\$ 519,592,613</u>	<u>\$ 499,070,636</u>	<u>\$ 532,571,980</u>	<u>\$ 568,723,621</u>	<u>\$ 638,619,312</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ (24,117,697)	\$ (41,130,110)	\$ (257,810,280)	\$ (237,203,197)	\$ 179,662,597	\$ 211,327,739	\$ 266,298,146	\$ 227,850,579	\$ 14,900,494	\$ 73,928,509
Total primary government	<u>\$ (24,117,697)</u>	<u>\$ (41,130,110)</u>	<u>\$ (257,810,280)</u>	<u>\$ (237,203,197)</u>	<u>\$ 179,662,597</u>	<u>\$ 211,327,739</u>	<u>\$ 266,298,146</u>	<u>\$ 227,850,579</u>	<u>\$ 14,900,494</u>	<u>\$ 73,928,509</u>

Note 1: This schedule consolidates data from the government-wide financial statements that utilize the full accrual basis of accounting.

Note 2: During 2014-15, the district adopted GASB 68. Prior year and earlier have not been restated for the adoption of GASB 68 because it is impractical to do so.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General Fund										
Nonspendable	\$ 488,776	\$ 712,565	\$ 795,964	\$ 1,095,346	\$ 2,806,380	\$ 5,167,959	\$ 7,140,952	\$ 5,204,104	\$ 3,510,320	\$ 3,876,166
Restricted	13,195,211	11,875,233	10,363,161	11,062,921	13,241,919	13,894,073	12,447,581	15,122,508	14,568,994	15,548,287
Committed	150,000	150,000	100,000	150,000	100,000	200,000	200,000	200,000	200,000	150,000
Assigned	5,010,250	14,420,987	11,192,817	18,402,041	63,187,007	107,522,600	136,169,656	112,470,911	54,228,910	47,601,559
Unassigned	26,880,124	14,583,354	18,220,045	35,567,392	29,328,573	20,475,322	24,577,483	26,927,156	22,851,702	29,292,060
Total General Fund	<u>\$ 45,724,361</u>	<u>\$ 41,742,139</u>	<u>\$ 40,671,987</u>	<u>\$ 66,277,700</u>	<u>\$ 108,663,879</u>	<u>\$ 147,259,954</u>	<u>\$ 180,535,672</u>	<u>\$ 159,924,679</u>	<u>\$ 95,359,926</u>	<u>\$ 96,468,072</u>
All other governmental funds										
Nonspendable										
Capital projects funds	\$ 7,150	\$ 19,470	\$ 25,866	\$ 28,584	\$ 7,403	\$ 184,689	\$ 24,513	\$ 60,712	\$ 52,153	\$ 150,861
Special revenue funds	1,078,950	874,829	742,987	772,685	48,630	222,835	276,490	64,544	22,557	72,983
Restricted										
Debt service fund	28,456,159	37,115,173	47,512,633	51,523,245	60,364,179	82,484,507	103,251,594	123,462,543	131,559,482	174,871,705
Capital projects funds	26,636,634	15,065,187	196,871,552	153,767,285	105,054,553	65,821,814	47,120,445	93,883,891	33,390,943	18,949,380
Special revenue funds	8,946,826	8,075,349	10,365,470	14,077,760	23,649,178	25,395,744	29,881,400	39,204,131	39,989,728	44,116,777
Assigned										
Capital projects funds	-	-	-	-	-	-	-	13,136,632	8,409,409	2,588,812
Special revenue funds	2,678,371	2,599,744	3,114,034	4,493,837	72,905	2,833,234	2,661,588	3,686,914	3,155,338	3,143,793
Total all other governmental funds	<u>\$ 67,804,090</u>	<u>\$ 63,749,752</u>	<u>\$ 258,632,542</u>	<u>\$ 224,663,396</u>	<u>\$ 189,196,848</u>	<u>\$ 176,942,823</u>	<u>\$ 183,216,030</u>	<u>\$ 273,499,367</u>	<u>\$ 216,579,610</u>	<u>\$ 243,894,311</u>

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 2: In 2014-15, due to a change in mandatory state reporting, the Nutrition Services Fund has been reclassified from a Proprietary Enterprise Fund to a Special Revenue Governmental Fund.



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Governmental Funds Revenues  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>REVENUES</b>										
Local:										
Property taxes	\$ 119,346,751	\$ 141,525,838	\$ 148,295,014	\$ 174,315,023	\$ 214,206,504	\$ 254,366,657	\$ 269,935,874	\$ 294,205,891	\$ 303,918,269	\$ 374,643,437
Specific ownership	9,573,329	10,611,885	12,318,599	14,446,509	15,082,796	17,322,570	17,666,331	17,086,269	18,512,837	24,569,317
Pupil activities	1,310,229	2,240,689	554,641	813,557	908,762	3,185,305	1,376,804	3,180,889	2,876,847	2,908,813
Tuition	3,526,516	2,844,866	4,973,150	6,085,701	6,244,780	6,360,458	4,373,274	6,408,046	6,982,220	7,944,133
Activity fees	94,408	85,047	-	-	-	-	-	-	-	-
Gifts and grants	888,309	1,100,481	1,482,892	1,158,764	1,451,724	2,761,526	1,918,498	5,514,387	3,409,273	2,186,335
Charges for services	4,539,735	4,357,224	4,750,397	5,409,139	6,544,404	8,499,280	9,676,821	10,631,366	12,954,984	11,377,106
Other	4,354,389	4,364,590	6,028,312	7,714,606	6,074,528	6,041,904	10,784,056	5,267,795	6,842,171	8,216,747
Cash in lieu of land	-	1,990,884	67,306	1,490,347	1,151,926	921,131	2,306,372	2,898,671	3,603,118	1,299,679
Rental of buildings	890,042	958,461	1,161,395	1,202,016	1,167,419	1,210,681	1,096,666	1,536,000	1,388,270	1,595,073
Earnings on investments	1,317,941	1,358,164	2,443,425	2,975,954	6,853,627	6,014,603	1,377,336	1,020,965	10,320,311	12,622,932
State:										
State equalization	207,645,277	209,551,552	208,750,813	201,192,094	211,476,666	216,880,041	187,866,846	201,900,907	211,787,454	199,504,486
Vocational education	1,358,220	1,244,500	1,137,630	1,561,128	1,206,662	1,528,169	1,336,601	424,649	1,113,894	850,098
Special education	7,780,271	8,236,298	8,190,131	8,382,197	8,462,930	9,625,174	9,724,497	10,938,820	14,171,561	15,687,079
Grants	3,072,535	3,323,848	5,420,466	7,800,278	12,801,217	11,024,062	12,852,536	25,274,663	25,744,357	30,656,106
Transportation	1,574,762	1,607,630	1,519,782	1,580,675	1,919,532	1,858,097	1,929,817	2,058,211	2,638,569	3,430,563
Other	7,880,384	9,402,334	9,390,213	9,205,353	15,618,495	14,928,637	15,894,496	12,783,975	13,342,605	15,367,713
Federal grants	45,223,446	46,324,463	50,158,343	47,423,359	44,080,546	46,043,110	130,429,572	86,827,051	85,564,322	80,212,761
<b>Total revenues</b>	<b>\$ 420,376,544</b>	<b>\$ 451,128,754</b>	<b>\$ 466,642,509</b>	<b>\$ 492,756,700</b>	<b>\$ 555,252,518</b>	<b>\$ 608,571,405</b>	<b>\$ 680,546,397</b>	<b>\$ 687,958,555</b>	<b>\$ 725,171,062</b>	<b>\$ 793,072,378</b>

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 2: In 2014-15, due to a change in mandatory state reporting, the Nutrition Services Fund has been reclassified from a Proprietary Enterprise Fund to a Special Revenue Governmental Fund.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Governmental Funds Expenditures and Debt Service Ratio  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>EXPENDITURES</b>										
Current:										
Instruction	\$ 212,727,383	\$ 223,246,824	\$ 214,929,614	\$ 200,128,521	\$ 216,460,847	\$ 231,164,129	\$ 260,329,744	\$ 265,668,240	\$ 288,127,121	\$ 292,993,098
Pupil support	24,883,559	28,060,095	38,355,985	36,619,052	43,777,500	57,906,194	62,141,361	70,750,214	89,732,140	91,305,605
Instructional staff support	22,696,647	25,469,964	24,725,079	24,661,603	27,521,478	30,714,217	32,873,855	35,704,057	46,826,553	43,502,426
General administration	7,041,855	6,479,915	7,608,582	8,798,086	9,064,071	8,481,315	14,387,236	9,352,106	11,559,482	9,469,028
School administration	30,309,562	33,813,391	33,598,915	32,107,009	33,213,830	37,029,025	38,851,188	44,665,294	44,233,662	40,246,496
Business administration	4,724,303	5,014,697	3,903,091	4,495,054	5,036,502	5,460,609	5,531,441	5,683,009	7,082,023	6,906,513
Operations and maintenance	32,585,359	33,336,642	34,003,115	32,112,476	34,535,919	37,258,429	38,599,563	49,531,098	51,876,844	48,739,397
Transportation services	7,963,135	11,529,861	11,842,509	11,661,225	12,792,552	14,080,077	14,431,018	17,804,668	20,735,786	21,936,728
Personnel/data services/risk management	14,849,390	16,939,560	19,374,198	17,720,182	18,437,417	19,138,589	24,424,242	29,146,677	29,130,257	38,443,990
Other support services	3,271,478	6,241,166	6,468,817	7,839,104	16,033,182	23,121,107	27,535,663	27,147,772	25,732,841	27,892,747
Food service operations	16,918,407	16,572,946	16,993,913	16,181,459	16,212,168	18,378,137	21,463,580	28,387,402	25,125,506	28,643,184
Facilities acquisition and improvements	33,178,873	17,593,415	24,542,014	57,472,970	61,855,699	85,239,640	46,705,577	63,158,231	121,991,863	33,970,094
Debt service:										
Principal	15,795,000	18,490,000	51,904,947	31,828,300	31,414,526	30,361,983	36,002,485	46,594,841	53,233,240	64,651,404
Interest	19,353,754	16,376,838	18,482,488	23,263,853	21,971,790	20,918,273	19,961,090	20,540,790	34,206,272	16,421,801
Other	-	-	1,287,557	-	5,406	-	-	622,181	653,391	-
<b>Total expenditures</b>	<b>\$ 446,298,705</b>	<b>\$ 459,165,314</b>	<b>\$ 508,020,824</b>	<b>\$ 504,888,894</b>	<b>\$ 548,332,887</b>	<b>\$ 619,251,724</b>	<b>\$ 643,238,043</b>	<b>\$ 714,756,580</b>	<b>\$ 850,246,981</b>	<b>\$ 765,122,511</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (25,922,161)	\$ (8,036,560)	\$ (41,378,315)	\$ (12,132,194)	\$ 6,919,631	\$ (10,680,319)	\$ 37,308,354	\$ (26,798,025)	\$ (125,075,919)	\$ 27,949,867
Total debt service	35,148,754	34,866,838	71,674,992	55,092,153	53,391,722	51,280,256	55,963,575	67,757,812	88,092,903	81,073,205
Total expenditures	446,298,705	459,165,314	508,020,824	504,888,894	548,332,887	619,251,724	643,238,043	714,756,580	850,246,981	765,122,511
Capital outlay/expenditures	(35,753,263)	(17,593,415)	(24,542,014)	(57,472,970)	(61,855,699)	(85,239,640)	(24,438,013)	(43,389,343)	(112,713,245)	(23,837,241)
Expenditures net of capital outlay	410,545,442	441,571,899	483,478,810	447,415,924	486,477,188	534,012,084	618,800,030	671,367,237	737,533,736	741,285,270
Debt service as a percentage of noncapital expenditures (2)	8.6%	7.9%	14.8%	12.3%	11.0%	9.6%	9.0%	10.1%	11.9%	10.9%

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 2: Revised percentages for fiscal year ended 2015 to 2020 to reflect change in capital outlays.

Note 3: In 2014-15, due to a change in mandatory state reporting, the Nutrition Services Fund has been reclassified from a Proprietary Enterprise Fund to a Special Revenue Governmental Fund.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Other Financing Sources (Uses) and Net Change in Fund Balances  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ (25,922,161)	\$ (8,036,560)	\$ (41,378,315)	\$ (12,132,194)	\$ 6,919,631	\$ (10,680,319)	\$ 37,308,354	\$ (26,798,025)	\$ (125,075,919)	\$ 27,949,867
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in:										
General fund	316,750	436,748	1,235,471	6,870,789	8,613,250	8,363,812	20,684,635	5,818,617	5,845,198	6,119,540
Print Services fund	83,094	-	32,175,781	-	-	-	-	-	-	-
Grants fund	-	35,104	-	-	-	-	-	-	-	-
Capital Reserve fund	-	-	-	-	-	-	7,500,000	7,750,000	6,900,000	2,117,925
Transfers out:										
General fund	-	(35,104)	-	-	-	-	-	-	-	-
Capital Reserve fund	-	-	(29,614,933)	(5,835,958)	(6,495,130)	(6,899,657)	(23,750,000)	(7,750,000)	(6,900,000)	(2,117,925)
Grants fund	(3,000)	-	-	-	-	-	-	-	-	-
Nutrition Services fund	-	(44,980)	(499,972)	(500,000)	(1,486,873)	(361,915)	(424,211)	-	(395,198)	-
Nonmajor governmental funds	(313,750)	(391,768)	(3,296,347)	(534,831)	(631,247)	(1,102,240)	(4,010,424)	(5,818,617)	(5,450,000)	(6,119,540)
Debt financing for land purchase	-	-	-	-	-	905,286	-	-	-	-
Certificates of participation	-	-	-	-	-	7,575,000	-	-	-	-
Debt financing from leases	-	-	-	-	-	-	2,240,571	720,360	2,931,579	472,980
General obligation debt:										
Debt issued	-	-	206,076,380	3,768,761	-	26,521,099	-	121,095,000	126,260,000	-
Premium on debt issued	-	-	33,219,862	-	-	-	-	26,264,253	6,550,212	-
Payment to escrow agent	-	-	(4,105,289)	-	-	-	-	(51,609,244)	(132,150,382)	-
Total other financing sources (uses)	83,094	-	235,190,953	3,768,761	-	35,001,385	2,240,571	96,470,369	3,591,409	472,980
<b>Net change in fund balances</b>	(25,839,067)	(8,036,560)	193,812,638	(8,363,433)	6,919,631	24,321,066	39,548,925	69,672,344	(121,484,510)	28,422,847
Fund balance - beginning	134,883,349	113,528,451	105,491,891	299,304,529	290,941,096	297,860,727	324,202,777	363,751,702	433,424,046	311,939,536
Restatement for change in accounting principle	-	-	-	-	-	2,020,984	-	-	-	-
Fund balance as restated	134,883,349	113,528,451	105,491,891	299,304,529	290,941,096	299,881,711	324,202,777	363,751,702	433,424,046	311,939,536
Fund balance - ending	\$ 109,044,282	\$ 105,491,891	\$ 299,304,529	\$ 290,941,096	\$ 297,860,727	\$ 324,202,777	\$ 363,751,702	\$ 433,424,046	\$ 311,939,536	\$ 340,362,383

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 2: In previous years the district reported Nutrition Services as an Enterprise Fund, however during fiscal year 2014-15, the Nutrition Services Fund type was changed to a Special Revenue Fund, as required by the Colorado Department of Education, which is reported with the governmental funds.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years (Unaudited)**

Fiscal Year Ended	Calendar Year Property Assessed	Vacant	Residential	Commercial	Industrial	Agricultural	Natural Resources	Oil and Gas	State Assessed	Less: Tax Exempt Property	Preliminary Taxable Assessed Value (1)	Net Final Assessed Value (2)	Estimated Actual Value (3)	Total Direct Rate
2015	2014													
	Adams County	14,670,700	97,336,700	441,699,880	27,140,930	518,020	6,850	-	81,017,420	8,264,580	654,125,920	655,619,390	3,176,799,850	67.635
	Arapahoe County	34,841,823	585,996,161	417,510,623	722,902	1,469,695	29,898	7,075	104,619,348	9,438,637	1,135,758,888	1,133,168,613	9,280,422,797	67.635
2016	2015													
	Adams County	15,236,290	122,634,720	489,363,360	35,573,180	616,870	6,850	11,140	79,802,290	10,280,820	732,963,880	731,819,140	3,677,723,278	66.648
	Arapahoe County	37,228,951	828,838,969	460,286,489	646,496	1,716,538	29,898	7,806,696	93,866,710	-	1,430,420,747	1,426,071,395	12,448,836,334	66.648
2017	2016													
	Adams County	15,920,650	122,914,300	499,010,720	34,977,010	643,770	6,850	11,610	78,927,590	-	752,412,500	746,607,270	3,730,788,977	69.685
	Arapahoe County	37,364,276	827,310,495	459,950,829	752,889	1,731,064	29,898	25,718,186	95,557,720	-	1,448,415,357	1,681,105,428	12,471,753,351	69.685
2018	2017													
	Adams County	26,770,570	168,134,540	584,591,280	51,216,270	763,810	575,680	23,140	86,358,520	-	918,433,810	896,826,260	4,915,704,882	69.006
	Arapahoe County	40,798,169	1,008,589,256	521,976,299	862,361	1,782,425	29,754	11,526,484	95,540,680	-	1,681,105,428	1,698,211,965	16,321,567,491	69.006
2019	2018													
	Adams County	31,340,080	172,867,290	630,092,920	49,224,080	933,580	6,850	17,570	88,765,710	-	973,248,080	946,229,670	5,160,669,920	82.014
	Arapahoe County	40,909,924	1,025,238,492	515,736,302	847,003	1,716,228	29,907	14,914,279	98,819,830	-	1,698,211,965	1,694,515,149	16,523,830,803	82.014
2020	2019													
	Adams County	48,590,240	239,346,610	683,192,840	136,853,400	1,443,000	6,850	2,463,800	83,850,580	-	1,195,747,320	1,145,556,930	6,633,181,479	81.275
	Arapahoe County	69,696,084	1,275,484,335	584,674,488	1,260,480	1,810,753	32,385	63,634,736	73,507,060	-	2,070,100,321	2,032,421,075	20,468,246,402	81.275
2021	2020													
	Adams County	39,852,290	248,184,000	788,126,690	137,598,080	1,432,210	6,850	6,180,120	95,901,980	-	1,317,282,220	1,266,173,850	7,080,614,107	82.034
	Arapahoe County	70,470,531	1,295,258,070	593,317,007	1,243,595	1,765,415	33,272	49,512,457	93,308,010	-	2,104,908,357	2,058,713,355	20,799,092,088	82.034
2022	2021													
	Adams County	61,425,420	274,216,110	992,351,240	84,253,030	803,670	6,850	6,056,300	111,777,410	-	1,530,890,030	1,484,027,230	8,157,172,875	78.918
	Arapahoe County	69,873,845	1,426,869,841	680,335,196	423,410	1,696,835	33,415	21,654,318	95,776,260	-	2,296,663,120	2,294,482,416	22,909,237,468	78.918
2023	2022													
	Adams County	78,252,180	284,320,870	1,068,838,350	78,596,740	757,130	6,850	51,868,960	125,205,300	-	1,687,846,380	1,637,471,830	8,835,391,359	77.850
	Arapahoe County	77,762,884	1,417,655,565	709,874,762	422,978	1,585,394	33,887	47,568,662	102,778,770	-	2,357,682,902	2,356,499,961	23,611,739,063	77.850
2024	2023													
	Adams County	83,938,570	357,955,740	1,507,587,820	194,384,670	717,250	6,580	51,248,530	121,897,210	-	2,317,736,370	2,260,654,380	12,249,666,591	71.414
	Arapahoe County	103,858,613	1,731,811,087	858,640,866	613,404	1,902,661	32,768	337,673,317	98,431,220	-	3,132,963,936	3,048,685,786	30,068,811,251	71.414

Note 1: Final taxable assessed values by category are not available until December each year, so preliminary taxable assessed values are presented as of August.

Source: <https://cdola.colorado.gov/publications/annual-reports>

Note 2: Final assessed values may not agree in total with the August preliminary taxable values. Final assessed values provided by county assessors' office.

Sources: 1) [www.co.arapahoe.co.us/](http://www.co.arapahoe.co.us/) and 2) [www.adcogov.org](http://www.adcogov.org)

Note 3: County assessors have provided actual valuations in accordance with C.R.S. 39-5-128(1).



# AURORA

## PUBLIC SCHOOLS

— Power Your Potential —

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years (Unaudited)**

	Year Taxes Are Payable (4)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Aurora Public Schools Rates (1)</b>										
General fund	49.514	54.850	55.918	59.034	58.275	59.014	46.006	46.685	46.648	47.635
Debt service fund	21.900	23.000	23.000	23.000	23.000	23.000	23.000	23.000	20.000	20.000
Total (2)	71.414	77.850	78.918	82.034	81.275	82.014	69.006	69.685	66.648	67.635
Arapahoe County	12.206	13.750	12.762	13.013	12.685	14.301	13.817	15.090	14.856	16.950
Adams County	26.835	26.967	27.069	26.897	26.917	26.864	26.929	27.055	26.817	27.042
City of Aurora	8.407	7.816	8.073	8.076	8.605	8.605	8.605	8.605	8.569	8.886
Urban Drainage & Flood Control	0.900	0.900	0.900	0.900	0.900	0.726	0.500	0.559	0.553	0.632
Arapahoe County total	92.927	100.316	100.653	104.023	103.465	105.646	91.928	93.939	90.626	94.103
Adams County total	107.556	113.533	114.960	117.907	117.697	118.209	105.040	105.904	102.587	104.195
<b>Overlapping tax entities (3)</b>										
ACC Metropolitan District	37.000	37.000	-	37.000	37.000	37.000	37.000	37.000	37.000	37.000
Adonea Metro District No. 2	50.187	53.133	53.103	71.279	74.279	79.232	79.232	74.000	74.000	74.000
Airways Business Center	3.000	10.000	10.000	12.000	12.000	34.500	34.500	34.500	34.500	34.500
Arapahoe County Law Enforcement	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982
Arapahoe Library District	5.413	5.771	5.790	5.810	5.799	5.845	5.853	5.926	5.916	4.794
Aurora CentreTech Metropolitan District	38.232	38.799	37.064	37.266	37.547	42.395	41.284	40.173	39.000	39.000
Bennett Fire Protection District	13.279	13.152	13.122	13.070	13.062	13.012	13.041	9.063	8.907	8.907
Cherry Hills City Metro District	98.043	80.391	73.777	73.777	62.342	61.910	59.460	56.000	56.000	56.000
Central Adams Water & Sanitation	23.564	22.331	22.111	22.111	-	-	90.000	90.000	90.000	-
Colorado Science Technology Park Metro District No.1	63.011	61.000	60.000	60.000	60.000	60.000	50.000	50.000	50.000	-
Colorado Science Technology Park Metro District No.2	71.981	70.349	60.000	60.000	60.000	60.000	60.000	60.000	60.000	-
Colorado Science Technology Park Metro District No.3	63.010	61.000	60.000	60.000	60.000	60.000	50.000	50.000	50.000	-
Conservatory Metro District	36.012	47.141	47.114	47.114	52.114	52.106	52.106	71.800	71.800	71.800
Cross Creek Metropolitan District No. 2	39.130	48.136	48.101	51.101	51.098	60.097	70.956	66.000	66.000	68.500
Cunningham Fire Protection District - Dissolved 2020	-	-	-	-	9.250	14.600	14.603	14.598	14.676	14.623
Eastgate Commercial Metro District	-	-	-	-	-	-	-	-	-	35.000
Eastern Hills Metropolitan District No. 2	70.000	70.000	-	70.000	70.000	70.000	70.000	70.000	70.000	70.000
Eastern Hills Metropolitan District No. 4	70.000	70.000	70.000	70.000	70.000	70.000	-	-	-	-
Eastern Hills Metropolitan District No. 6	70.000	70.000	70.000	70.000	70.000	70.000	70.000	70.000	70.000	-
Eastern Hills Metropolitan District No. 9	-	-	-	-	-	-	-	-	70.000	70.000
Eastpark 70 Metro District	25.000	25.000	30.000	38.000	38.000	33.000	33.000	31.000	31.000	31.000
First Creek Ranch Metropolitan District	-	-	78.486	78.486	75.833	75.277	90.000	90.000	90.000	90.000
Fitzsimons Village Metro District No. 1	73.000	61.000	61.000	51.000	51.000	51.000	51.000	41.000	51.000	-
Fitzsimons Village Metro District No. 2	63.723	46.000	46.000	41.000	41.000	41.000	41.000	41.000	41.000	41.000
Flat Rock Metropolitan District No. 4	-	57.958	57.958	57.958	57.958	57.556	57.556	52.061	52.061	-
Flat Rock Metropolitan District No. 8	-	-	-	-	-	-	-	-	-	52.061

Note 1: Tax levies from overlapping tax entities continue on the following page.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Direct and Overlapping Property Tax Rates, Continued  
Last Ten Fiscal Years (Unaudited)**

	Year Taxes Are Payable (4)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Overlapping tax entities (3)										
Green Valley Ranch Metro District 1	-	-	-	-	-	-	-	60.000	60.000	60.000
Havana Business Improvement District	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
Heather Gardens Metropolitan District	10.539	11.105	10.704	10.987	12.389	14.308	12.555	16.781	16.798	25.812
Himalaya Water & Sanitation	2.500	2.500	2.500	5.000	5.000	5.000	5.000	5.000	5.000	10.000
Horizon Metro District #2	77.710	65.595	67.909	66.796	65.664	65.277	65.277	-	-	-
Iliff Commons Metro District #2	68.954	63.085	61.580	61.580	56.086	55.696	55.003	51.000	51.000	-
Iliff Commons Metro District #3	57.826	57.070	54.724	67.747	67.848	67.379	67.373	61.000	50.000	-
Murphy Creek Metro District No. 2	63.712	61.017	61.000	50.000	50.000	50.000	50.000	36.000	36.000	36.000
Murphy Creek Metro District No. 3	34.240	54.327	54.327	54.327	54.327	53.107	80.803	74.944	48.944	48.944
Murphy Creek Metro District No. 4	70.154	67.495	61.664	55.664	55.664	55.277	55.277	48.944	48.944	48.944
Park 70 Metropolitan District	31.539	31.500	31.500	31.500	37.000	37.000	37.000	37.000	37.000	37.000
Rangeview Library District (5)	25.000	3.615	3.689	3.670	3.677	3.666	3.669	3.659	3.659	3.659
Sable-Altura Fire Protection District	12.060	12.638	14.992	16.752	16.760	17.000	17.000	17.000	17.000	21.000
Sand Creek Metropolitan District	21.200	22.750	22.750	23.750	24.250	27.500	27.500	32.000	33.500	55.500
Second Creek Ranch	25.369	22.519	22.111	22.111	-	-	90.000	90.000	90.000	90.000
Singletree Metro District (Aurora)	-	-	-	-	42.000	45.868	-	48.944	48.944	48.944
Sterling Hills Metropolitan District	-	-	-	-	7.000	16.000	16.000	19.000	19.000	23.000
Sterling Hills West Metropolitan District	45.014	51.000	53.000	53.000	55.000	50.000	50.000	62.465	62.465	65.965
Tower Metropolitan District	20.000	20.000	20.000	20.000	20.000	20.000	20.000	25.000	25.000	25.000
Traditions Metro Dist. No. 2	24.605	32.487	32.487	32.487	32.487	40.725	44.738	52.060	52.060	52.060
Urban Drainage & Flood Control-Adams	0.900	0.900	0.900	0.900	0.900	0.726	0.500	0.559	0.553	0.632
Urban Drainage & Flood Control-South Platte	0.100	0.100	0.100	0.100	0.097	0.094	0.057	0.061	0.058	0.068
Velocity Metro District 1	46.772	45.000	45.000	36.000	35.000	35.000	29.000	109.000	9.000	5.000
Velocity Metro District 2	58.207	41.000	41.000	41.000	38.000	37.000	29.000	44.784	9.000	5.000
Velocity Metro District 3	53.010	36.000	36.000	36.000	36.000	35.000	29.000	109.000	9.000	5.000
Velocity Metro District 4	41.576	40.000	40.000	40.000	38.000	37.000	29.000	109.000	9.000	5.000
Velocity Metro District 5	41.552	40.000	40.000	40.000	36.000	35.000	29.000	109.000	9.000	5.000
Velocity Metro District 6	41.576	40.000	40.000	40.000	36.000	35.000	29.000	109.000	9.000	40.000
Velocity Metro District 7	37.416	36.000	36.000	36.000	36.000	35.000	29.000	109.000	9.000	5.000
Velocity Metro District 8	37.418	36.000	36.000	36.000	36.000	35.000	29.000	29.021	9.000	5.000
Velocity Metro District 9	58.207	41.000	41.000	41.000	38.000	37.000	29.000	29.058	9.000	5.000
Westerly Creek Metropolitan District	66.852	61.785	60.867	59.753	59.811	60.194	60.217	56.899	56.619	55.986

Note 2: APS Total Rate information updated as of June 30, 2024

Source: Aurora Public Schools Budget Office.

Note 3: Includes only those entities with overlapping rates in existence at December 31, 2023.

Source: Arapahoe County Assessor's Office Source: Adams County Assessor's Office

Note 4: Year taxes are actually collected. Based on rates established during the prior year.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Principal Property Taxpayers  
Last Ten Fiscal Years (Unaudited)**

<u><b>Taxpayer</b></u>	<b>Fiscal Year 2023-24</b>			<b>Fiscal Year 2013-14</b>		
	<b>Taxable Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Value</b>	<b>Taxable Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Value</b>
Public Service of Colorado (1)	\$ 126,908,455	1	2.4%	\$ 96,396,080	1	5.4%
Crestone Peak Resources LLC	49,449,550	2	0.9%	-	-	-
LIT Gateway Portfolio	45,080,550	3	0.8%	-	-	-
Shamrock Foods CO Inc.	36,159,700	4	0.7%	-	-	-
FR Aurora Commerce Center LLC	33,769,530	5	0.6%	-	-	-
Park 70 Building Venture LLC	31,906,980	6	0.6%	-	-	-
Shamrock Foods Company	27,924,390	7	0.5%	-	-	-
Majestic Commercenter	26,760,410	8	0.5%	-	-	-
Dillon Companies LLC	24,474,730	9	0.5%	-	-	-
B9 Polar Aurora LLC	22,157,570	10	0.4%	-	-	-
Cellco Partnership	-	-	-	19,745,060	2	1.1%
CenturyLink	-	-	-	18,943,700	3	1.1%
Colorado Interstate Gas Co	-	-	-	15,396,400	4	0.9%
CPT Operating Partnership	-	-	-	12,352,850	5	0.7%
WGR Asset Holding Co. LLC	-	-	-	9,313,030	6	0.5%
Quarry Assets LLC	-	-	-	6,831,680	7	0.4%
MCI Telecommunications Corp.	-	-	-	6,580,590	8	0.4%
Glenborough Properties, LP	-	-	-	6,488,180	9	0.4%
Furniture Row Colo LLC	-	-	-	6,419,410	10	0.4%
	<u>\$ 424,591,865</u>		<u>7.9%</u>	<u>\$ 198,466,980</u>		<u>11.3%</u>

Source: Adams County and Arapahoe County assessors' offices.

Note 1: Taxpayer locations in Adams and Arapahoe Counties are combined.



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Principal Tax Levies and Collections  
Last Ten Fiscal Years (Unaudited)**

Calendar Year		Taxes Levied for the Calendar Year	Tax Collections for Calendar Year Tax Levied (2)	Percentage of Original Levy	Collections in Subsequent Years (3)	Total Tax Collections (4)	Percent of Total Tax Collections to Levy	Outstanding Delinquent Taxes (5)	Outstanding Delinquent Taxes as a Percent of Current Levy
2015	(1)	120,984,677	119,906,691	99.1%	(115,953)	119,790,738	99.0%	1,077,985	0.9%
2016		143,048,512	140,436,339	98.2%	232,355	140,668,694	98.3%	2,612,173	1.8%
2017		151,536,231	150,507,168	99.3%	(679,080)	149,828,088	98.9%	1,029,063	0.7%
2018	(6)	176,521,603	175,210,679	99.3%	193,284	175,403,963	99.4%	1,310,924	0.7%
2019		216,578,046	213,446,438	98.6%	(59,747)	213,386,691	98.5%	3,131,608	1.4%
2020		258,290,162	256,039,619	99.1%	(675,799)	255,363,820	98.9%	2,250,543	0.9%
2021		272,753,797	271,520,584	99.5%	(759,412)	270,761,172	99.3%	1,233,213	0.5%
2022		293,496,286	291,577,893	99.3%	(188,143)	291,389,750	99.3%	1,918,393	0.7%
2023		305,267,988	299,636,675	98.2%	(382,031)	299,254,644	98.0%	5,631,313	1.8%
2024		378,720,542	368,688,574	97.4%	(199,262)	368,489,312	97.3%	10,031,969	2.6%

Note 1: Collection figures beginning with calendar year 2015 represent those collections received for January through August due to the implementation of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Note 2: Property tax collections provided by County Treasurers' offices.

Note 3: Negative amounts occurred when refunds or other "forgiveness" of delinquent taxes exceeded delinquent tax collections.

Note 4: Amounts shown prior to 2015 represent levies and collections during calendar year January-December. Tax revenues reported in the basic financial statements reflect a July-June fiscal basis.

Note 5: Represents delinquent taxes due at the end of the year on taxes levied for that year.

Note 6: Amounts adjusted represent actual collections during the entire calendar year.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Outstanding Debt by Type  
Last Ten Fiscal Years (Unaudited)**

	<b>Fiscal Year (2)</b>				
	2014-15	2015-16	2016-17	2017-18	2018-19
General obligation bonds	\$ 366,417,566	\$ 342,814,596	\$ 549,053,401	\$ 511,611,694	\$ 474,954,654
Certificates of participation	30,378,172	30,397,796	-	-	-
Debt financing for land purchase	-	-	-	-	-
Direct borrowing for capital assets	-	-	2,154,433	5,721,895	4,707,369
Leases	-	-	-	-	-
Total debt outstanding	<u>\$ 396,795,738</u>	<u>\$ 373,212,392</u>	<u>\$ 551,207,834</u>	<u>\$ 517,333,589</u>	<u>\$ 479,662,023</u>
Total debt outstanding as a percentage of:					
Personal income (1, 2, & 3):					
Adams County	0.4%	0.5%	0.3%	0.4%	0.4%
Arapahoe County	0.6%	0.7%	0.5%	0.5%	0.6%
Per capita outstanding debt	\$ 1,799	\$ 1,623	\$ 2,411	\$ 2,232	\$ 2,069

	<b>Fiscal Year (2)</b>				
	2019-20	2020-21	2021-22	2022-23	2023-24 (3)
General obligation bonds	\$ 466,544,715	\$ 427,176,265	\$ 474,783,920	\$ 405,909,960	\$ 338,041,709
Certificates of participation	7,575,000	7,575,000	7,575,000	7,575,000	6,580,000
Debt financing for land purchase	908,286	905,286	905,286	905,286	905,286
Direct borrowing for capital assets	4,135,386	5,549,571	4,742,955	3,918,904	3,077,005
Arbitrage liability	-	-	-	-	1,722,367
Leases	-	-	3,401,291	7,754,855	3,969,225
Total debt outstanding	<u>\$ 479,163,387</u>	<u>\$ 441,206,122</u>	<u>\$ 491,408,452</u>	<u>\$ 426,064,005</u>	<u>\$ 354,295,592</u>
Total debt outstanding as a percentage of:					
Personal income (1, 2, & 3):					
Adams County	0.5%	0.9%	0.5%	0.6%	-
Arapahoe County	0.6%	0.7%	0.7%	0.8%	-
Per capita outstanding debt	\$ 2,022	\$ 1,862	\$ 2,122	\$ 1,846	\$ 1,456

Note 1: Personal income for each county was based on population estimates provided by district planning office and personal income population data provided by the United States Census Bureau.

Source: <https://www.bea.gov/>

Note 2: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 3: Personal income data was not available at time of printing.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
General Bonded Debt  
Last Ten Fiscal Years (Unaudited)**

	<b>Fiscal Year (1)</b>				
	2014-15	2015-16	2016-17	2017-18	2018-19
General obligation bonds	\$ 366,417,566	\$ 342,814,596	\$ 549,053,401	\$ 511,611,694	\$ 474,954,654
Net position restricted for debt service	(28,456,159)	(37,115,173)	(47,512,633)	(51,523,245)	(60,364,179)
Total net general bonded debt	<u>\$ 337,961,407</u>	<u>\$ 305,699,423</u>	<u>\$ 501,540,768</u>	<u>\$ 460,088,449</u>	<u>\$ 414,590,475</u>
Total net general bonded debt outstanding as a percentage of:					
Estimated actual property value	2.7%	1.9%	3.1%	2.2%	1.9%
Final assessed property value	18.9%	14.2%	20.7%	17.7%	15.7%
Per capita outstanding debt	\$ 1,532	\$ 1,330	\$ 2,194	\$ 1,985	\$ 1,788
	<b>Fiscal Year (1)</b>				
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
General obligation bonds	\$ 466,544,715	\$ 427,176,265	\$ 474,783,920	\$ 405,909,960	\$ 338,041,709
Net position restricted for debt service	(82,484,507)	(103,251,594)	(123,462,543)	(131,559,482)	(174,871,705)
Total net general bonded debt	<u>\$ 384,060,208</u>	<u>\$ 323,924,671</u>	<u>\$ 351,321,377</u>	<u>\$ 274,350,478</u>	<u>\$ 163,170,004</u>
Total net general bonded debt outstanding as a percentage of:					
Estimated actual property value	1.4%	1.2%	1.1%	0.8%	0.4%
Final assessed property value	12.1%	9.7%	9.3%	6.9%	3.1%
Per capita outstanding debt	\$ 1,621	\$ 1,367	\$ 1,517	\$ 1,189	\$ 671

Note 1: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Direct and Overlapping Governmental Activities Debt  
Current Year (Unaudited)**

Jurisdiction (1)	General Obligation Debt	Bonds	Notes Payable	Direct borrowing for capital assets	Certificates of Participation	Other	Gross Debt Outstanding	Percentage Applicable to Aurora Public Schools (2)	Amount Applicable to Aurora Public Schools
Direct:									
Aurora Public Schools	\$ 338,041,709	\$ -	\$ -	\$ 3,077,005	\$ 6,580,000	\$ 4,874,511	\$ 352,573,225	100.00%	\$ 352,573,225
Overlapping:									
Adams County	-	-	-	-	131,525,000	-	131,525,000	100.00%	131,525,000
Arapahoe County	114,545,000	-	-	8,907,612	-	-	123,452,612	100.00%	123,452,612
Arapahoe Library District	-	-	-	4,682,200	1,440,000	-	6,122,200	0.66%	40,407
Aurora CentreTech Metropolitan District	7,230,000	-	-	-	-	-	7,230,000	100.00%	7,230,000
City of Aurora	-	621,110,000	1,061,572	21,057,334	175,775,000	-	819,003,906	100.00%	819,003,906
Conservatory Metro District	18,115,000	-	-	-	-	-	18,115,000	100.00%	18,115,000
Cross Creek Metropolitan District No.2	10,205,000	-	-	-	-	-	10,205,000	100.00%	10,205,000
Fitzsimons Village Metropolitan District No.1	-	6,240,000	-	-	-	-	6,240,000	100.00%	6,240,000
Fitzsimons Village Metropolitan District No.3	-	55,070,000	-	-	-	-	55,070,000	100.00%	55,070,000
Heather Gardens Metropolitan District	-	7,405,000	-	-	-	-	7,405,000	59.12%	4,377,836
Iliff Commons Metro District No. 2	4,133,000	-	-	-	-	-	4,133,000	100.00%	4,133,000
Iliff Commons Metro District No. 3	1,845,000	-	-	-	-	-	1,845,000	100.00%	1,845,000
Park 70 Metropolitan District	33,570,000	-	-	-	-	-	33,570,000	100.00%	33,570,000
Rangeview Library District	-	-	-	-	60,480,000	-	60,480,000	100.00%	60,480,000
Regional Transportation District	-	1,987,870,000	-	-	314,600,000	-	2,302,470,000	14.58%	335,700,126
Sand Creek Metropolitan District	67,905,000	-	-	-	-	-	67,905,000	77.82%	52,843,671
Sterling Hills West Metropolitan District	9,370,000	-	-	-	-	-	9,370,000	100.00%	9,370,000
Total overlapping debt	266,918,000	2,677,695,000	1,061,572	34,647,146	683,820,000	-	3,664,141,718		1,673,201,558
Total direct and overlapping debt	\$ 604,959,709	\$ 2,677,695,000	\$ 1,061,572	\$ 37,724,151	\$ 690,400,000	\$ 4,874,511	\$ 4,016,714,943		\$ 2,025,774,783

Note 1: Source information provided by individual jurisdictions. Overlapping governments without debt are not shown.

Note 2: Percentages based on geographical estimates. Arapahoe Library District percentage based on assessed values.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Legal Debt Margin Information  
Last Ten Fiscal Years (Unaudited)**

Fiscal Year Ended		Gross Certified Assessed Valuation (1)	Debt Limitation (20% of Assessed)	High Growth Debt Limitation (25% of Assessed Value)	Gross Bonded Debt Outstanding (2)	Percent of Legal Debt Incurred	Legal Debt Margin	Debt Service Funds Available (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2015	(4)	1,806,491,220	361,298,244	-	330,053,066	91.35%	31,245,178	12,153,365	301,596,907	16.70%	1,367
2016	(4)	2,168,171,355	433,634,271	-	312,092,167	71.97%	121,542,104	31,245,178	274,976,994	12.68%	1,196
2017	(5)	16,202,542,328	972,152,540	-	491,840,604	50.59%	480,311,936	121,542,104	444,327,971	2.74%	1,944
2018	(5)	21,226,907,626	1,273,614,458	-	461,733,482	36.25%	811,880,976	480,311,936	(18,578,454)	-0.09%	(80)
2019	(5)	21,684,500,723	1,301,070,043	-	432,411,027	33.24%	868,659,016	811,880,976	372,046,848	1.72%	1,605
2020	(5)	27,101,427,881	1,626,085,673	-	431,317,408	26.52%	1,194,768,265	868,659,016	(437,341,608)	-1.61%	(1,845)
2021	(5)	27,879,706,195	1,672,782,372	-	399,204,985	23.86%	1,273,577,387	103,251,594	295,953,391	1.06%	1,249
2022	(5)	31,066,410,343	1,863,984,621	-	428,239,853	22.97%	1,435,744,768	123,462,543	304,777,310	0.98%	1,316
2023	(5)	32,447,130,422	1,946,827,825	-	359,179,436	18.45%	1,587,648,389	131,559,482	227,619,954	0.70%	986
2024	(5)	42,318,477,842	2,539,108,671	-	297,912,496	11.73%	2,241,196,175	174,871,705	123,040,791	0.29%	506

Source: AFR Notes to Basic Financial Statements: Noncurrent Liabilities.

Note 1: Represents gross amount which includes the tax increment district.

Note 2: Represents general obligation bonds.

Note 3: This schedule consolidates data from the governmental statements that utilize the modified accrual basis of accounting.

Note 4: State law limits school district indebtedness to the greater of 20% of its valuation for taxable property as of December 10 prior to the date of issuance or 6% of its statutory actual valuation of its taxable property on December 10 prior to the date of issuance. In addition, the limit on bond indebtedness is increased to 25% of its valuation for taxable property of the district if the district qualified as a high growth district. This fiscal year uses the 20% of valuation basis.

Note 5: In November 2016, voters approved the district's ability to use 6% of actual valuation to calculate its debt limitation.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Demographic and Economic Statistics  
Last Ten Fiscal Years (Unaudited)**

Fiscal Year	District Population Estimate (1)	Per Capita Income		Personal Income		Unemployment Rate (3)	October Funded Pupil Count (4)	Charter School Funded Pupil Count (4)	High School Graduates (5)
		Adams County (2)	Arapahoe County (2)	Adams County (2)	Arapahoe County (2)				
2014-15	220,556	35,385	56,294	17,010,005	34,835,883	5.6%	35,277	3,715	1,457
2015-16	229,905	36,962	52,545	18,160,959	33,160,632	3.6%	35,318	4,076	1,671
2016-17	228,610	38,378	54,452	19,119,527	34,689,868	3.5%	34,935	4,224	1,729
2017-18	231,810	41,215	56,642	20,738,261	36,423,679	2.9%	34,077	4,797	2,020
2018-19	231,810	43,315	60,180	22,171,317	39,190,019	4.2%	33,626	4,959	1,835
2019-20	236,984	45,481	64,477	23,532,735	42,334,967	2.5%	33,681	5,905	1,960
2020-21	236,984	48,115	66,691	25,014,141	43,846,410	8.2%	32,513	6,038	1,838
2021-22	231,574	53,183	74,267	27,769,198	48,637,263	5.3%	31,729	6,292	1,796
2022-23	230,823	54,681	76,304	28,848,586	50,041,017	2.8%	30,104	6,471	1,832
2023-24	243,280	-	-	-	-	3.5%	30,268	6,439	-

Note 1: District population data were obtained from the U.S. Census data.

Source: <https://censusreporter.org/profiles/97000US0802340-adams-arapahoe-school-district-28j-co/>

Note 2: The data for Adams and Arapahoe counties obtained from the Bureau of Economic Analysis. Data for 2023-24 not available at the time of print.

Source: <https://www.bea.gov/>

Note 3: Source is the City of Aurora's Annual Comprehensive Financial Report.

Note 4: Funded pupil count provided by Colorado Department of Education official October first enrollment data. Adjusted to exclude Charter Institute Pupil Counts.

Note 5: High school graduate counts obtained from Colorado Department of Education. Data for 2023-24 graduates not available at the time of print.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Principal Employers  
Last Ten Fiscal Years (Unaudited)**

2024 (1)				2014			
<u>Industry</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of workforce</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of workforce</u>
Health Care and Social Assistance	34,759	1	20.2%	Buckley Air Force Base	11,640	1	6.9%
Retail Trade	27,314	2	15.9%	University of Colorado - Medical Campus	7,230	2	4.3%
Administrative and Support and Waste Management and Remediation Services	16,566	3	9.6%	Children's Hospital	5,020	3	3.0%
Transportation and Warehousing	13,492	4	7.8%	Aurora Public Schools	5,000	4	3.0%
Accommodation and Food Services	13,449	5	7.8%	University of Colorado - Hospital	4,890	5	2.9%
Educational Services	12,127	6	7.0%	Cherry Creek Schools	3,840	6	2.3%
Professional, Scientific, and Technical Services	12,079	7	7.0%	City of Aurora	3,780	7	2.2%
Construction	6,962	8	4.0%	Raytheon	2,410	8	1.4%
Wholesale Trade	6,300	9	3.7%	Kaiser Permanente	1,690	9	1.0%
Manufacturing	6,272	10	3.6%	HealthONE	1,580	10	0.9%
	149,320		86.6%	Total Employees	47,080		27.9%

Source: Aurora Economic Development Council and the City of Aurora Annual Comprehensive Financial Report

(1) Presentation of the top ten principal employers changed in 2023 due to the determination that this is protected information. The 2024 information is based on industry classification while the 2014 information is presented by employer as it was reported in the 2014 annual financial report.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Full-time Equivalent District Employees by Type  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Administrative										
Principals	49.00	50.00	50.00	50.00	50.00	52.00	53.00	52.00	51.00	51.00
Assistant principals	57.00	58.00	61.00	60.00	67.00	79.00	77.00	69.65	76.65	70.00
Other	39.00	44.00	46.00	55.00	40.00	14.00	14.00	13.00	-	23.00
Total administration	145.00	152.00	157.00	165.00	157.00	145.00	144.00	134.65	127.65	144.00
Instruction										
Elementary school teachers	799.98	837.69	846.57	738.57	721.88	714.75	750.33	693.41	741.10	677.00
K-8 Teachers	164.62	170.88	206.25	207.68	213.75	221.85	239.97	243.34	414.50	419.00
Middle school teachers	397.53	415.34	431.98	388.51	392.13	376.80	397.00	376.80	254.00	193.00
High school teachers	441.02	460.54	471.64	445.77	421.39	446.12	455.05	447.92	582.20	510.00
Other teachers	148.21	187.69	216.85	228.95	235.09	229.60	226.30	219.05	244.96	289.00
Educational assistants	446.62	497.31	578.20	543.54	555.95	566.14	586.77	533.59	554.25	478.00
Community liaison	31.00	28.31	42.13	36.75	42.06	43.44	47.13	54.73	49.87	70.00
Other	3.00	5.00	3.00	3.00	4.00	12.00	14.50	15.80	-	-
Total instruction	2,431.98	2,602.76	2,796.62	2,592.77	2,586.25	2,610.70	2,717.05	2,584.64	2,840.88	2,636.00
Pupil services										
Dean of students	37.80	42.00	38.00	22.00	26.50	32.00	33.00	27.50	38.00	45.00
Counselors	44.95	56.90	57.70	49.70	54.60	67.40	80.60	78.40	77.55	95.00
Health professionals	56.50	58.53	61.69	64.25	62.13	59.44	63.38	58.86	64.06	65.00
Media specialists	11.00	8.64	11.31	10.75	8.69	9.69	7.75	5.63	-	-
Social/psychology workers	59.60	65.80	68.90	65.97	63.27	105.20	128.20	126.45	117.20	119.00
Other	174.28	198.00	203.81	204.30	208.39	239.84	249.65	222.48	365.62	441.00
Total pupil services	384.13	429.87	441.41	416.97	423.58	513.57	562.58	519.32	662.43	765.00
Other support										
Clerical/secretarial	281.19	284.26	293.38	280.00	274.35	266.41	274.79	258.19	191.31	204.00
Custodial	163.13	170.38	171.88	194.63	196.25	209.00	213.75	207.00	185.25	214.00
Other	310.85	333.99	346.38	350.88	358.63	438.15	438.44	451.59	453.30	709.00
Total other support	755.17	788.63	811.64	825.51	829.23	913.56	926.98	916.78	829.86	1,127.00
Total	3,716.28	3,973.26	4,206.67	4,000.25	3,996.06	4,182.83	4,350.61	4,155.39	4,460.82	4,672.00

Source: Aurora Public Schools Human Resources Department. Does not include Colorado Preschool Program, Risk Mgmt, or Special Programs.



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Operating Statistics  
Last Ten Fiscal Years (Unaudited)**

General Fund Expenses	Fiscal Year									
	2014-15 (5)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Instruction	\$ 194,331,144	\$ 204,436,613	\$ 195,371,903	\$ 183,563,711	\$ 193,776,497	\$ 207,085,251	\$ 235,392,187	\$ 231,152,469	\$ 245,809,493	\$ 260,492,049
Pupil services	17,075,917	19,605,908	28,210,627	27,288,441	32,633,910	44,521,936	50,416,688	49,367,122	61,775,302	69,169,261
Instructional staff support	15,628,538	17,785,523	17,676,391	17,722,877	20,499,772	22,813,073	27,530,702	25,466,186	35,399,661	31,799,684
General administration	5,652,784	4,728,324	5,710,424	5,933,877	6,461,773	6,046,787	12,761,097	7,437,811	7,301,360	7,304,773
School administration	29,932,093	33,539,515	33,355,525	31,940,343	32,048,934	35,901,981	38,160,030	41,847,434	41,851,301	39,164,151
Business administration	4,607,375	4,933,196	3,806,971	4,322,623	4,623,092	4,851,477	5,266,732	5,381,523	5,863,872	5,819,902
Operations and maintenance	32,529,804	33,283,315	33,066,841	31,401,259	33,398,155	35,195,547	37,701,070	42,608,284	43,460,998	45,934,711
Transportation services	7,962,099	11,526,689	10,324,559	9,685,256	9,971,232	10,739,826	9,464,323	14,553,211	9,627,723	8,388,045
Personnel data services	13,627,503	16,417,484	17,909,420	15,956,464	17,767,779	17,407,696	23,178,490	28,332,227	27,547,199	38,066,582
Food service operations	-	-	-	-	-	-	-	5,740	10,027	7,523
Other support services	2,269,592	5,448,368	5,575,263	7,061,048	15,059,609	21,653,445	26,202,511	25,447,925	23,903,826	26,239,133
Total operating expenses (1)	<u>\$ 323,616,849</u>	<u>\$ 351,704,935</u>	<u>\$ 351,007,924</u>	<u>\$ 334,875,899</u>	<u>\$ 366,240,753</u>	<u>\$ 406,217,019</u>	<u>\$ 466,073,830</u>	<u>\$ 471,599,932</u>	<u>\$ 502,550,762</u>	<u>\$ 532,385,814</u>
Funded pupil count (2)	35,277	35,318	34,935	34,077	33,626	33,681	32,513	31,729	30,104	30,268
Cost per pupil, per basis of accounting modified accrual basis	\$ 9,174	\$ 9,958	\$ 10,048	\$ 9,827	\$ 10,892	\$ 12,061	\$ 14,335	\$ 14,863	\$ 16,694	\$ 17,589
Percentage change	7.39%	8.55%	0.90%	-2.19%	10.83%	10.73%	18.86%	3.69%	12.32%	5.36%
Total operating expenses per governmental statement of activities (3)	\$ 443,933,665	\$ 493,090,064	\$ 724,314,944	\$ 730,902,798	\$ 374,115,538	\$ 396,259,528	\$ 414,655,811	\$ 468,147,989	\$ 717,339,033	\$ 721,702,019
Full accrual basis	\$ 12,584	\$ 13,962	\$ 20,734	\$ 21,449	\$ 11,126	\$ 11,765	\$ 12,754	\$ 14,755	\$ 23,829	\$ 23,844
Percentage change	17.98%	10.95%	48.50%	3.45%	-48.13%	5.75%	8.40%	15.69%	61.50%	0.06%
Percentage of students receiving free or reduced-price meals (4)	69.4%	66.0%	66.5%	68.7%	66.0%	74.0%	72.3%	71.4%	74.7%	80.1%

Note 1: General Fund operating expenses exclude debt service & facilities acquisition and improvements program expenses.

Note 2: Funded pupil count provided by Colorado Department of Education official October first enrollment data; excludes charter schools.

Source: Colorado Department of Education Data Summary Report.

Note 3: Source: ACFR Statement of Activities.

Note 4: Percentage of current students receiving free or reduced-price meals data obtained from CDE website.

Note 5: During 2014-15, the district adopted GASB 68. Prior year and earlier have not been restated for the adoption of GASB 68 because it is impractical to do so.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Teacher Salaries  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year											
Average Teacher Salaries (1)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Aurora Public Schools	\$ 48,704	\$ 54,230	\$ 54,406	\$ 54,742	\$ 56,405	\$ 60,946	\$ 63,141	\$ 65,018	\$ 70,035	\$ 71,369		
State of Colorado	48,277	51,204	51,810	52,728	54,950	57,746	58,219	60,168	63,224	68,647		
Teaching staff (2) (4) (5)	2,432	2,603	2,797	2,593	2,586	2,611	2,717	2,585	2,841	2,167		
Pupil-teacher ratio (4)	19	19	18	19	18	18	16	16	18	18		
Salary Grades												
	Base Salary (3)						Average Salary in Each Range (3)					
Educational Classification	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
BA	\$ 42,598	\$ 43,471	\$ 43,471	\$ 44,449	\$ 46,894	\$ 51,394	\$ 48,151	\$ 52,288	\$ 55,316	\$ 56,561	\$ 60,652	\$ 63,980
BA + 15 hours	43,770	44,667	44,667	45,672	48,184	52,684	54,456	60,411	64,878	66,338	70,043	74,281
BA + 30 hours	44,928	45,849	45,849	46,881	49,459	53,959	61,556	67,984	70,526	72,113	76,892	78,669
BA + 45 hours	46,096	47,041	47,041	48,099	50,744	55,244	61,666	68,068	71,836	73,452	77,834	82,560
MA	47,277	48,246	48,246	49,332	52,045	56,545	58,056	62,697	65,721	67,199	73,837	77,710
MA + 15 hours	48,438	49,431	49,431	50,543	53,323	57,823	66,809	72,689	75,396	77,092	72,878	77,254
MA + 30 hours	49,598	50,615	50,615	51,754	54,600	59,100	67,446	74,081	77,993	79,748	82,667	86,383
MA + 45 hours	50,773	51,814	51,814	52,980	55,894	60,394	73,989	82,425	81,593	83,429	83,790	86,287
MA + 60 hours	51,937	53,002	53,002	54,195	57,176	61,676	72,925	78,366	82,983	84,950	89,901	91,500
MA + 75 hours	53,100	54,189	54,189	55,408	58,455	62,955	79,225	87,583	89,086	91,090	91,949	96,353
PhD	54,270	55,383	55,383	56,629	59,744	64,244	68,733	73,593	78,414	80,178	83,473	86,014

Note 1: Data obtained from Colorado Department of Education website.

Source: <https://www.cde.state.co.us/>

Note 2: Represents full-time, licensed classroom teachers as quantified by Colorado Department of Education, includes Charter Schools.

Note 3: Data provided by district Human Resources Department.

Note 4: Data provided has been updated based upon CDE data changes.

Note 5: Beginning in 2015, the teaching staff includes the full-time equivalent for total instruction, as provided by the district Human Resources Department.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
School Building Information  
Last Ten Fiscal Years (Unaudited)**

	Fiscal Year (1)									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Elementary Schools</b>										
Number of sites	28	28	28	28	28	28	28	28	24	21
Square feet	1,532,729	1,534,745	1,543,246	1,541,806	1,541,806	1,538,705	1,534,385	1,548,355	1,364,337	1,204,389
Capacity	16,764	16,764	16,914	16,864	16,839	16,250	16,150	16,150	14,700	12,710
Enrollment	15,242	14,561	13,119	12,175	11,038	11,320	10,374	9,482	10,041	9,644
<b>K-8 Schools</b>										
Number of sites	6	7	7	7	7	7	8	8	9	12
Square feet	451,853	557,925	550,823	550,823	558,599	569,743	673,436	673,436	741,913	1,026,659
Capacity	4,428	5,204	5,204	5,204	5,379	5,500	6,400	6,400	7,225	9,572
Enrollment	4,170	4,776	4,677	4,653	4,822	4,907	4,781	5,150	5,751	6,809
<b>P-12 and 6-12 Schools (2)</b>										
Number of sites	-	-	-	-	-	-	-	-	2	2
Square feet	-	-	-	-	-	-	-	-	195,921	139,660
Capacity	-	-	-	-	-	-	-	-	1,951	1,253
Enrollment	-	-	-	-	-	-	-	-	1,349	1,013
<b>Middle Schools</b>										
Number of sites	7	7	7	7	7	7	7	7	6	5
Square feet	854,098	855,538	868,862	870,302	853,808	853,808	853,808	712,708	727,127	622,967
Capacity	8,507	8,557	8,557	8,607	8,032	8,032	8,132	6,806	6,669	5,065
Enrollment	6,637	6,548	6,367	6,216	6,062	5,922	5,591	4,158	3,955	3,638
<b>High Schools (2)</b>										
Number of sites	6	6	6	6	6	6	6	6	6	6
Square feet	1,300,011	1,302,891	1,315,561	1,315,561	1,351,267	1,413,924	1,411,044	1,411,044	1,411,044	1,411,044
Capacity	9,681	9,781	9,831	9,831	10,730	11,015	11,000	11,000	10,900	10,305
Enrollment	9,379	9,577	9,884	9,504	9,179	9,160	8,776	8,715	8,719	8,991
<b>Technical Schools</b>										
Number of sites	1	1	1	1	1	1	1	1	1	1
Square feet	172,486	172,486	174,502	174,502	182,278	182,278	182,278	182,278	182,278	182,278
Capacity	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,216	1,510	1,314	1,204	1,211	1,211	1,211	846	875	1,019
<b>Total</b>										
Number of sites	48	49	49	49	49	49	50	50	48	47
Square feet	4,311,177	4,423,585	4,452,994	4,452,994	4,487,758	4,558,458	4,654,951	4,527,821	4,622,620	4,586,997
Capacity	41,230	42,156	42,356	42,356	42,830	42,647	43,532	42,206	43,295	40,755
Enrollment	36,644	36,972	35,361	33,752	32,312	32,520	30,733	28,351	30,690	31,114

Note 1: Student count based on actual enrollment.

Note 2: Charles Burrell 9-12 students share a space at Central High School. Square footage and capacity included in High Schools total.

Source: Aurora Public Schools Division of Support Services Planning Department provided square footage amounts (includes mobile units).

Source: Pickens Technical College - student services.



# AURORA

## PUBLIC SCHOOLS

— Power Your Potential —

## **REPORTS REQUIRED BY UNIFORM GUIDANCE**

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Expenditures of Federal Awards  
June 30, 2024**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Identifying Number	2023-2024 Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through Colorado Department of Education:			
<u>Child Nutrition Cluster</u>			
School Breakfast Program	10.553	4553	\$ 4,626,415
Summer Food Service Program for Children	10.559	4559	746,897
Passed through Colorado Department of Education:			
<u>Child Nutrition Cluster</u>			
National School Lunch Program	10.555	4555	13,381,682
National School Lunch Program: Supply Chain Assistance Funds	10.555	6555	1,168,936
Passed through Colorado Department Human Services:			
<u>Child Nutrition Cluster</u>			
National School Lunch Program: Donated Commodities	10.555	4555	1,577,945
Total National School Lunch Program			16,128,563
Total Child Nutrition Cluster			21,501,875
Passed through Colorado Department of Education:			
Local Food for Schools (LFS) Cooperative	10.185	4185	175,934
Child Nutrition Discretionary Grants Limited Availability	10.579	5579	7,983
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649	4649	6,180
Passed through Colorado Department of Public Health & Environment:			
Child and Adult Care Food Program	10.558	4558	1,083,437
U.S. Department of Agriculture Total			22,775,409
<u>U.S. Department of Education</u>			
Direct:			
Indian Education - Grants to Local Education Agencies	84.060	N/A	10,550
<u>Student Financial Assistance Cluster</u>			
Federal Supplementary Educational Opportunity Grants	84.007	N/A	41,651
Federal Work-Study Program	84.033	N/A	4,989
Federal Pell Grant Program	84.063	N/A	1,522,636
Total Student Financial Assistance Cluster			1,569,276
Passed through Colorado Department of Education:			
<u>Special Education Cluster</u>			
Special Education - Grants to States	84.027A	4027	8,836,949
COVID-19 - ARP: Special Education - Grants to States	84.027X	6027	508,432
Total Special Education - Grants to States			9,345,381
Special Education - Preschool Grants	84.173A	4173	267,285
COVID-19 - ARP: Special Education - Preschool Grants	84.173X	6173	71,527
Total Special Education - Preschool Grants			338,812
Total Special Education Cluster			9,684,193
		4010, 5010 &	
Title I Grants to Local Educational Agencies	84.010	7010	\$ 9,461,841
Title I Part C - Migrant Education State Grant Program	84.011	4011	1,752,176
Title I, Career and Technical Education - Basic Grants to States	84.048	4048	538,795
Special Education - State Personnel Development	84.323	5323	17,436
		4365 & 5365 &	
English Language Acquisition Grants	84.365	6365 & 7365	1,521,045
Title II Part A - Improving Teacher Quality State Grants	84.367	4367	1,171,483
Striving Readers	84.371C	5371	515,193
Title IV	84.424A	4424	540,250
Title IV			
Stronger Connections Grant Program (SCG)	84.424F	4451	182,384
Total Title IV			722,634
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER II - 9.5% State Reserve)	84.425D	4419	4,349
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - 90% LEA Allocation Non Learning Loss)	84.425U	4414	14,548,785
ADJUSTMENT COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - 90% LEA Allocation Non Learning Loss)	84.425U	4414	(293,064)

The accompanying notes are an integral part of this Schedule.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Expenditures of Federal Awards  
June 30, 2024**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Identifying Number	2023-2024 Federal Expenditures
Passed through Colorado Department of Education (continued):			
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - LEA Learning Loss Set Aside)	84.425U	9414	11,425,004
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside Supplemental)	84.425U	4418	54,809
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside Supplemental Learning Loss)	84.425U	9418	164,513
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - K-8 Mathematics Curricula and K-3 READ Act Instructional Programming)	84.425U	4431	49,813
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside, Early-Ser Edu Mentoring Program)	84.425U	4436	195,820
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside, Expanded Learning Opp Summer)	84.425U	4438	72,217
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III 21st CCLC E3 Learning Loss)	84.425U	4455	151,200
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III 21st CCLC E3 Summer Program)	84.425U	4459	31,503
COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III 21st CCLC E3 Afterschool Program)	84.425U	4460	112,073
COVID-19 - ARP Homeless Children and Youth (ARP-HCY II) Group 2	84.425W	8426	363,154
Passed through Colorado Governor's Office			
COVID-19 - GEER Governor's Emergency Education Relief Fund-Supporting Colorado Teachers: Governor's Office	84.425R/V	6429	50,000
Total Education Stabilization Fund			26,930,176
U.S. Department of Education Total			53,894,798
<u>U.S. Department of Health and Human Services</u>			
Passed through Colorado Department of Education:			
Drug Free Communities Support Program	93.276	7276	128,090
Public Health Emergency Response:	93.354	7354	128,411
Cooperative Agreement for Emergency Response: Public Health Crisis Response			
U.S. Department of Health and Human Services Total			256,501
<u>U.S. Department of Treasury</u>			
Passed through Colorado Community Colleges System:			
COVID-19 - Workforce Innovation Grant: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	7127	247,013
COVID-19 - CSLFRF State Fiscal Recovery Funds Adult Edu (HB 21-1264)	21.027	9019	77,250
Passed through Colorado Office of Economic Development & International Trade			
COVID-19 - Workforce Innovation Grant: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Opportunity Now Colorado	21.027	7130	23,831
Passed through The Board of County Commissioners of the County of Arapahoe, State of Colorado			
COVID-19 - Behavioral Health Care: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Integration Services for Children	21.027	6127	448,404
Passed through The Board of County Commissioners of the County of Adams, State of Colorado			
COVID-19 - Workforce Innovation Grant: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) County Funds	21.027	8127	34,118
U.S. Department of Treasury Total			830,616
<u>U.S. Federal Communications Commission</u>			
Emergency Connectivity Fund Program	32.009	8009	1,636,841
<u>Other Federal Assistance</u>			
Air Force Jr. ROTC	12.000		165,295
Total Expenditures of Federal Awards			\$ 79,559,460

The accompanying notes are an integral part of this Schedule.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2024**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the district under programs of the federal government for the year ended June 30, 2024. 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 position or cash flows of the district.
2. The district has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
4. The district provided no federal awards to subrecipients.
5. The district receives food commodities from the U.S. Department of Agriculture for use in its food service program. The commodities are recognized as revenue when received and are recorded at fair value at the time of receipt. The commodities are recognized as expenditures when used by schools. The majority of the commodities are stored at individual schools instead of a central warehouse. As such, the district has determined that the title to the commodities passes to the district upon receipt of the commodities. Since the district has received title to the commodities, the unused commodities are not reflected as unearned revenue. The commodities are reported under the National School Lunch Program (Assistance Listing Number 10.555) on the Schedule. The district recognized noncash awards of \$1,577,945 for the year ended June 30, 2024.



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

**Independent Auditor's Report**

To Management and the Board of Education  
Joint School District No. 28-J of the Counties  
of Adams and Arapahoe, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the "School District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 25, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

To Management and the Board of Education  
Joint School District No. 28-J of the Counties  
of Adams and Arapahoe, Colorado

**Purpose of this Report**

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

*Plante & Moren, PLLC*

November 25, 2024

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required  
by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Education  
Joint School District No. 28-J of the Counties  
of Adams and Arapahoe, Colorado

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado's (the "School 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 School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School 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 School 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 School District's federal programs.

### ***Auditor's 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 School 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 School 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 School 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 School 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 School 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 *Auditor's 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.

To the Board of Education  
Joint School District No. 28-J of the Counties  
of Adams and Arapahoe, Colorado

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.

*Plante & Moran, PLLC*

November 25, 2024

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Findings and Questioned Costs  
Section I – Summary of Auditor’s Results  
For the Fiscal Year Ended June 30, 2024**

**Section I – Summary of Auditor’s Results**

***Financial Statements***

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP):  
(Check each description that applies)  
☒ Unmodified      ☐ Qualified      ☐ Adverse      ☐ Disclaimer
2. Internal control over financial reporting:  
Significant deficiency(ies) identified?      ☐ Yes      ☒ None reported  
Material weakness(es) identified?      ☐ Yes      ☒ No
3. Noncompliance material to the financial statements noted?      ☐ Yes      ☒ No

***Federal Awards***

4. Internal control over major federal awards programs:  
Significant deficiency(ies) identified?      ☐ Yes      ☒ None reported  
Material weakness(es) identified?      ☐ Yes      ☒ No
5. Type of auditor’s report issued on compliance for major federal programs:  
(Check each description that applies. If any other than unmodified apply, also list the name of each major program by the type of opinion applicable to that program.)  
☒ Unmodified      ☐ Qualified      ☐ Adverse      ☐ Disclaimer
6. Any audit findings disclosed required to be reported by 2 CFR 200.516(a)?      ☐ Yes      ☒ No

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Findings and Questioned Costs  
Section I – Summary of Auditor’s Results  
For the Fiscal Year Ended June 30, 2024**

**7. Identification of major federal programs:**

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
84.027A, 84.173A, 84.027X and 84.173X	Special Education Cluster
84.425D	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside, Expanded Learning Opp Summer)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - 90% LEA Allocation Non Learning Loss)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - LEA Learning Loss Set Aside)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside Supplemental)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside Supplemental Learning Loss)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - K-8 Mathematics Curricula and K-3 READ Act Instructional Programming)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside, Early-Ser Edu Mentoring Program)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III - ARP 9.5% State Set-Aside, Expanded Learning Opp Summer)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III 21st CCLC E3 Learning Loss)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III 21st CCLC E3 Summer Program)
84.425U	COVID-19 - Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER III 21st CCLC E3 Afterschool Program)
84.425W	COVID-19 - ARP Homeless Children and Youth (ARP-HCY II) Group 2

8. Dollar threshold used to distinguish between Type A and Type B programs: \$2,386,784.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Findings and Questioned Costs  
Section II – Financial Statement Findings  
For the Fiscal Year Ended June 30, 2024**

**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.



**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Schedule of Findings and Questioned Costs  
Section III – Federal Award Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2024**

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**Joint School District No. 28-J of the  
Counties of Adams and Arapahoe, Colorado  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2024**

**Summary Schedule of Prior Audit Findings**

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
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No matters are reportable.

## APPENDIX C

### ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the area within which the District is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the District is located and prospective investors may want to review such information prior to making their investment decision. The following information is not to be relied upon as a representation or guarantee of the District or its officers, employees, or advisors.

#### Population

The following tables set forth population statistics for the City of Aurora, Adams and Arapahoe Counties (the “Counties”), the Denver metropolitan statistical area (comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson counties) (the “DMA”) and the State.

Population										
Year	City of Aurora	Percent Change	Adams County	Percent Change	Arapahoe County	Percent Change	DMA	Percent Change	State of Colorado	Percent Change
1980	158,588	--	245,944	--	293,300	--	1,618,461	--	2,889,735	--
1990	222,099	40.05%	265,038	7.76%	391,511	33.48%	1,848,319	14.20%	3,294,473	14.01%
2000	275,921	24.23	363,857	37.28	488,896	24.87	2,401,501	29.93	4,302,015	30.58
2010	324,961	17.77	441,603	21.37	572,003	17.00	2,784,228	15.94	5,029,196	16.90
2020	386,261	18.86	519,572	17.66	655,070	14.52	3,240,895	16.40	5,783,168	14.99
2023 <sup>1</sup>	380,618	(1.46)	533,580	2.70	655,760	0.11	3,268,784	0.86	5,876,300	1.61

<sup>1</sup> Estimate.

Sources: U.S. Department of Commerce, Bureau of the Census, Population and Housing Unit Counts 2000 Census; and Colorado Department of Local Affairs, State Demography Office, and the Bureau of the Census

#### Housing Stock

The following table sets forth information on housing units in the City and the Counties.

Housing Units			
	2010	2020	2023 <sup>1</sup>
City of Aurora	130,992	147,299	154,792
Adams County	163,136	187,320	199,302
Arapahoe County	238,301	263,254	271,244

<sup>1</sup> Estimate.

Source: U.S. Department of Commerce, Bureau of the Census, Population and Housing Unit Counts, 2020 Census; and Colorado Department of Local Affairs, State Demography

## Income

The following tables set forth historical per capita personal income levels of the Counties, the State and the United States.

### Per Capita Personal Income

	2019	2020	2021	2022	2023
Adams County	\$45,011	\$48,475	\$53,144	\$56,659	\$58,851
Arapahoe County	64,502	68,968	73,433	77,902	81,414
Colorado	61,276	64,693	71,706	76,674	80,068
United States	55,566	59,123	64,460	66,244	69,810

Source: United States Department of Commerce, Bureau of Economic Analysis

## Building Activity

Set forth hereafter is a five-year history of building permit activity for Aurora, and unincorporated Adams and Arapahoe Counties.

### Recent History of Building Permits Issued in Aurora

Year	Single Family	Multi-Family		Commercial/Industrial
	Permits	Permits	Units	Permits
2020	2,055	31	733	63
2021	2,066	46	2,138	69
2022	1,274	26	2,066	64
2023	1,630	59	2,325	69
2024	1,703	22	1,034	47
2025 <sup>1</sup>	370	--	--	7

<sup>1</sup> Permits issued through March 31, 2025.

Source: The City Building Division

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**History of Building Permit Activity  
in Unincorporated Adams County**

Year	Single Family		Multi-Family		Commercial/Industrial	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2020	234	\$64,234,760	26	\$14,293,800	29	\$ 99,173,753
2021	250	69,730,430	103	22,229,061	20	74,499,363
2022	126	39,362,949	9	1,575,949	24	41,742,205
2023	192	65,222,471	--	--	36	214,752,284
2024	349	91,084,788	4	1,067,978	13	37,912,514
2025 <sup>1</sup>	51	16,637,727	20	4,086,487	4	10,671,000

<sup>1</sup> Building permits issued through March 31, 2025.

Source: Adams County Planning and Development Department

**History of Building Permit Activity in Unincorporated Arapahoe County**

Year	Single Family		Multi-Family		Commercial/Industrial <sup>1</sup>	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2020	497	\$151,323,395	57	\$ 10,380,387	422	\$117,522,171
2021	468	146,885,743	136	16,201,301	168	114,414,066
2022	229	71,496,867	55	11,365,772	147	102,230,073
2023	184	58,639,164	90	67,431,513	155	128,233,932
2024	284	79,921,001	195	197,808,814	125	108,850,633
2025 <sup>2</sup>	46	15,289,520	1	810,328	43	45,915,112

<sup>1</sup> Includes commercial remodel, addition, new structure or tenant finish.

<sup>2</sup> Building permits issued through March 31, 2025.

Source: Arapahoe County Building Division

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## Foreclosure Activity

Foreclosure actions are commenced when a default on a deed of trust has occurred, usually when buyers fail to make timely payments in accordance with a promissory note. Set forth below is a history of the number of foreclosure actions filed by the Public Trustee's Offices of the Counties over the past five years.

### History of Foreclosures Filed <sup>1</sup>

Year	Adams County	Percent Change	Arapahoe County	Percent Change
2020 <sup>2</sup>	207	--	223	--
2021 <sup>2</sup>	102	(50.72)%	105	(52.91)%
2022	691	577.45	625	495.24
2023	618	(10.56)	548	(12.32)
2024	625	1.13	568	3.65
2025 <sup>3</sup>	260	--	261	--

<sup>1</sup> Excludes foreclosures that were restarted in a given year.

<sup>2</sup> The decrease in the number of foreclosures filed in 2020 and 2021 was the result of the State imposed restrictions in place regarding foreclosures. See "DISTRICT FINANCIAL INFORMATION—COVID-19."

<sup>3</sup> Foreclosures through April 29, 2025.

Sources: Adams and Arapahoe County Public Trustee's Offices

## Retail Sales

The retail trade sector employs a large portion of the county's work force and is important to the area's economy. The following table sets forth recent retail sales figures for the City of Aurora and the Counties as reported by the Colorado Department of Revenue.

### Retail Sales (in thousands)

Year	City of Aurora	Percent Change	Adams County	Percent Change	Arapahoe County	Percent Change
2020	\$13,288,641	--	\$26,519,233	--	\$24,596,095	--
2021	14,125,428	6.30%	30,179,392	13.80%	27,262,452	10.84%
2022	15,421,650	9.18	36,062,790	19.49	30,183,842	10.72
2023	15,747,735	2.11	32,560,977	(9.71)	30,713,699	1.76
2024 <sup>1</sup>	17,039,292	8.20	31,530,602	(3.16)	31,149,024	1.42

<sup>1</sup> Retail sales through December 31, 2024, the most recent information available.

Source: State of Colorado, Department of Revenue, Sales Tax Statistics, 2020-2024

## Employment

The following tables set forth employment statistics by industry for the Counties and the most recent historical labor force estimates for the Counties and the State.

### Total Business Establishments and Employment—Adams County

Industry <sup>1</sup>	Third Quarter 2023		Third Quarter 2024		Quarterly Change	
	Units	Average Employment	Units	Average Employment	Units	Average Employment
Agriculture, Forestry, Fishing and Hunting	54	1,066	48	1,013	(6)	(53)
Mining	49	984	48	1,018	(1)	34
Utilities	34	963	31	962	(3)	(1)
Construction	2,030	26,714	1,941	27,271	(89)	557
Wholesale Trade	1,213	18,066	1,190	18,284	(23)	218
Information	240	2,650	222	2,565	(18)	(85)
Finance and Insurance	679	3,797	632	3,404	(47)	(393)
Real Estate, Rental and Leasing	742	3,520	715	3,672	(27)	152
Professional and Technical Services	2,231	8,822	2,238	9,427	7	605
Management of Companies and Enterprises	169	1,664	172	1,860	3	196
Administrative and Waste Services	970	17,686	921	17,113	(49)	(573)
Educational Services	239	26,209	240	25,905	1	(304)
Health Care and Social Assistance	1,057	33,581	1,101	34,933	44	1,352
Arts, Entertainment and Recreation	154	3,722	158	3,831	4	109
Accommodation and Food Services	921	19,232	891	18,958	(30)	(274)
Other Services, Ex. Public Administration	1,111	6,936	1,025	7,204	(86)	268
Public Administration	65	10,421	65	10,689	--	268
Unclassified	22	31	73	35	8	4
Total <sup>2</sup>	<u>14,497</u>	<u>248,095</u>	<u>14,115</u>	<u>251,018</u>	<u>(382)</u>	<u>2,923</u>
<b>Government <sup>3</sup></b>						
Federal Government	46	3,618	45	3,639	(1)	21
Local Government	59	23,147	60	22,415	1	(732)
State Government	35	24,182	35	25,255	--	1,073

<sup>1</sup> Information provided herein reflects only those employers who are subject to State unemployment insurance law.

<sup>2</sup> Totals may not add due to rounding.

<sup>3</sup> Government figures *are* included within the industry categories listed above.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

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### Total Business Establishments and Employment—Arapahoe County

Industry <sup>1</sup>	Third Quarter 2023		Third Quarter 2024		Quarterly Change	
	Units	Average Employment	Units	Average Employment	Units	Average Employment
Agriculture, Forestry, Fishing & Hunting	22	164	27	167	5	3
Mining	79	426	78	445	(1)	19
Utilities	22	279	21	260	(1)	(19)
Construction	2,276	25,104	2,158	25,452	(118)	348
Wholesale Trade	1,661	14,757	1,611	14,726	(50)	(31)
Information	753	17,332	698	15,630	(55)	(1,702)
Finance and Insurance	2,182	23,948	2,039	21,910	(143)	(2,038)
Real Estate and Rental and Leasing	1,635	6,907	1,548	7,257	(87)	350
Professional and Technical Services	6,156	39,455	5,923	39,476	(233)	21
Management of Companies and Enterprises	506	9,359	496	9,058	(10)	(301)
Administrative and Waste Services	1,747	24,595	1,645	24,290	(102)	(305)
Educational Services	519	22,602	517	23,332	(2)	730
Health Care and Social Assistance	2,899	48,669	2,890	51,724	(9)	3,055
Arts, Entertainment, and Recreation	326	7,294	323	7,707	(3)	413
Accommodation and Food Services	1,462	27,462	1,445	26,607	(17)	(855)
Other Services, Ex. Public Admin	2,089	9,691	1,987	9,970	(102)	279
Public Administration	75	15,084	76	15,489	1	405
Unclassified	40	55	145	82	105	27
Total <sup>2</sup>	<u>27,356</u>	<u>341,448</u>	<u>26,387</u>	<u>341,614</u>	<u>(969)</u>	<u>166</u>
<b>Government <sup>3</sup></b>						
Federal Government	64	3,383	64	3,343	--	(40)
Local Government	61	28,983	60	30,103	(1)	1,120
State Government	30	5,190	30	5,237	--	47

<sup>1</sup> Information provided herein reflects only those employers who are subject to State unemployment insurance law.

<sup>2</sup> Totals may not add due to rounding.

<sup>3</sup> Government figures *are* included within the industry categories listed above.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

### Labor Force Estimates

Year	Adams County		Arapahoe County		Colorado	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2020 <sup>1</sup>	274,498	8.0%	366,768	7.9%	3,122,237	7.3%
2021 <sup>1</sup>	281,041	6.4	374,709	6.0	3,190,760	5.6
2022	283,913	3.9	377,389	3.6	3,235,022	3.4
2023	284,485	3.4	378,483	3.1	3,244,096	2.9
2024	284,324	4.5	377,299	4.0	3,241,864	4.1
2025 <sup>2</sup>	302,040	5.2	375,933	4.8	3,268,158	4.9

<sup>1</sup> As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially in 2020 and 2021.

<sup>2</sup> Average labor force through March 31, 2025.

Source: Colorado Department of Labor and Employment Office of Labor Market Information



Selected major employers in the Denver metropolitan area are set forth in the following table. No independent investigation has been made of, and there can be no representation as to, the stability or financial condition of the companies listed below, or the likelihood that such companies will maintain their status as major employers in the area.

**Selected Major “Private Sector” Employers in the Denver Metropolitan Area <sup>1</sup>**

<b>Firm</b>	<b>Product or Service</b>	<b>Estimated Number of Employees <sup>2</sup></b>
UCHealth	Health Care–Hospital and Clinics	27,400
HCA-HealthONE LLC	Health Care Provider	12,226
Echostar (fka Dish Network)	Telecommunications	6,280
Ball Corporation	Packaging	5,859
University of Denver	Higher Education	3,841
Deloitte LLP and Subsidiaries	Audit, Consulting, Advisory, Tax Services	2,563
American Furniture Warehouse	Retail Furniture and Accessories	1,641
Arrow Electronics Inc.	Technology, Electric Components and Computing Solutions	1,500
RK Industries LLC	Manufacturing and Facilities Services	1,124
Mtech Mechanical	Commercial Mechanical and Plumbing Contractor	560

<sup>1</sup> Only entities that replied to inquiries are included. Public sector information (i.e., U.S. Government, State of Colorado, county and local municipalities, public university/college and public schools) is no longer readily available from the Denver Business Journal.

<sup>2</sup> As of December 31, 2023, the most recent information available.

Source: Denver Business Journal, July 31, 2024

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## **APPENDIX D**

### **FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2025

Joint School District No. 28J  
Adams and Arapahoe Counties, Colorado  
15701 East 1<sup>st</sup> Avenue  
Aurora, Colorado 80011

**\$\_\_\_\_\_**  
**Joint School District No. 28J**  
**Adams and Arapahoe Counties, Colorado**  
**General Obligation Bonds**  
**Series 2025**

Ladies and Gentlemen:

We have acted as bond counsel to Joint School District No. 28J, Adams and Arapahoe Counties, Colorado (the “District”), in connection with the issuance of its General Obligation Bonds, Series 2025, in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”), pursuant to an authorizing resolution of the Board of Education of the District adopted on March 18, 2025 (the “Bond Resolution”). In such capacity, we have examined the District’s certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding general obligations of the District.
2. All of the taxable property in the District is subject to the levy of ad valorem taxes to pay the Bonds without limitation of rate and in an amount sufficient to pay the Bonds when due.
3. Interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), and interest on the Bonds is not a specific item of tax preference for purposes of the alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the District’s certified proceedings and in certain other documents and certain other certifications furnished to us.

4. Under the laws of the State of Colorado in effect as of the date hereof, interest on the Bonds is exempt from Colorado income tax.

The opinions expressed in this opinion letter are subject to the following:

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing herein upon the accuracy, adequacy or completeness of the Official Statement relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof, and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

BUTLER SNOW LLP

## **APPENDIX E**

### **BOOK-ENTRY-ONLY SYSTEM**

The information in this section concerning The Depository Trust Company (“DTC”) New York, New York and DTC’s book-entry-only system has been obtained from DTC, and the District and Underwriters take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC’s records reflect only the identity of the Direct

Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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