



COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED
JUNE 30, 2020



EXECUTIVE BRIEFING FOR:

BOARD OF EDUCATION

December 14, 2020



CHERRY CREEK
SCHOOL DISTRICT NO. 5
ARAPAHOE COUNTY, COLORADO



Dedicated to Excellence
Cherry Creek Schools

Agenda

- **Audit Requirement**

- Auditor Report

- **Financial Results**

- Government-Wide Financial Statements
- Governmental Fund Financial Statements

- **Addendum**

- CliftonLarsonAllen, LLP independent auditors report
- Supplemental Schedules

External Audit Results

Independent Auditors' Report for fiscal year June 30, 2020

Scope of the Audit

- Financial Statement Audit – Comprehensive Annual Financial Report (CAFR)
- Findings and Recommendations
- Single Audit will be a separate report
 - Major program determination:
 - ◇ Individuals with Disabilities Education Act - IDEA
 - ◇ Coronavirus Relief Fund (CRF)
 - Schedule of Expenditures of Federal Awards (SEFA)

External Audit Results

Independent Auditors' Report for fiscal year June 30, 2020

Results of the Audit

- Independent Auditors' Report: unmodified audit opinion (aka a clean opinion)
- No audit adjustments
- Required Communications with Governance:
 - See separate letter provided
- Findings and Recommendations
 - No material weaknesses were identified



Government-Wide Statements

- Two types of statements required to be presented
 - Government -Wide Statements (GASB 34) – to parallel private sector reporting
 - Governmental Fund Financial Statements – modified accrual reporting basis

Government-Wide Statements

- Designed to provide reader with a broad overview of the financial activities
- Similar to a private sector business
 - Includes capital assets and long-term liabilities, for example: buildings, land and equipment, general obligation bonds, capital leases, and compensated absences payable
- Include the Statement of Net Position and the Statement of Activities
- Expenses vs. Expenditures

Government-Wide Statement of Net Position

Primary Government

(in millions)	Fiscal Year 2019-20	Fiscal Year 2018-19	Increase/ (Decrease)
Current/Other Assets	\$318.4	\$337.2	\$(18.8)
Capital Assets	837.5	832.4	5.1
<i>Total Assets</i>	<u>1,155.9</u>	<u>1,169.6</u>	<u>(13.7)</u>
Deferred Outflow of Resources	141.6	401.6	(260.0)
Current Liabilities	147.4	122.0	25.4
Noncurrent Liabilities	657.1	718.1	(61.0)
Net OPEB Liability	52.8	63.5	(10.7)
Net Pension Liability	1,074.4	1,271.4	(197.0)
<i>Total Liabilities</i>	<u>1,931.7</u>	<u>2,175.0</u>	<u>(243.3)</u>
Deferred Inflow of Resources	718.2	949.5	(231.3)
Net Investment in Capital Assets	\$201.2	\$185.3	\$15.9
Restricted Net Position	93.4	82.9	10.5
Unrestricted Net Position	<u>(1,647.0)</u>	<u>(1,821.5)</u>	<u>174.5</u>
<i>Total Net Position</i>	<u><u>(1,352.4)</u></u>	<u><u>(1,553.3)</u></u>	<u><u>\$200.9</u></u>

Government-Wide Statement of Activities

Key Elements: Primary Government as of June 30, 2020

Pages 40 and 41 of CAFR

- **Total revenue increased \$32.2 million (4.4%)**
 - Property taxes increased by \$24.1 million
 - State Equalization Aid increased \$25.0 million
 - Per pupil funding increase of \$372 to \$8,464
 - Increased enrollment of 223 students and an FTE increase of 1,668 due to full day Kindergarten in Fiscal Year 2020
 - Charges for services decreased \$14.3 million as a result of the District moving to fully online instruction in mid-March

Government-Wide Statement of Activities

Key Elements: Primary Government as of June 30, 2020

Pages 40 and 41 of CAFR

- **Total governmental expenses decreased \$32.9 million (5.5%)**
 - Effect of GASB 68 reduction in net pension liability decreases pension expense
 - Effect of reduced costs with moving to fully online learning in March 2020
 - Increased enrollment and related staffing for full day Kindergarten
 - Increased compensation expenditures
 - Adjustments to salary schedules, steps and lanes
 - Employee health benefit costs
 - PERA employer paid pension costs
 - Depreciation and non-capitalized expenses from projects funded by the 2016 Bond election

Government-Wide Statement of Activities

Primary Government

(in millions)	Fiscal Year 2019-20	Fiscal Year 2018-19	Increase/ (Decrease)
Total Revenues	\$770.6	\$738.4	\$32.2
Total Expenses	<u>569.7</u>	<u>602.6</u>	<u>(32.9)</u>
Change in Net Position	200.9	135.8	65.1
Net Position Beginning of Year	<u>(1,553.3)</u>	<u>(1,689.1)</u>	<u>135.8</u>
Net Position End of Year	<u><u>\$(1,352.4)</u></u>	<u><u>\$(1,553.3)</u></u>	<u><u>\$200.9</u></u>

Governmental Funds

General Fund

as of June 30, 2020

Page 102 of CAFR

- District's General Fund balance increased by \$1.1 million
 - On November 8, 2016 District voters approved a 25% mill levy budget override providing \$40.4 million for Fiscal Year 2019-2020
 - State per pupil funding increase of approximately \$372. State aid funded an enrollment increase of 1,668 FTE primarily related to full day Kindergarten
 - \$23.5 million actual positive budgeted expenditure variance primarily from the District moving to online learning mid-March includes: lower general supplies, utilities and less need for substitute teachers. Salary costs for teachers needed for full day Kindergarten were projected higher than actual results and the District realized savings in budgeted benefits.
 - \$0.5 million unfavorable revenue budget variance from higher than projected property taxes and specific ownership taxes and investment earnings, while fees and fines and miscellaneous revenue declined due to the district moving to online mid-March, reducing student collected fees and reducing contribution of District overhead costs from the Food Services Fund and Extended Child Services Fund.
 - State pass through of direct funding to PERA of \$10.3 million

General Fund – Budget to Actual

Year Ended June 30, 2020

(in millions)	Budget	Actual	Variance
<u>Revenues:</u>			
Property & SO Taxes	\$277.2	\$279.0	\$1.8
State	334.6	334.7	0.1
Investment Income	1.3	1.7	0.4
Other	7.3	5.9	(1.4)
Transfers	1.4	--	(1.4)
<i>Total Revenues</i>	<u>\$621.8</u>	<u>\$621.3</u>	<u>\$(0.5)</u>
<u>Expenditures:</u>			
Instruction	\$432.6	\$415.0	\$17.6
Indirect Instruction	92.0	91.2	0.8
Operations/Maintenance	48.5	44.9	3.6
Transportation	23.8	22.8	1.0
Other Support Services	27.9	27.4	0.5
Transfers	18.9	18.9	--
<i>Total Expenditures</i>	<u>\$643.7</u>	<u>\$620.2</u>	<u>\$ 23.5</u>

*Excludes on-behalf payment made by State to PERA

General Fund – Fund Balance

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Nonspendable:		
Prepayments and Deposits	\$1,248,877	\$3,376,813
Inventories	1,443,384	1,564,239
Restricted for: TABOR Reserve	18,609,000	17,591,000
Committed:		
Multiple year commitments	537,370	1,005,309
Future year expenditures	29,755,487	22,966,761
Assigned for:		
Future year purchases and curriculum	760,843	554,410
Budget Carryforward for future year expenditures	6,529,419	6,920,055
Board reserve	18,609,000	17,591,000
Unassigned	<u>9,281,247</u>	<u>14,128,466</u>
Total Fund Balance	<u>\$86,774,627</u>	<u>\$85,698,053</u>

Governmental Funds

FY2019-2020 Revenues & Expenditures & Changes in Fund Balances

(in millions)	General Fund	Debt Service Fund	Building Fund	Grants Fund	Nonmajor Governmental Funds	TOTAL
<u>Revenues:</u>						
Property Taxes	\$255.6	\$70.9	\$--	\$--	\$--	\$326.5
Specific Ownership Tax	23.4	--	--	--	--	23.4
Federal Grants	1.5	--	--	20.6	7.4	29.5
State Equalization	310.5	--	--	--	--	310.5
Other State Funding	34.5	--	--	3.6	0.3	38.4
Earnings on Investment	1.7	0.9	1.0	--	0.1	3.7
Other	4.5	--	--	2.6	29.5	36.6
Total	631.7	71.8	1.0	26.8	37.3	768.6
<u>Expenditures: *</u>						
Instruction	515.4	--	--	26.8	11.1	553.3
Other Support Services	95.9	--	--	--	0.8	96.7
Pupil Activities	--	--	--	--	10.5	10.5
Capital Outlay	0.4	--	43.4	--	15.8	59.6
Debt Service	--	59.4	--	--	6.3	65.7
Food Services	--	--	--	--	17.1	17.1
Total	611.7	59.4	43.4	26.8	61.6	802.9
<u>Other Financing:</u>						
Transfers (net)	(18.9)	--	--	--	18.9	--
Bond Refunding	--	0.3	--	--	--	0.3
Net Change in Fund Balances	1.1	12.7	(42.4)	--	(5.4)	(34.0)
Fund Balances, Beginning	85.7	59.6	71.2	--	38.2	254.7
Fund Balances, Ending	<u>\$86.8</u>	<u>\$72.3</u>	<u>\$28.8</u>	<u>\$--</u>	<u>\$32.8</u>	<u>\$220.7</u>

*Includes on-behalf payment made by State to PERA

Questions



CliftonLarsonAllen, LLP

Independent Auditors Report

Addendum I

- Please see the following section for the information from CliftonLarsonAllen, LLP as presented to the Audit Committee of the Board of Education on October 27, 2020.



Cherry Creek School District

Comprehensive Annual Financial Report (CAFR)
Financial Audit and Single Audit

Fiscal Year 2020

Meeting with the Audit Committee – FY20 Audit Results

October 27, 2020

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Agenda



Responsibilities under US Generally Accepted Auditing Standards (GAAS)

- Auditors are responsible for:
 - Expressing opinions on whether financial statements are in conformity with U.S. Generally Accepted Accounting Principles in all material respects.
 - Expressing opinions only over information identified in our report. Other information included in your financial statement package will be read/reviewed, but not subject to testing.
 - Performing audit in accordance with required auditing standards
 - Communication of significant matters related to audit



Responsibilities under US Generally Accepted Auditing Standards (GAAS)

- An audit in accordance with GAAS:
 - Does not relieve management of responsibilities
 - Includes consideration of internal control as basis for audit procedures, but not to opine on effectiveness of internal controls
 - Is designed to obtain reasonable, but not absolute, assurance about whether statements are free of material misstatement



Scope of the Audit

- Financial Statement Audit – Comprehensive Annual Financial Report (CAFR)
- Single Audit (note – still ongoing)
 - Major program determination:
 - ◇ Individuals with Disabilities Education Act (IDEA)
 - ◇ Coronavirus Relief Fund (CRF)
 - Schedule of Expenditures of Federal Awards (SEFA)
- Findings and Recommendations



Comprehensive Annual Financial Report (CAFR)

Independent Auditors' Report (opinion)– unmodified

Statement of Net Position

Statement of Activities

Fund Financial Statements

Notes to the Financial Statements

Required Supplementary Information

Supplementary Statements and Schedules



Financial Statement Results

Unmodified Opinion

Report on Internal Controls over Financial Reporting in Accordance with Government Auditing Standards – No Financial Statement Findings

No audit adjustments



Single Audit Results – still ongoing

Major Programs

- Individuals with Disabilities Education Act (IDEA)
- Coronavirus Relief Fund (CRF)

Compliance / Uniform Guidance Report

- No findings to date, testwork not complete

Schedule of Expenditures of Federal Awards (SEFA)

Notes to the SEFA

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings:

- One finding – Significant Deficiency in Internal Control over Compliance relating to Suspension/Debarment for the Child Nutrition Cluster. Considered resolved based on preliminary work.



Required Communications

Qualitative Aspects of Accounting Practices

- Accounting Policies: No Changes in Current Year
- Significant Accounting Estimates
- Financial Statement Disclosures

Difficulties Encountered in Performing the Audit: None

Uncorrected Misstatements: Three Items Noted

Corrected Misstatements: None

Disagreements with Management: None

Management Representations: Attached



Required Communications (continued)

Significant issues discussed with management prior to engagement: None

Other audit findings or issues: None

Audits of group financial statements

Quality of component auditor's work

Limitations on the group audit (none)

Other information in documents containing auditing financial statements



Questions?





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Supplemental Information

Addendum II

- Please see the following section for supplemental information related to the Comprehensive Annual Financial Report.

CAFR Defined

- **GAAP Required Financial Documents**
 - Management Discussion & Analysis (MD&A)
 - Basic Financial Statements
 - Required Supplementary Information (RSI)

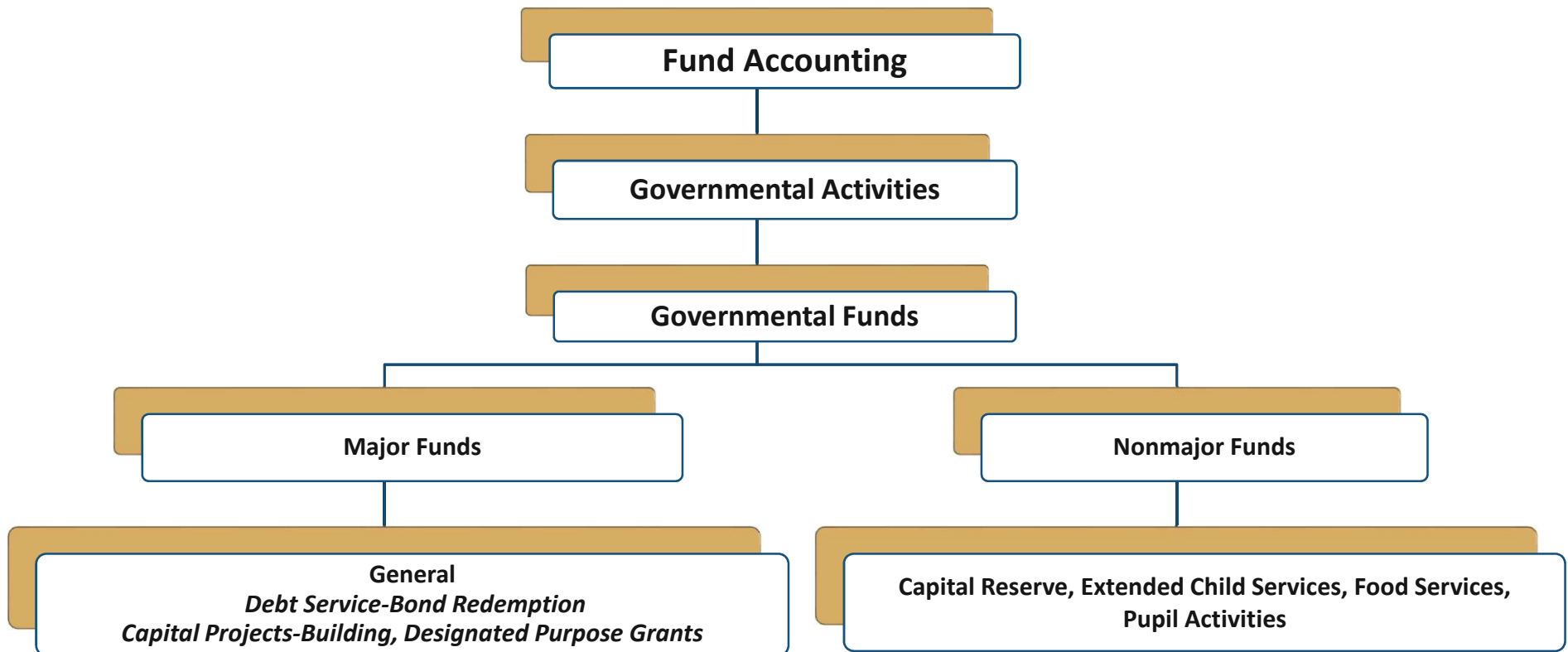
- **Best practice is to prepare the Comprehensive Annual Financial Report (CAFR)**
 - Provides critical information regarding the financial condition of the entity in four sections
 - Introductory
 - Financial
 - Statistical
 - Compliance Report

Audit Report

- **Audit is required by State statute and debt covenants**
- **Required to comply with**
 - Generally Accepted Accounting Principles (GAAP)
 - Governmental Accounting Standards Board (GASB)
 - Colorado Department of Education – Financial Policies & Procedures
 - U.S. Office of Management and Budget – Federal Grant Compliance

Basis of Presentation

Governmental Fund Accounting



Government-Wide Statement of Net Position

- Information about all of District's assets, deferred outflows, liabilities, and deferred inflows
 - Including capital assets and long-term obligations
- Difference between assets and deferred outflows and liabilities and deferred inflows is reported as net position
- Over time, changes in net position may serve as a useful indicator of improving or deteriorating financial condition

Government-Wide Statement of Net Position

Key Elements: Primary Government at June 30, 2020

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- Current/other assets decreased from the use of cash to pay for capital projects related to the 2016 bond election and capital assets increased with the completion of some of those projects.
- Deferred Outflow and Deferred Inflow of resources changed as a result of changes in the Pension and OPEB liabilities.
- Pension liability decreased by \$197.0 million and OPEB liability decreased by \$10.7 million.
- Liabilities and deferred inflows exceed assets and deferred outflows by \$1.4 billion (net position) due to the effects of GASB 68 (net pension liability) and GASB 75 (OPEB)

Government-Wide Statement of Net Position

Key Elements: Primary Government at June 30, 2020

Page 39 of CAFR

- Net position of the District includes:
 - \$201.2 million net investment in capital assets
 - \$93.4 million restricted for debt service payments, Food Service operations, and TABOR
 - \$(1.6) billion negative unrestricted net position
 - GASB 68 and GASB 75 and GAAP treatment of earned but unpaid salaries and benefits and compensated absences payable
- Total net position increased by \$201.0 million due to the effect of GASB 68 and GASB 75.

Government-Wide Statement of Activities

- Shows how net position changed during the current fiscal year
- Full accrual basis of accounting
 - Activity recorded when event occurs, regardless of the timing of related cash flows

Governmental Fund Financial Statements

- Governmental funds account for essentially the same information reported in the governmental activities of the Government-Wide Financial Statements.
- Unlike the Government-Wide Statements, the Governmental Fund Financial Statements focus on near-term financial resources and fund balances.
- Such information may be useful in evaluating the financing requirements in the near-term and to demonstrate compliance with finance-related requirements
- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives
- Fund financial statements for the District include one of three possible fund types, which is governmental funds. The District currently does not have any proprietary or fiduciary fund types.
- The District's Board of Education adopts an annual appropriated budget for each of the Governmental funds.

Balance Sheet: Governmental Funds

as of June 30, 2020

(in millions)	General Fund	Debt Service Fund	Capital Projects Fund	Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets	\$134.1	\$73.9	\$46.4	\$41.3	\$36.6	\$332.3
Liabilities	43.8	--	17.6	41.3	3.9	106.6
Deferred Inflows of Resources	3.5	1.6	--	--	--	5.1
Fund Balance	<u>\$86.8</u>	<u>\$72.3</u>	<u>\$28.8</u>	<u>--</u>	<u>\$32.7</u>	<u>\$220.6</u>

Financial Report and Budget Awards

Government Finance Officers Association

- Certificate of Achievement for Excellence in Financial Reporting
 - **Received for 2019 CAFR – 27th consecutive year**
- Distinguished Budget Presentation Award
 - **Received for 2019-2020 Budget – 26th consecutive year**

Association of School Business Officials

- Certificate of Excellence in Financial Reporting
 - **Received for 2019 CAFR – 27th consecutive year**
- Meritorious Budget Award
 - **Received for 2019-2020 Budget – 23rd consecutive year**

GASB Statement No. 68

- GASB 68 continues to have a significant impact on the financial statements of the District.
- GASB 68 revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).
- Among other requirements, the District is required to report its proportionate share of the total PERA net pension liability (NPL) in its Government-Wide Financial Statements. The District's share of the PERA NPL is \$1.1 billion as of June 30, 2020, down from \$1.3 billion as of June 30, 2019.
 - Long-term investment rate of return 7.25%

GASB Statement No. 68

- Inclusion of this figure in the Government-Wide Financial Statements does not indicate that the District has a liability to pay the amount shown. The District's liability is limited to the annually required contributions established by the State Legislature.
- Due to the effect of GASB 68, the District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by \$1.4 billion.
- Effect of GASB 68 decreased current year pension expense in the Government-Wide Financial Statements from the impact in changes to the NPL from the prior year.
- Fund level statements, including the General Fund statements, are not impacted by GASB 68 reporting.

GASB Statement No. 75

- Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (HCTF) administered by PERA. This program is known as PERACare.
- 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.
- Eligibility to enroll is voluntary upon retirement.
- District is required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.
- At June 30, 2020, the District reported a liability of \$52.9 million for its proportionate share of the net OPEB.

Capital Assets

(in millions)	Fiscal Year 2019-2020
Land	\$29.7
Land Improvements	36.8
Buildings	1,219.2
Projects in Progress	13.9
Equipment	<u>92.8</u>
Total Capital Assets	1,392.4
Less Accumulated Depreciation	<u>(554.8)</u>
Net Capital Assets	<u><u>\$837.6</u></u>

Long-Term Obligations

(in millions)	Fiscal Year 2019-2020
General Obligation Bonds	\$560.1
Unamortized Premiums	65.4
Capital Lease	18.1
Certificates of Participation	22.5
Compensated Absences	<u>48.1</u>
Total Long-Term Obligations	<u><u>\$714.2</u></u>

Refinanced Series 2010B bonds with outstanding principal of \$86.7 million, reducing principal amount of outstanding debt by \$16.7 million and saving tax payers over \$26.4 million over the term of the bonds with reduced interest rates.

Short term Obligations

The Colorado State Treasury offers an interest-free cash flow loan program for school districts that experience a deficit in available cash during the year due to the timing of property tax collections.

- The District borrowed \$28.0 million which was paid in full by the maturity date June 30, 2020.
- Authorized to borrow up to \$105.0 million during FY 2020-2021.

Government-Wide Statement of Activities - Expenses

Primary Government

(in millions)	Fiscal Year 2019-20	Fiscal Year 2018-19	Increase / (Decrease)
<u>Expenses</u>			
Instruction	\$374.0	\$387.8	\$(13.8)
Indirect Instruction	77.0	78.9	(1.9)
Supporting Services	81.1	81.1	--
Community Services	0.7	0.9	(0.2)
Pupil Activities	10.5	12.5	(2.0)
Interest on Long Term Debt	12.1	24.4	(12.3)
Food Service Operations	14.3	17.0	(2.7)
Total Expenses	\$569.7	\$602.6	\$(32.9)

Government-Wide Statement of Activities - Revenues

Primary Government

(in millions)	Fiscal Year 2019-20	Fiscal Year 2018-19	Increase/ (Decrease)
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$31.6	\$45.9	\$(14.3)
Operating Grants	67.0	67.9	(0.9)
Capital Grants	2.1	1.3	0.8
General Revenues			
Property Taxes	328.6	304.5	24.1
Specific Ownership Taxes	23.4	22.5	0.9
Investment Earnings	3.8	6.7	(2.9)
Other Revenues	3.6	4.1	(0.5)
State Equalization Aid	310.5	285.5	25.0
Total Revenues	\$770.6	\$738.4	\$32.2

Government-Wide Statement of Activities

Primary Government

(in millions)	Fiscal Year 2019-20	Fiscal Year 2018-19	Increase/ (Decrease)
Total Revenues	\$770.6	\$738.4	\$32.2
Total Expenses	<u>569.7</u>	<u>602.6</u>	<u>(32.9)</u>
Change in Net Position	200.9	135.8	65.1
Net Position Beginning of Year	<u>(1,553.3)</u>	<u>(1,689.1)</u>	<u>135.8</u>
Net Position End of Year	<u><u>\$(1,352.4)</u></u>	<u><u>\$(1,553.3)</u></u>	<u><u>\$200.9</u></u>

General Fund Revenues

FY2019-2020 vs. FY2018-2019

(in millions)	Fiscal Year 2019-2020	Percent of Total	Fiscal Year 2018-2019	Percent of Total	Increase/ Decrease
Property & SO Taxes*	\$ 279.0	44.9%	\$ 265.3	45.4%	\$13.7
State**	334.7	53.9%	307.8	52.7%	26.9
Other/Including Transfers	<u>7.6</u>	<u>1.2%</u>	<u>11.0</u>	<u>1.9%</u>	<u>(3.4)</u>
Totals	<u>\$621.3</u>	<u>100.0%</u>	<u>\$584.1</u>	<u>100.0%</u>	<u>\$37.2</u>

*Property & SO Taxes includes mill levy override revenue

**Excludes on-behalf payment made by State to PERA

General Fund Expenditures *

by Function – FY2019-2020 vs. FY2018-2019

(in millions)	Fiscal Year 2019-2020	Percent of Total	Fiscal Year 2018-2019	Percent of Total	Increase/ (Decrease)
Instruction	\$415.0	66.9%	\$386.7	65.9%	\$28.3
Indirect Instruction	91.2	14.7%	84.8	14.5%	6.4
Operations/Maintenance	44.9	7.3%	44.3	7.6%	0.6
Transportation	22.8	3.7%	22.6	3.9%	0.2
Central Services	15.4	2.5%	13.7	2.3%	1.7
Other Support Services	12.0	1.9%	11.3	1.9%	0.7
Transfers	<u>18.9</u>	<u>3.0%</u>	<u>23.0</u>	<u>3.9%</u>	<u>(4.1)</u>
Total	<u><u>\$620.2</u></u>	<u><u>100.0%</u></u>	<u><u>\$586.4</u></u>	<u><u>100.0%</u></u>	<u><u>\$33.8</u></u>

*Excludes on-behalf payment made by State to PERA

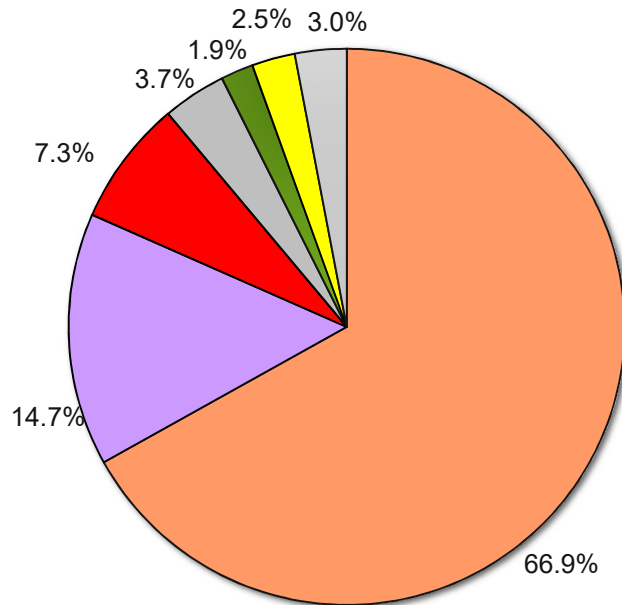
General Fund Expenditures by Function

FY2019-2020 vs. FY2018-2019

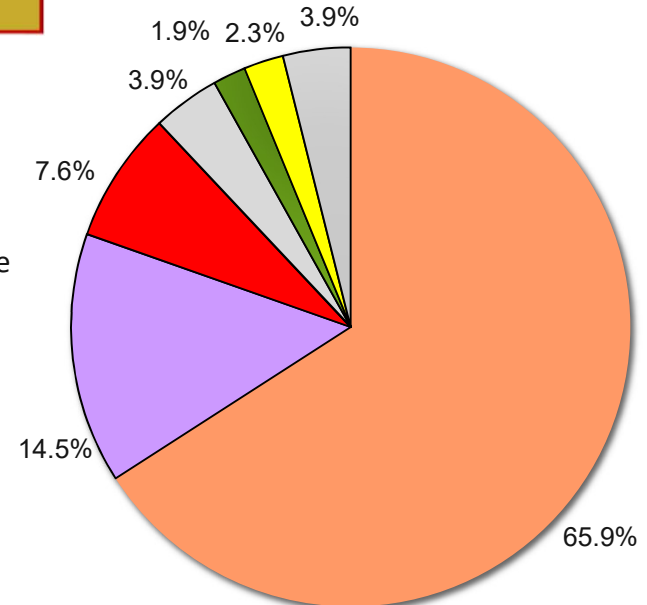
Instruction

2019-2020 = 81.6%
2018-2019 = 80.4%

2019-2020

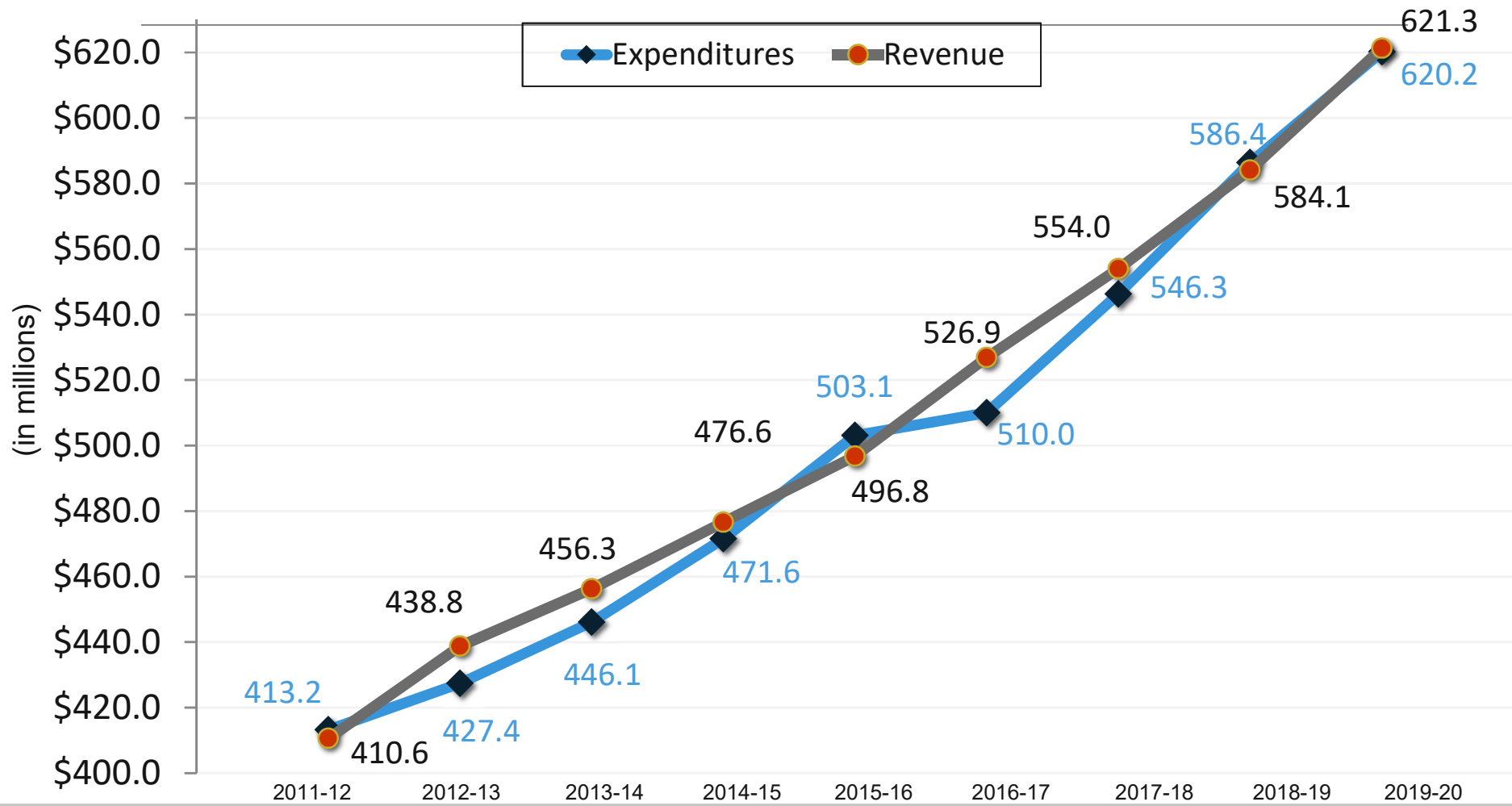


2018-2019



General Fund Revenue & Expenditures

Including Transfers



GASB 54: Fund Balance Reporting

Five Components of Fund Balance

1. **Nonspendable**
Defined as a) assets that will never convert to cash b) assets that will not convert to cash soon enough to affect the current period and c) resources that must be maintained intact pursuant to legal or contractual requirements
2. **Restricted**
Defined as a) limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments and b) limitations imposed by law through constitutional provisions or enabling legislation
3. **Committed**
Defined as self-imposed limitations set in place by the highest level of decision making powers
4. **Assigned**
Defined as amounts that are constrained by the District's intent to be used for specific purposes. Assigned fund balances should be expressed by a) the school board b) an official to whom the school board had delegated the authority to assign amounts to be used for specific purposes.
5. **Unassigned**
Defined as the residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned. Only the General Fund may present positive unassigned fund balance.

Debt Service Fund

(in millions)	Fiscal Year 2019-2020	Fiscal Year 2018-2019	Increase (Decrease)
Beginning Fund Balance	<u>\$ 59.6</u>	<u>\$ 55.1</u>	<u>\$4.5</u>
Revenues	71.8	62.9	8.9
Expenditures	(59.4)	(58.4)	(1.0)
Other Financing Sources	0.3	--	0.3
Net Change in Fund Balance	<u>12.7</u>	<u>4.5</u>	<u>8.2</u>
Ending Fund Balance	<u><u>\$72.3</u></u>	<u><u>\$59.6</u></u>	<u><u>\$12.7</u></u>

Credit Ratings

- Standard and Poor's

- AA+ General Obligation Bonds

- S&P Global Ratings raised its rating from AA to AA+, reflecting their view of the District's very strong fiscal year 2017 and their expectations of continued strong performance.

- "Debt rated AA+ has a very strong capacity to meet its financial commitments and differs from the highest rated issues only in small degree."

- Moody's Investors Service

- Aa1 General Obligation Bonds

- Obligations rated Aa1 are judged to be of high quality and are subject to very low credit risk. "The Aa1 rating reflects the District's diverse economy and favorable location within the Denver MSA, large tax base that is experiencing growth, and its affluent and supportive District residents. The District continues to maintain healthy reserve levels, and the District benefits from the support of local residents that have passed mill levy overrides to supplement State funding. The Aa1 rating also incorporates the District's manageable debt profile and elevated pension burden associated with the State-wide pension plan."

Capital Projects Building Fund

(in millions)	Fiscal Year 2019-2020	Fiscal Year 2018-2019	Increase (Decrease)
Beginning Fund Balance	<u>\$71.2</u>	<u>\$153.9</u>	<u>\$(82.7)</u>
Revenues	1.1	3.6	(2.5)
Expenditures	<u>(43.5)</u>	<u>(86.3)</u>	<u>42.8</u>
Net Change in Fund Balance	<u>(42.4)</u>	<u>(82.7)</u>	<u>40.3</u>
Ending Fund Balance	<u><u>\$28.8</u></u>	<u><u>\$71.2</u></u>	<u><u>\$(42.4)</u></u>

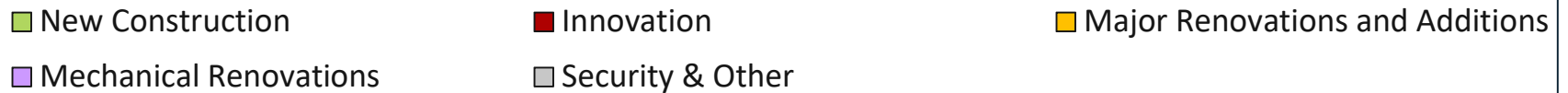
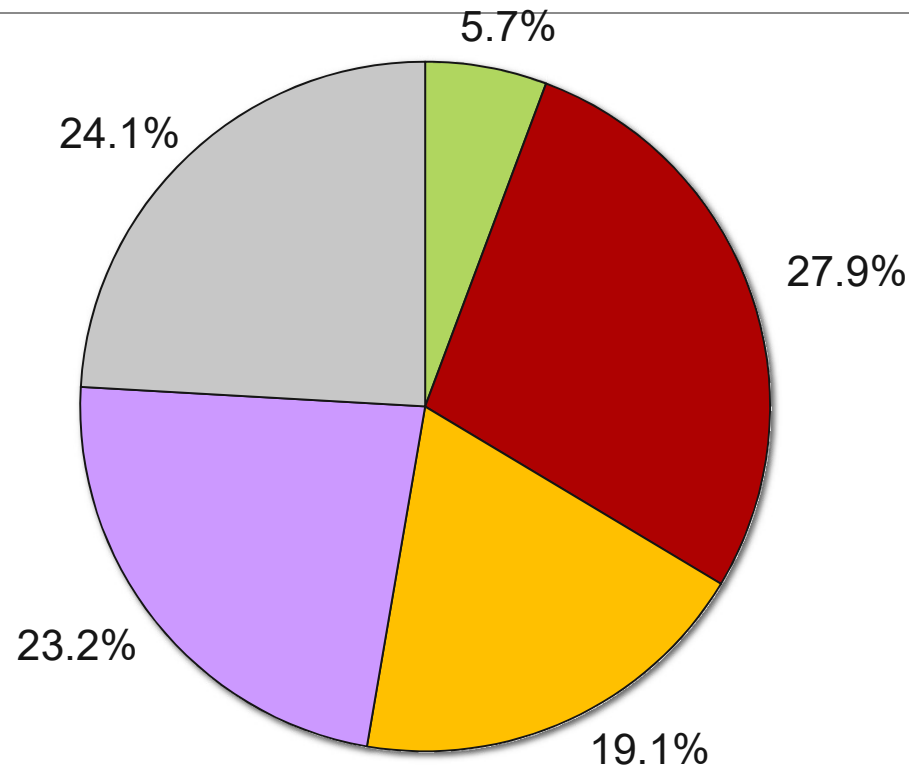
Capital Projects

FY2019-2020 Expenditures

	<u>In Millions</u>	<u>Percent</u>
Classroom Innovation Projects	\$13.8	27.9%
Mechanical and Structural Renovations	11.5	23.2%
Fremont – Elevation Renovation	6.0	12.1%
Cherry Creek Innovation Campus	2.8	5.7%
Security and Information System Upgrades	2.4	4.8%
I Team Estate Renovation	2.1	4.2%
Café Renovations	1.4	2.8%
Other Projects	<u>9.5</u>	<u>19.3%</u>
Grand Total	<u><u>\$49.5</u></u>	<u><u>100.0%</u></u>

Analysis of Projects by Type

FY2019-2020



Nonmajor Governmental Funds

- **Capital Reserve Fund**

- Accounts for allocation for ongoing capital outlay, information technology, major maintenance and equipment purchases.

- **Extended Child Services Fund**

- Accounts for the financial activities of:
 - Preschool, Kindergarten Enrichment, Before and After School, and Intersession/Year-Round Enrichment programs
 - Academic and non-academic summer school
 - Instrumental music programs

- **Pupil Activities Fund**

- Accounts for financial transactions related to school-sponsored interscholastic and intrascholastic athletic and activity events

- **Food Services Fund**

- Accounts for food service operations for the various schools within the District. This program serves breakfast and lunch to the students and school staff, and is partially funded by the National School Lunch and School Breakfast programs through the federal government.

Balance Sheet: Nonmajor Governmental Funds

June 30, 2020

(in millions)	Capital Reserve Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	Total Nonmajor Governmental Funds
Assets	\$18.6	\$5.8	\$4.7	\$7.4	\$36.5
Liabilities	<u>1.2</u>	<u>1.1</u>	<u>1.3</u>	<u>0.2</u>	<u>3.8</u>
Fund Balance	<u>\$17.4</u>	<u>\$4.7</u>	<u>\$3.4</u>	<u>\$7.2</u>	<u>\$32.7</u>

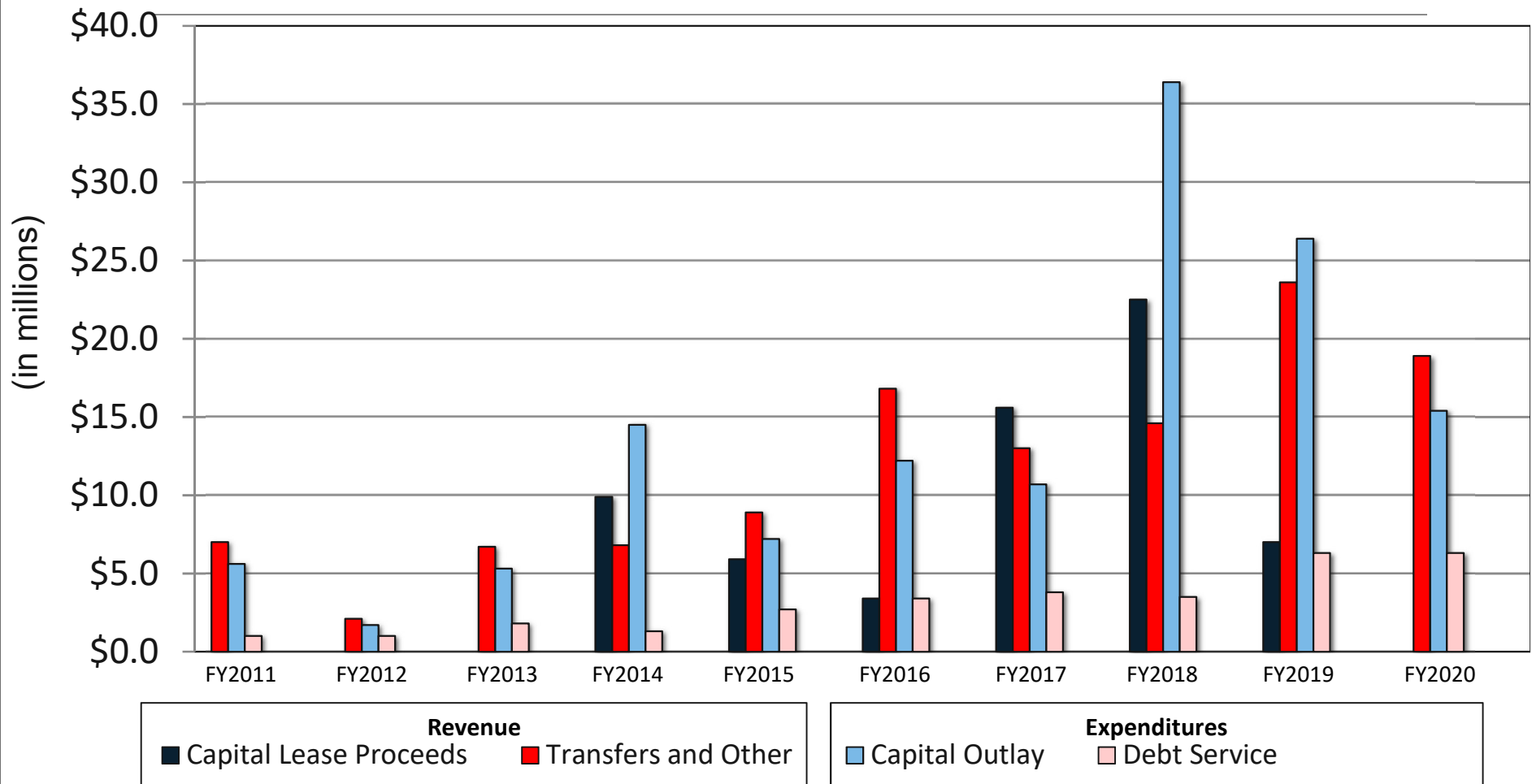
Nonmajor Governmental Funds

FY2019-2020 Revenues & Expenditures

(in millions)	Capital Reserve Fund	Extended Child Services Fund	Food Services Fund	Pupil Activities Fund	TOTAL
<i><u>Revenues:</u></i>					
Federal Grants	\$--	\$--	\$7.4	\$--	\$7.4
State Grants	--	--	0.3	--	0.3
Tuition	--	10.6	--	--	10.6
Pupil Activities	--	--	--	11.0	11.0
Food Service Sales	--	--	7.4	--	7.4
Other	0.2	0.2	0.2	--	0.6
Total	<u>\$0.2</u>	<u>\$10.8</u>	<u>\$15.3</u>	<u>\$11.0</u>	<u>\$37.3</u>
<i><u>Expenditures:</u></i>					
Instruction	\$--	\$11.1	\$--	\$--	\$11.1
Other Support Services	--	0.8	--	--	0.8
Pupil Activities	--	--	--	10.5	10.5
Capital Outlay	15.4	--	0.3	--	15.7
Debt Service	6.4	--	--	--	6.4
Food Services	--	--	17.1	--	17.1
Total	<u>\$21.8</u>	<u>\$11.9</u>	<u>\$17.4</u>	<u>\$10.5</u>	<u>\$61.6</u>
<i><u>Other Financing:</u></i>					
Transfers (net)	\$18.9	\$--	\$--	\$--	\$18.9

Capital Reserve Fund

Revenue and Expenditures for a Ten (10) Year Period



Major Federal Grants

FY2019-2020

Federal Funding Expenditures	(in millions)
Special Education: IDEA Cluster	\$8.6
Title I, Improving the Academic Achievement of the Disadvantaged	4.7
Coronavirus Relief Fund (CRF)	1.8
Improving Teacher Quality: Title II, Part A	0.9
English Language Acquisition: Title III	0.5
Title IV	0.4
Vocational Education	0.4
Food Services	
School Breakfast Program	1.1
National School Lunch Program	4.3
Emergency Feeding Program	0.9
USDA Commodities	1.0