Additional information is available on the district’s financial transparency website, http://aurorak12.org/about-aps/finances/.

Specifically, information contained in the District Financial Audit (current and prior two years) may be useful when assessing the information contained in the budget.

Contact Information:
Chief Financial Officer or Budget Director
Division of Finance
Aurora Public Schools
15701 E. 1st Ave.
Aurora, CO 80011
303-365-5813
## 2019–2020 Budget Resolution

APPROPRIATION LEVELS BUDGETED FOR THE FISCAL YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020

BE IT RESOLVED, by the Board of Education of Joint District No. 28-J of the Counties of Adams and Arapahoe, Colorado, that the amounts shown in the following schedule be appropriated to each fund as specified in the Adopted Budget for the ensuing fiscal year beginning July 1, 2019, and ending June 30, 2020.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Original Appropriation By Fund</th>
<th>Modifications</th>
<th>Total Appropriation by Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$520,002,860</td>
<td>$35,952,886</td>
<td>$555,955,746</td>
</tr>
<tr>
<td>General</td>
<td>496,184,819</td>
<td>31,449,768</td>
<td>527,634,587</td>
</tr>
<tr>
<td>Special Programs</td>
<td>6,624,459</td>
<td>1,289,589</td>
<td>7,914,048</td>
</tr>
<tr>
<td>Risk</td>
<td>8,240,000</td>
<td>1,834,028</td>
<td>10,074,028</td>
</tr>
<tr>
<td>Colorado Preschool Program</td>
<td>8,953,582</td>
<td>1,379,501</td>
<td>10,333,083</td>
</tr>
<tr>
<td>Special Revenue Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>37,936,473</td>
<td>1,000,000</td>
<td>38,936,473</td>
</tr>
<tr>
<td>Nutrition Services</td>
<td>19,764,129</td>
<td>2,810,341</td>
<td>22,574,470</td>
</tr>
<tr>
<td>Pupil Activities</td>
<td>4,557,865</td>
<td>(1,177)</td>
<td>4,556,688</td>
</tr>
<tr>
<td>Athletic</td>
<td>807,600</td>
<td>607,143</td>
<td>1,414,743</td>
</tr>
<tr>
<td>Medicaid</td>
<td>12,376,000</td>
<td>1,272,934</td>
<td>13,648,934</td>
</tr>
<tr>
<td>Pickens Post-Secondary</td>
<td>11,340,000</td>
<td>2,037,069</td>
<td>13,377,069</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Redemption</td>
<td>125,682,774</td>
<td>7,628,497</td>
<td>133,311,271</td>
</tr>
<tr>
<td>Capital Projects Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>122,562,015</td>
<td>(22,382,866)</td>
<td>100,179,149</td>
</tr>
<tr>
<td>Capital Reserve</td>
<td>14,194,007</td>
<td>3,401,488</td>
<td>17,595,495</td>
</tr>
<tr>
<td><strong>TOTAL APPROPRIATIONS</strong></td>
<td><strong>$869,223,723</strong></td>
<td><strong>$32,326,315</strong></td>
<td><strong>$901,550,038</strong></td>
</tr>
</tbody>
</table>

Kyla Armstrong-Romero, Ph.D.  
President  
Board of Education  
January 21, 2020
Appropriation 2019-20 (subject to adoption)

The budget is adopted in compliance with board policy, which incorporates the following statutes. The adoption of the budget by the Board of Education includes the formal approval of both the Budget Resolution and the Appropriation Resolution, as defined in Colorado State Statute. Section 22-44-103(1), C.R.S. The resolutions set the maximum amount of funds which can be utilized in a given fiscal year. All available resources are appropriated through this process and each accounting fund is included in each of the resolutions. A board of education of a school district shall not expend any moneys in excess of the amount appropriated by resolution for a particular fund. Section 22-44-115(1), C.R.S.

Compliance Statements

The budget was prepared in compliance with board policy, Section D: Fiscal Management, incorporating all legal references to state statute and regulations. The following statements were prepared by the state’s Financial Policies and Procedures Committee to comply with certain requirements in state statute as required by board policy. The budget’s revenue projections were prepared using information provided by the Colorado Department of Education, the county assessors, the federal government, and other sources using methods recommended in the Financial Policies and Procedures Handbook. These budget expenditure estimates were prepared based on program needs, enrollment projections, mandated requirements, employee contracts, contracted services, and anticipated changes in economic conditions using methods described in the Financial Policies and Procedures Handbook. Beginning fund balances and revenues equal budgeted expenditures and reserves. Aurora Public Schools assures that it is compliant with the supplement, not supplant provisions within section 1118(b) of, and referenced throughout, the Every Student Succeeds Act.

This budget includes the audited revenues, expenditures, and fund balances for the last completed fiscal year. The 2019-20 Proposed Budget was prepared in compliance with the revenue, expenditures, tax limitation, and reserve requirements of Section 20 of Article X of the State Constitution.
Governing Board of Education – Function and Composition

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 first and 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. 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

<table>
<thead>
<tr>
<th>Member</th>
<th>Term Began</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyla Armstrong-Romero, Ph.D.</td>
<td>2017</td>
<td>President</td>
</tr>
<tr>
<td>Kevin Cox</td>
<td>2017</td>
<td>Vice President</td>
</tr>
<tr>
<td>Debra Gerkin</td>
<td>2017</td>
<td>Secretary</td>
</tr>
<tr>
<td>Marques Ivey</td>
<td>2017</td>
<td>Treasurer</td>
</tr>
<tr>
<td>Stephanie Mason</td>
<td>2019</td>
<td>Director</td>
</tr>
<tr>
<td>Nichelle Ortiz</td>
<td>2019</td>
<td>Director</td>
</tr>
<tr>
<td>Vicki Reinhard</td>
<td>2019</td>
<td>Director</td>
</tr>
</tbody>
</table>

The job of the APS Board of Education is to accelerate learning for every APS student, every day. We do our job by advocating for the success of all students through effective governance, serving as good stewards of taxpayer dollars and being responsive to our stakeholders. Our community needs us to do our job.
**Leadership Team and Organizational Chart**

The APS Leadership Team represents key instructional and support roles in the organization.

> “My job is to accelerate learning for every APS student, every day. I do my job by making sure we have the right people, doing the right work, with the right resources, in the right way. My community needs me to do my job.”  
> — Superintendent Rico Munn

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Division/Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rico Munn</td>
<td>Superintendent of Schools</td>
<td>Division of the Superintendent</td>
</tr>
<tr>
<td>Mark Seglem</td>
<td>Chief of Staff</td>
<td>Division of the Superintendent</td>
</tr>
<tr>
<td>Andre Wright</td>
<td>Chief Academic Officer</td>
<td>Division of Equity in Learning</td>
</tr>
<tr>
<td>Damon Smith</td>
<td>Chief Personnel Officer</td>
<td>Division of Human Resources</td>
</tr>
<tr>
<td>Patti Moon</td>
<td>Chief Communication Officer</td>
<td>Communication Department</td>
</tr>
<tr>
<td>Brandon Eyre</td>
<td>Legal Counsel</td>
<td>APS Legal Counsel</td>
</tr>
<tr>
<td>Anthony Sturges</td>
<td>Chief Operating Officer</td>
<td>Division of Support Services</td>
</tr>
<tr>
<td>Brett Johnson</td>
<td>Chief Financial Officer</td>
<td>Division of Finance</td>
</tr>
<tr>
<td>Christie Imholt</td>
<td>District Policy Advisor</td>
<td>Division of the Superintendent</td>
</tr>
<tr>
<td>Jeff Park</td>
<td>Executive Director of Autonomous Schools</td>
<td>Division of the Superintendent</td>
</tr>
</tbody>
</table>
Profile of the District
Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (dba Aurora Public Schools) is a political subdivision of the state of Colorado with its own 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. We serve families with longstanding connections to the community and families who are “newcomers” from more than 130 countries. Our 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 nearly 121 square miles. APS provides a full range of educational programs, as authorized by Colorado state statutes, to a budgeted funded count of 39,583.0 students. 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.

The district operates four preschool, 28 elementary schools, seven combination elementary and middle schools, six middle schools, six high schools, one combination grades 6-12 school, one technical college, one on-line and eight charter schools. In school year 2018–2019, 2,216 teachers were employed by the district.

Three schools, William Smith High School, Fulton Academy of Excellence and Lyn Knoll Elementary, have been designated as pilot schools. Pilot school designation allows more autonomy in the areas of governance, budget, curriculum and assessment, staffing and scheduling, but still requires a high degree of accountability for student achievement.

In addition to regular education, special education, vocational education at its technical college, pre-school, gifted and talented, English language acquisition, and International Baccalaureate are among the programs offered to our students.

The transportation department travels over 1.5 million miles annually, transporting 10,500 general education students and over 850 special needs students to and from school each day. This requires 59 general education buses and 50 special needs buses to accomplish this daily transportation service. In total, 138 buses are available to cover routes, field trips and activity trips.

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. Section 22-44-110(4), C.R.S. The Board of Education must adopt a resolution specifying appropriations for each fund. Pursuant to these requirements, the district uses a detailed programmatic and line item budget for planning expenditures. Quarterly financial reports are prepared for each fund and distributed to the school district board and administrators. While allowing minor deviations from budgets at the line item level, all budget areas stay within their total appropriations by maintaining management control of expenditures at the department or program-level. Budget-to-actual comparison reports are available online to all program directors and department supervisors. These reports highlight budgetary variances, and significant line item deviations are discussed with appropriate supervisory administrators.
### Personnel Summary

#### General Fund Personnel Summary

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors/Administrators</td>
<td>179.10</td>
<td>180.75</td>
<td>121.60</td>
</tr>
<tr>
<td>Licensed</td>
<td>2,215.7</td>
<td>2,233.20</td>
<td>2,285.7</td>
</tr>
<tr>
<td>Classified/Professional Technical</td>
<td>1,444.08</td>
<td>1,426.77</td>
<td>1,527.00</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>3,838.88</strong></td>
<td><strong>3,840.72</strong></td>
<td><strong>3,934.30</strong></td>
</tr>
</tbody>
</table>

#### Other Funds Personnel Summary

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>7.00</td>
<td>21.15</td>
<td>21.15</td>
</tr>
<tr>
<td>Colorado Preschool Program</td>
<td>111.06</td>
<td>102.79</td>
<td>105.45</td>
</tr>
<tr>
<td>Grants</td>
<td>142.97</td>
<td>153.27</td>
<td>127.81</td>
</tr>
<tr>
<td>Nutrition Services</td>
<td>195.09</td>
<td>189.69</td>
<td>184.37</td>
</tr>
<tr>
<td>Pickens Post-Secondary</td>
<td>29.76</td>
<td>26.45</td>
<td>21.55</td>
</tr>
<tr>
<td>Risk Related Activity</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Medicaid Enhanced School Health</td>
<td>41.65</td>
<td>29.70</td>
<td>50.55</td>
</tr>
<tr>
<td>Special Programs</td>
<td>28.09</td>
<td>25.43</td>
<td>20.51</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>558.62</strong></td>
<td><strong>551.48</strong></td>
<td><strong>534.39</strong></td>
</tr>
</tbody>
</table>
**Strategic Plan: Mission, Vision and Goals**

*APS 2020: Shaping the Future.* This strategic plan represents the diverse voices of our community. We will use this plan to guide everything we do to achieve our VISION: *Every student shapes a successful future.*

Our MISSION describes our purpose: *In partnership with our community, we accelerate learning for all students to develop the knowledge, skills and character necessary to shape successful futures.*

**Our Core Beliefs**

*APS 2020: Shaping the Future* is based on our community’s core beliefs about education—these are our foundation. **We, as a community, believe:**

- Every student has unique abilities that we must recognize and engage.
- A district with students at its center provides an adaptable and responsible foundation for learning.
- Student and staff safety is essential to our vision and mission.
- Students, families, staff and community members share the responsibility for student achievement.
- Student achievement and growth are driven by a highly-effective and respected staff working as a team.
- Students take an active and ongoing responsibility for their learning.
- Families are our partners in education.
- Community partnerships provide vital resources and opportunities for students and families.
- All students must have equitable access to learning opportunities, technology and environments that support them in reaching their full potential.
- Diversity is a strength in our community.

**Goals**

Every APS student will have:

**Goal 1: A plan for his or her future.** Within 90 days of entering APS, every student will create a plan that includes goals for academic achievement; graduation; extracurricular and volunteer service learning; work experience; college and/or career. The student will continue to develop this plan throughout his or her academic career.

**Goal 2: A set of skills to implement his or her plan.** APS students will develop the following 21st century skills:

- *Critical Thinking* (example: problem solving and global and cultural awareness)
- *Collaboration* (example: communication, interpersonal skills)
- *Self-Direction* (example: personal and civic responsibility, work ethic, financial literacy, resiliency, adaptability)
- *Information Literacy* (example: find and use information and information technology)
• *Invention* (example: creativity and innovation)

**Goal 3: Credentials that open doors.** In addition to a high school diploma, APS students will also have access to the following credentials:

- College credits
- Industry based certificates
- Workforce training certificates
- Internship/externship completion certificates
- Digital badges
- Advanced Placement credits
- International Baccalaureate Diploma
**Introduction**

Today, APS is prepared to enter its tenth year of reduced state revenues and tight budgets. This budget includes measures to address rising costs for mandatory employee retirement, utilities, and maintaining class sizes in the face of declining enrollment and building capacity challenges. Regretfully, this budget does not provide a budget solution for every budgetary issue caused by reduced state revenues. However, APS continues to make progress in providing its community with educational choices that are positively impacting student achievement. As we begin the implementation of our 2020 Strategic Plan, we will build upon progress already achieved to ensure that we accelerate learning for every APS student, every day.

**Financial Policies: Statutory, regulatory and board compliance**

The budget for all funds is adopted on a regular basis that is consistent with accounting standards generally accepted in the United States of America. Budgets are adopted in accordance with the district policy and the School District Budget Law, with annual appropriated budgets for each fund of the district. All Appropriations lapse at fiscal year-end.

The basis of accounting refers to when revenue and expenditures are recognized in the accounting system. Governmental fund types are accounted for with the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. Expenditures are recognized in the period in which the related liability is liquidated, rather than when that liability is first incurred. Governmental funds use the current financial resources measurement focus. The district’s fiduciary funds use the economic resources measurement focus, similar to private-sector business counterparts.

**Budget Process**

The purpose of a budget is to provide a plan of financial operation embodying an estimate of proposed expenditures for the fiscal year and a given purpose and the proposed means of financing that plan. To achieve this basic purpose, a comprehensive budget system is integrated with the financial accounting system.

Detailed budget planning allows APS to reflect educational values and needs. The structure and format provided by a well-designed budget promotes rational decision-making regarding the importance of various district services. In this way, our administrators and board of education are assisted in educational planning as well as in the prioritization and planning of all district operations through the allocation of resources. Further, the plan provides a means of communicating with the community by stating the objectives of each program and allocating the funds necessary to achieve them.

School and support sites focus on their essential programs and services in aligning resources for the upcoming budget. Division chiefs and other budget managers have flexibility in defining essential programs and the responsibility for managing their budgets effectively, while supporting the district’s mission statement and core beliefs as stated in the APS 2020 plan. These defined essential programs and services provide the framework for aligning resources which are allocated on an annual basis.
As required in state statute, each school accountability committee recommends to the principal its school priorities for spending school monies. The principal considers the school accountability committee’s recommendations regarding spending state, federal, local, or private grants and any other discretionary moneys and takes them into account in formulating budget requests for presentation to the board. The school accountability advisory committee sends a copy of its recommended spending priorities to the district accountability committee and to the board.

The District Accountability Advisory Committee (DAAC) also has state statutory duties. The committee reviews and advises the board on the Uniform Improvement Plan. The adopted accreditation plan identifies the local, state, and federal resources that the district will use to impact the identified needs and issues affecting performance indicators. DAAC also reviews the preliminary budget and recommends spending priorities to the board prior to budget adoption.

After the budget is adopted and operations begin in the new budget year, periodic reporting of financial transactions is required by state law. Quarterly financial reports are prepared for each fund and presented to the board. While minor deviations from budgets at the line-item level are allowed, absolute control of expenditures is maintained at the division level to ensure all budget areas stay within their total appropriations. Budget to actual comparison reports are available to all program directors and department heads.

**Budget Calendar**
Community-engaged budgeting is a multi-step, iterative process of identifying district goals and aligning resources; creating the budget calendar; and finalizing budget projections, available resources, allocations, program budgets and the presentation.

**July 2019**
- 1st: Fiscal year begins
- 1st: District’s Financial Transparency website updated with the FY 2019-2020 adopted budget and the statutory uniform budget summary sheet

**August 2019**
- 25th: County assessor certifies to school district the total assessed valuation and the actual value of the taxable property in the district.

**October 2019**
- Perform pupil membership count on official count day.

**November 2019**
- 10th: Certifies pupil membership count to CDE
- 20th: Final certification after completing duplicate count process and other adjustments.

**December 2019**
- 10th: Final date county assessor can notify CDE and school districts of changes in assessed valuation.
- 15th: Board certifies to the board of county commissioners of Adams and Arapahoe counties levies; copies to CDE, the county assessors and treasurers.

**January 2019**
- 13th: State legislature convenes for consideration of state budget, including School Finance Act
- 31st: Board may review and change the current year’s budget with respect to both revenues and expenditures at any time prior to January 31.
2020-2021 budget planning

Fall/winter budget development activities

♦ Prepare preliminary forecasts, including five-year plan, with estimates of revenue, expenditures and fund balances.
♦ Determining projections and allocation amounts, including assumptions for student count, assessed valuations, spending rates, staffing, inflation rate, and other economic conditions.
♦ Communication begins with the board, district administration, various leadership committees, and district employees about the preliminary projections.
♦ Superintendent seeks leadership input on priorities for instructional, support services, staffing, facilities, division goals, and any changes in assumptions used for preliminary budget projections.
♦ Continue fall/winter budget development activities
♦ Budget development worksheets and other materials are prepared and distributed to principals and division heads; on-site and group training sessions are offered with the budget team assisting schools and divisions.
♦ Final enrollment projections are determined and allocation levels are set for staffing and the non-salary budget.
♦ Local sites and departments engage in aligning resources at the local level using local accountability committees, budget development committees, etc.

May 2020

♦ State Legislature adjourns and state funding levels are finalized. Other revenue and expenditure projections are finalized and adjustments are made.
♦ Proposed budgets are compiled and presented to the board prior to May 31. The proposed budget is then made available to the public and media.
♦ As required by state law, the District Accountability Advisory Committee reviews the proposed budget and submits comments or recommendations on the proposed spending to the board of education.

June 2020

♦ Prior to the 1st: Statutory deadline for submission of proposed budget to the board; within ten days, but no later than June 10, public notice is provided to the newspaper. A public budget hearing is held.
♦ 30th: Last legal date for final adoption of the budget and appropriation resolution

Committees Involved in Present and Future Budget Processes

• Superintendent’s Leadership Team
• Long-range Facilities Advisory Committee
• District Accountability Advisory Committee
  o Budget Subcommittee
• School Local Accountability Advisory Committees

Long-term financial planning

Five-year financial planning projections are prepared as part of the annual General Fund budget development process. The plan assists in identifying future needs incorporating assumptions and constraints, including anticipated pupil count and the current revenue projections presented by the Office of State Planning and Budget and Legislative Council. The plan extrapolates the impact of recurring expenditures, including salaries, and the compounding effect on mandatory expenditures (e.g., PERA, Medicare, health and other employer-paid insurance).

Fund Balance Requirements

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 percent of current year (beginning with fiscal year 2019-20) General Fund revenues less the
3.0 percent restricted amount required by the Taxpayer Bill of Rights (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 most recent audited fiscal year, the 4.5 percent reserve total was
$18,298,693 less the district’s emergency reserve of $11,015,570, or $7,283,123. The fiscal
management amount of $5,095,320 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 Building Fund, funded by the
sale of general obligation bonds in 2008, 2010 and 2017. These funds are included in restricted
fund balances that are restricted specifically for capital projects and improvements of district
facilities. The Bond Redemption Fund has appropriated all of its fund balance for the purpose of
scheduled payments of bond principal and interest and the defeasance of outstanding debt.

Realizing the requirements of the fund balance policy necessitates budget adjustments so that
expenditures do not exceed revenues and a moderate level of unassigned fund balance is
maintained. Because the district funds necessary programs with a combination of state resources,
which are subject to significant pupil count variations, and revenue provided by mill override
funds, expenditures continue to exceed revenues. Ensuring adherence to this policy means the
district can make small expenditure adjustments over time rather than making dramatic cuts
when the cost of all programs exceeds available revenue sources.

The 2019-2020 Proposed Budget has been developed in compliance with these fund balance
requirements.

**Budget Assumptions**

As with any plan, the 2019–2020 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 2019–2020 budget are based include:

- State per-pupil revenue: $9,016.49
- Total mill levy override revenues: $101.4 million
- Decrease in enrollment, excluding district charter schools and preschool: 478 students, a
decrease of 1.5%.
- Net assessed value of property within APS boundaries: $3.2 billion
- Property tax collection rate: 98.5 percent
- School staffing funding allocation ratios: No change from 2018-19, 25.200 for elementary
  schools, 20.650 for middle schools and 21.600 for high schools

Given continuing economic uncertainties confronting the nation and Colorado, the APS
Leadership Team will continue to work closely with employee groups and members of the
community to create options that maintain the financial health of APS while continuing our progress in raising student achievement.

**Enrollment Projections**
Enrollment projections are estimated based on historical cohort trends, birth rates and local economic factors. Enrollment, funded pupil count, at-risk count and charter school count are all projections used to budget anticipated revenue and the school-based allocation for staffing and operating expenditures.

**Enrollment Growth and Building Capacity**
Enrollment in district managed schools and preschools has slowed greatly since 2013-14. From October 2010 through October 2014, enrollment increased by 2,013 students, or 5.9 percent, but is projected to decline by 4,809 students from 2014-15 to 2019-20. Enrollment at district charter schools is expected to increase by 2,014 students, or 51 percent, during the same timeframe. The 2019-2020 General Fund budget is based on Student October Count projected funded pupil count of 38,066.4 students, a decrease of 513.3 students, or -1.33 percent. Traditional school enrollment is projected to decrease by 1,534 students (-4.6%) while charter school enrollment is projected to increase by 738 students, or 14.1 percent.

Historical increases in student enrollment pose building capacity challenges. To alleviate overcrowding, one or more mobile classrooms have been installed at elementary and PK-8 schools. While district enrollment is decreasing, there are areas within the district that are experiencing some growth. These enrollment trends are expected to create even more facility challenges due to overcrowded schools over the next three years. The completion of the new P-8 school and boundary changes will address capacity challenges for the near future.

**Budgetary Challenges Facing the District**
The budget for 2019–2020 will begin the fiscal year with a sound plan to balance expenditures with available resources and revenues while providing for required reserves. Across all funds, this budget includes appropriations of $901 million.

The 2019-20 Proposed Budget allows the district to address pending statutory changes and some important budget priorities in a fiscally responsible manner within the resources projected to be available.

**Economic Conditions and Outlook**
Analysis of 2019 Economic Forecast. On March 15, 2019, the economic and revenue forecast for fiscal year 2019-20 generated by the Colorado Legislative Council and Office of Budgeting and Planning had one message that was consistently delivered throughout the discussion of the economic sector- the near-term outlook is bright, but the longer-term risks remain elevated. The federal Tax Cuts and Jobs Act has added to the existing economic momentum. Colorado’s labor market has reached and the nation is nearing full employment with consistent job gains across most industries and low unemployment rates. However, the tightening of the labor market is beginning to result in a slowing of job growth. Since the Great Recession wage growth had been
flat, but the tightening of the labor market is finally causing the real average hourly earnings to increase both nationally and in Colorado. However, consumer activity has begun to decline during the first quarter of 2019.

Assessed values in metro area continued to increase during the most recent reassessment period, however, home price appreciation has slowed considerably along the Front Range. While property tax revenues will increase in the budget year, we are likely nearing the end of significant increases that are not directly associated with new construction.

**Colorado Public School Finance Act and Categorical Funding**

The Public School Finance Act of 1994 was enacted during the 1994 Legislative session with an effective date of July 1, 1994. The Act changed Colorado funding for public education to an individually determined district per pupil funding amount. Every school district will receive a minimum “base” dollar amount as stated in the Act. The district’s base is then adjusted by six factors: 1) cost of living, 2) personnel costs, 3) size, 4) at-risk student population, 5) students who participate in multi-district, on-line education, and 6) negative funding which reduces the statewide total program funding.

The cost-of-living factor reflects the differences in the costs of housing, goods, and services among each of the 178 school districts in the state. Costs are reviewed every two years to allow for timely recognition of economic changes.

The personnel costs factor varies by school district based on enrollment. The formula directs funding based on employee salaries and benefits, using historical information and incorporating the cost of living factor.

The size adjustment factor compensates districts for the economies of scale created by differences in district enrollment.

An at-risk factor of 12.0 percent, but no more than 30 percent, is applied to the student population qualifying for the federal free lunch program. As the concentration of this population increases, so does the funding.

On-line funding applies to pupils enrolled in a certified, multi-district on-line program. Pupils in this program are funded at a slightly lower per pupil amount than students attending a traditional school. Currently, the district does not have any pupils who qualify for this funding.

The negative factor acts as a reduction to other existing factors and reduces the statewide total program funding. The negative factor was established in 2010-11 and replaced the prior years’ state fiscal stabilization factor. The negative factor was created to manage reduced sales and income tax revenue at the state level during the most recent recession and has continued every year since. The negative factor is estimated to reduce funding available to public education by $580 million statewide.

In determining the number of students a district has for funding purposes, the students are counted on the official October count date within the school district budget year.
Most districts’ school finance revenue comes from both state and local sources. Property tax is the primary local source of funding. This local source includes a portion of the school district share of specific ownership tax. State per pupil funding makes up the difference between these local sources and the district's total program funding.

Legislation enacted during the 2019 legislative session provides several amendments to school finance for school districts throughout the state and will be updated in the second half of 2019-2020 to take into account changes in statewide pupil count and assessed valuations.

- Increases the statewide base funding by 2.7 percent inflation from $6,768.77 to $6,953.51, an increase of $184.74 per pupil;
- Decreases funding to school districts by the negative factor of $578.5 million; the negative factor decreases the district’s funding more than $710 per pupil.

Aurora Public Schools’ original expected per pupil revenue is $8,842.45, an increase of $368.23 over the level of funding in 2018-2019. The updated per pupil funding is $9,016.49.

In summary, the state provides marginal relief from recent years’ funding cuts. The state’s budget balancing factor, the “Budget Stabilization Factor,” decreases by $100 million year over year with additional increased funding due to inflation of 2.7%. In 2019–2020, the district’s total program funding is budgeted to increase by 9.2 percent, or $29.9 million over the prior year, including the state’s implementation of full-day kindergarten funding. The Budget Stabilization Factor continues to have an adverse impact on APS’s budget; state funding has not been restored to the level that would have occurred if the state could fully fund the school finance formula. If sufficient revenue were available in Colorado’s General Fund, APS would receive $9,698 per pupil, compared to the projected amount of $9,016.

There is pending legislation that may alter READ Act funding for at-risk students and kindergarten students. READ Act funding depends on the number of students who qualify for that funding.

At-risk preschool and kindergarten funding will depend on the availability of school building capacity and scheduling.

Schools are funded from three sources: local property tax, state funds, and vehicle registration fees, known as Specific Ownership Tax (SOT). Although the state determines individual school district funding levels, the amount contributed from the three different sources varies according to local assessed property valuation. The districts whose property assessed valuations are lower typically receive a greater portion of funding from the state. The amount received from the state equalization is the amount calculated by the School Finance Act less the local share funding from state ownership taxes and local property taxes from the general fund mill levy described below.
School Finance Act Funding Sources 2019-2020:

<table>
<thead>
<tr>
<th>Source</th>
<th>Approximate Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$2,088.25</td>
<td>23.2%</td>
</tr>
<tr>
<td>Specific ownership taxes</td>
<td>123.52</td>
<td>1.4%</td>
</tr>
<tr>
<td>State equalization</td>
<td>6,804.72</td>
<td>75.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,016.49</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

**Specific Ownership Tax**
Vehicle registration taxes are collected by counties and are shared with the school districts. Each district’s local share includes amount of specific ownership tax revenue equal to the prior budget year’s actual amount received. Specific ownership taxes are difficult to predict, due to the nature of consumer buying habits, but they are not expected to increase from the prior year.

**Local Property Taxes**
Property taxes are the primary local source of revenue for the Aurora Public Schools. Taxes are collected and used for both the general operations of the district as well as for the payment of principal and interest on voter-approved bond debt. The board of education certifies the amount of mills to be levied to the Board of County Commissioners by December 15th of each year. Counties mail property tax bills, collect properties taxes and distribute tax revenues to the school district throughout the next calendar year. Mills are determined according to principal and interest payment schedules, assessed valuation, voter-approved overrides and amounts authorized by the state of Colorado.

Revenues for general fund property tax levies, including mill levy overrides, increase by $31.3 million compared to 2018-2019. Net assessed valuations increased 21.9 percent.

**General Fund Mill Levy**
The Colorado SFA was revised in 1994 creating Title 11, Article 50 of the Colorado Revised Statutes, which determines the base revenue of the General Operating Fund of the school district. This 1994 SFA set the standard mill levy at 40 mills for all districts. Due to dramatic increases in property values (assessed valuation) in some areas of Colorado (since 1994), the Act of 1994 was amended during the 2007 legislative session which froze the existing mill levy for most districts in the state, to reduce the pressure on state funding for local school districts. The District’s general fund mill levy is set at 26.010 and is a component of the School Finance Act.

**Mill Levy Override**
Colorado law allows local school districts to ask voters to approve override funding for their district through an additional mill levy. The override funding is outside the School Finance Act; therefore, it is not subject to the negative factor or revenue sharing with other districts. District voters generously approved school overrides in November of 1990, 2008, 2012, and 2018. This additional funding is capped by state law at 25 percent of total program funding. All override
revenues come from increased property taxes; no additional state funding occurs. A district’s authorization to raise and expend override revenues does not affect the amount of SFA funding the district receives.

2018 Mill Override Funds
In November 2018, the voters in Aurora were asked to approve a property tax increase to provide enhancements to services for students and compensation for licensed staff. Due to the generosity of the voters of Aurora who approved the override, the district is implementing the following:

- Increased mental health services that will ensure services are ultimately available at each campus
- Increased after school programming for K-5th grade students across the district
- Providing seatbelts on school buses
- Working with the Aurora Education Association to redesign the compensation schedule for licensed staff

In 2019-2020 the 2018 mill override is expected to generate $41.3 million an increase of $7.4 million over the prior year.

2012 Mill Override Funds
In November 2012, the voters in Aurora were asked to approve a property tax increase to provide relief from four consecutive years of budget reductions. Due to the generosity of the voters in Aurora who approved the override, the district has restored some of the programs and activities that were eliminated in prior years. Spending priorities for these funds include:

- Recovering a portion of reduced state funding for reading, writing, math, science, early childhood education, and more public school choices.
- Recovering a portion of reduced state funding for instructional classroom technology, equipment, and curriculum materials which aid in preparing students for college and careers.
- Recruiting and retaining high quality teachers and staff to provide for smaller class sizes, increases in graduation rates, and lower dropout rates.

Using these override funds, APS has restored the equivalent of 81.5 teacher positions. Over 73 of these positions have been restored to middle schools and high schools. The remainder supports elementary P-2 classrooms and instructional support positions at the PK-8 level. In 2019–2020, the 2012 mill override revenue is expected to be $22.7 million, an increase of $4.9 million compared to the prior year.

2008 Mill Override Funds
The 2008 override provides APS with additional resources to enhance instructional programs. The 2008 mill override revenue for 2018–2019 is expected to be $22.7 million, or $4.4 million higher than last year. Spending priorities for these funds include:
• Maintaining teacher and staff pay increases from 2008-09.
• Maintaining the expanded full-day kindergarten program at all district elementary schools.
• Expanding instructional technology.
• Expanding the truancy program.
• Funding a portion of the district’s Fifth Block of summer instruction.
• Expanding pilot/pathway/magnet schools and programs.
• Expanding the Positive Behavior Intervention Support program.
• Expanding the International Baccalaureate program to all levels.
• Increasing per-pupil funding to the district’s six charter schools.

1990 Mill Override Funds
The 1990 mill override continues to provide $7.6 million for General Fund operations. The mill levy rate fluctuates as net assessed valuations change, providing a constant revenue source to the district. The 2019–2020 mill levy rate is 2.404, a decrease of 0.525 mills, compared to the previous year.

Bond Funds
Thanks to the support of Aurora voters who approved a $300 million bond measure in November, APS students will soon learn in improve facilities. As of January 2017, APS has sold $200 million of these approved bonds.

The $300 million bond measure was based on the recommendations of the APS Long Range Facilities Advisory Committee (LRFAC), a group comprised of community members, parents, City of Aurora planning staff, and school and administrative staff. One of the APS 2020 core beliefs is that all students must have equitable access to learning opportunities, technology and environments that support them in reaching their full potential. With that in mind, bond projects will benefit every student and every school in APS.

The first major bond project of 2017 has been the Mrachek Middle School rebuild, which is partially funded through a Building Excellent Schools Today (BEST) grant awarded to APS by the Colorado Department of Education. Bond funds will cover the remaining costs.
District Funds Summary

The district utilizes funds to track revenues, expenditures and reserves to ensure dollars are spent for their intended purpose.

Special revenue includes grants, nutrition services, Pickens Post-Secondary, Medicaid and athletics. Debit service accounts for the bond mill levy revenue and general obligation expenditures for principal, interest, related costs and defeasance of outstanding debt. Capital projects include expenditures of bond and capital lease proceeds. The general fund is used for all other operations funded by local property taxes, state funding and other general revenues, including risk and CPP. It is the most significant fund in relation to the district’s overall operations. The general fund is used to manage all resources that are not legally, or by sound financial management, required to be managed in another fund.

Available resources less expenditures less reserves = Zero

<table>
<thead>
<tr>
<th>General Fund (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Available resources</strong></td>
</tr>
<tr>
<td>Fund balances, beginning of year</td>
</tr>
<tr>
<td>State equalization and categorical allocations</td>
</tr>
<tr>
<td>Property taxes</td>
</tr>
<tr>
<td>Specific ownership tax</td>
</tr>
<tr>
<td>Charges for services, tuition &amp; rentals</td>
</tr>
<tr>
<td>Earnings on investments</td>
</tr>
<tr>
<td>Other, including transfers</td>
</tr>
<tr>
<td><strong>Total available resources</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expenditures by Program</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>General instruction</td>
</tr>
<tr>
<td>Pupil and instructional support</td>
</tr>
<tr>
<td>School administration</td>
</tr>
<tr>
<td>General administration</td>
</tr>
<tr>
<td>Operations and maintenance</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Personnel/data/risk management</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appropriated Reserve &amp; Contingency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total reserves and contingency</td>
</tr>
<tr>
<td>TABOR</td>
</tr>
<tr>
<td>Fiscal management</td>
</tr>
<tr>
<td>Restricted: CPP &amp; Charter; nonspendable</td>
</tr>
<tr>
<td>Assigned: Instructional &amp; Risk</td>
</tr>
<tr>
<td>Mill/Blue Print</td>
</tr>
<tr>
<td><strong>Unassigned Fund Balance</strong></td>
</tr>
</tbody>
</table>

General Fund – revenue budget drivers

The four primary revenue sources are the School Finance Act, specific ownership taxes, mill levy override property taxes and state categorical funding.

School Finance Act: Total Program Funding

(funded pupil count*per pupil funding) + At-risk – Negative Factor

- Funded pupil count is estimated based on historical cohort trends, birth rates and local economic factors
- Per pupil funding is derived from a statutory formula with the base growing by inflation and increases with factors for cost of living, personnel costs and district size
- At-risk funding is based on the district’s students participating in free-lunch and those identified as ELL
- The negative factor, a legislative budget balancing scheme, is set by the state and is expected to grow annually
- Total program is funded first by local property taxes, including a portion of specific ownership tax, with the remainder backfilled by the state (i.e., state equalization)

Specific ownership taxes – an annual tax on motor vehicles based on state schedules; expected to remain stable

Voter-approved mill levy override property taxes – additional revenue that fluctuates with assessed valuations and the mill levy rates; assessed valuations increased 21.9 percent over prior year

State categorical funding – state funding for specific programs designed to service particular groups of students or particular student needs, including ELPA, GT, SPED, transportation and vocational education

Where the $’s come from …

General Fund – tracking and reporting classifications

General instruction includes teachers, paras, and classroom supplies dealing directly with students. Pupil and instructional support includes teachers, staff and supplies that enhance instruction for the benefit of students (e.g., social work, guidance and health) and instructional staff (e.g., curriculum and teacher training, coordinating special programs and instructional technology). General administration includes superintendent, A&R, HR and finance.
General Fund – budget drivers and development
Once the available resources are known, the leadership team begins to develop methods of allocating appropriate revenue streams directly to schools; retaining school-support resources centrally through equity in learning; funding building operations and transportation; and funding centralized administration.

Expenditures are divided into four primary categories: (1) school-based instruction, instructional and building support, (2) administrative support, (3) district-wide and (4) debt service.

School-based instruction:
Staffing is allocated to schools using a teacher equivalency formula based on variables, including total students, at-risk students, school size, district-directed programs, and a phase-in adjustment. Each school within a level uses the same variables; however, the variables differ by school level. Operating expenditures are allocated based on factors that result in proportional allocation per student of 1.00 (elementary), 1.19 (middle), and 1.59 (high). Combination schools are blended based on pupil count at each level.

The division of Equity in Learning provides support services to special education, special programs, ELA services, teaching and learning, professional learning and post-secondary workforce readiness.

The division of Support Services is responsible for creating and maintaining safe, adaptable and highly functional school environments, including facilities, maintenance, utilities and transportation.

Administrative support: ensures statutory, regulatory and policy compliance through the office of the superintendent, accountability & research, human resources and finance.

District-wide: includes budgeted amounts for instructional and clerical substitutes with related benefits

Where the $’s go … by reporting classifications

General Fund – reserve requirements
The unassigned fund balance in the General Fund is an important measure of the district’s ability to sustain current and future operations in the event of a financial downturn or unforeseen changes in funded pupil count.

• The Colorado constitution requires a TABOR emergency reserve of 3.0 percent of fiscal year spending that cannot be used for adverse economic conditions, revenue shortfalls, or district salary or fringe benefit increases. The constitution contains strict provisions as to use and restoration of the required reserve balance.

• The district’s board of education established a fiscal management policy (DA) in November 2003, and revised it in 2017 that requires a minimum total fund balance of 5 percent of General Fund actual ordinary revenue less the TABOR reserve for fiscal year 2019-20.

• Other reserves are necessary for restricted purposes (e.g., charters and READ Act), contractual agreements, and other amounts assigned for various operations.
## Budget Summary and Per Pupil Expenditures

**JOINT SCHOOL DISTRICT NO. 28-J OF THE**  
**COUNTIES OF ADAMS AND ARAPAHOE, COLORADO**  
**Budget Summary**  
**For the Budget Year Ending June 30, 2020**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Total Net Revenue</th>
<th>Per Funded Pupil</th>
<th>Total Budgeted Expenditures</th>
<th>Per Funded Pupil</th>
<th>Appropriated Reserves &amp; Contengency</th>
<th>Per Funded Pupil</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funded pupil count (traditional schools)</strong></td>
<td><strong>32,778.9</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>General Fund:</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>General</td>
<td>$427,659,866</td>
<td>$13,047</td>
<td>$412,233,487</td>
<td>$12,576</td>
<td>$115,401,100</td>
<td>$3,521</td>
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<tr>
<td>Specifical Programs</td>
<td>4,735,267</td>
<td>144</td>
<td>7,914,048</td>
<td>241</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Risk-Related Activity</td>
<td>5,990,000</td>
<td>183</td>
<td>5,876,674</td>
<td>179</td>
<td>4,197,354</td>
<td>128</td>
</tr>
<tr>
<td>Colorado Preschool Program</td>
<td>8,906,734</td>
<td>272</td>
<td>10,333,083</td>
<td>315</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total General Funds</strong></td>
<td>447,291,867</td>
<td>13,646</td>
<td>436,357,292</td>
<td>13,312</td>
<td>119,598,454</td>
<td>3,649</td>
</tr>
<tr>
<td><strong>Special Revenue Funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>38,936,473</td>
<td>1,188</td>
<td>38,936,473</td>
<td>1,188</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nutrition Services</td>
<td>16,090,903</td>
<td>491</td>
<td>21,555,594</td>
<td>658</td>
<td>1,018,876</td>
<td>31</td>
</tr>
<tr>
<td>Pupil Activities</td>
<td>2,535,704</td>
<td>77</td>
<td>4,556,688</td>
<td>139</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Athletic</td>
<td>1,337,600</td>
<td>41</td>
<td>1,414,743</td>
<td>43</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medicaid reimbursements</td>
<td>4,476,000</td>
<td>137</td>
<td>13,648,934</td>
<td>416</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pickens Post-Secondary</td>
<td>5,340,000</td>
<td>163</td>
<td>13,377,069</td>
<td>408</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Special Revenue Funds</strong></td>
<td>68,716,680</td>
<td>2,096</td>
<td>93,489,501</td>
<td>2,852</td>
<td>1,018,876</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total Operating Funds</strong></td>
<td>516,008,547</td>
<td>15,742</td>
<td>529,846,793</td>
<td>16,164</td>
<td>120,617,330</td>
<td>3,680</td>
</tr>
<tr>
<td><strong>Bond Redemption Fund</strong></td>
<td>72,947,092</td>
<td>2,225</td>
<td>50,224,519</td>
<td>1,532</td>
<td>83,086,752</td>
<td>2,535</td>
</tr>
<tr>
<td><strong>Building Fund</strong></td>
<td>2,823,071</td>
<td>86</td>
<td>100,179,149</td>
<td>3,056</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Capital Reserve Fund</strong></td>
<td>9,889,617</td>
<td>302</td>
<td>17,595,495</td>
<td>537</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td>$601,668,327</td>
<td>$18,355</td>
<td>$697,845,956</td>
<td>$21,289</td>
<td>$203,704,082</td>
<td>$6,214</td>
</tr>
</tbody>
</table>

The Comprehensive Annual Financial Report for the fiscal years 2017-18 and 2018-19 are an integral part of this statement.
**Budget Summaries – Graphs**

![Graph showing budget summaries by fund type]

*dollars in millions*

### Four Year Appropriations by Fund Type

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$391,811,168</td>
<td>$395,979,456</td>
<td>$462,901,940</td>
<td>$555,955,746</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>79,446,660</td>
<td>75,640,694</td>
<td>71,640,222</td>
<td>94,508,377</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>86,615,548</td>
<td>106,473,051</td>
<td>110,865,232</td>
<td>133,311,271</td>
</tr>
<tr>
<td>Capital Project Funds</td>
<td>250,926,338</td>
<td>206,130,712</td>
<td>156,544,336</td>
<td>117,774,644</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$808,799,714</td>
<td>$784,223,913</td>
<td>$801,951,730</td>
<td>$901,550,038</td>
</tr>
</tbody>
</table>


### Ending Fund Balances

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$40,671,987</td>
<td>$66,277,700</td>
<td>$108,663,879</td>
<td>$119,598,454</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>$14,222,491</td>
<td>$19,344,282</td>
<td>$23,770,713</td>
<td>-</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$47,512,633</td>
<td>$51,523,245</td>
<td>$60,364,179</td>
<td>$83,086,752</td>
</tr>
<tr>
<td>Capital Project Funds</td>
<td>$196,897,418</td>
<td>$153,795,869</td>
<td>$105,061,956</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$299,304,529</strong></td>
<td><strong>$290,941,096</strong></td>
<td><strong>$297,860,727</strong></td>
<td><strong>$202,685,206</strong></td>
</tr>
</tbody>
</table>

- **Audited**
- **Budget**
School-Based Budget Allocations

School Staffing

Required and supplemental staffing
The district requires or provides funding for additional staffing that is excluded from the school-based staffing allocation or additional funding allocation, both described below.

Positions included in this category include principals, assistant principals, intervention teachers, teaching partners, custodians, secretaries, support clerks, health paraprofessionals, affective needs and special education teachers, psychologists, speech/language teachers, ELA teachers and translators, social workers and other special education professionals. Many of these positions are budgeted in the appropriate departments (e.g., custodial, ESS and ELA).

The district allocates state and local budget funds to its schools using the allocation methodology described below. The district’s budget methodology to allocate state and local funds to Title I schools ensures they receive all the state and local budget funds they would otherwise receive if they did not receive any Title I funding.

School-based staffing allocation
Aurora Public Schools has a staffing process for school sites that was developed through a coordinated effort by departments within three divisions. This process empowers school sites to determine staffing placement for their buildings based upon their specific needs.

Positions staffed with the staffing allocation include teachers, paraprofessionals, educational assistants, family liaison and teachers on special assignment (TOSAs).

A staffing allocation worksheet was developed that incorporates various formula factors. The variables are developed as assumptions and are not trued-up once actual inputs are known. Variables that determine the staffing allocation at each site include:

- an estimate of the number of students attending
- an estimate of the number of at-risk students (those on free lunch)
- the school size based on the estimate of number of students attending
- district-directed programs, and
- staffing levels under previous allocation method (phase-in adjustment)

Once the staffing allocation has been determined for each school, a worksheet is created that allows a school to develop different staffing scenarios depending upon school needs for the upcoming year. As staffing scenario inputs are entered, the total staffing used is calculated along with any remaining shortage or overage.

Existing jobs at a school site cannot be cut in order to shift staffing to other positions at that school. However, employee turnover allows flexibility. Also, student enrollment usually changes each year, so the total staffing allocated at each site usually changes from one year to the next.
Staffing variables

**Base Staffing**
- Elementary School $86,395 per 25.20 students
- Middle School $86,395 per 20.65 students
- High School $86,395 per 21.60 students

**Free Lunch Factor**
- $777 per free lunch count

**Small Elementary School Factor**
- *An additional amount is given for small schools with enrollment under 450 students.*

As stated above, further allocations are given for ELA staffing and certain administration and support positions.
Additional funding allocation
Schools are provided with an additional allocation that supports the school’s daily operations. This is an additional allocation, over and above regular personnel costs. It is allocated to elementary schools, middle schools and high schools in the proportions per student of 1.00 to 1.19 to 1.60. PK-8s and combo schools are blended by using the appropriate grade level and the appropriate grade level factor. These proportions align with the average of other metropolitan school districts in the state.

General Fund
The General Fund, for financial reporting purposes in the Consolidated Annual Financial Report (CAFR), includes four distinct funds: (1) General, (2) Special Programs, (3) Risk and (4) Colorado Preschool Program.

When analyzing the CAFR in conjunction with this budget document, please be aware the CAFR General Fund differs from the Budget General Fund.

Budget Assumptions
The 2019–2020 General Fund budget was developed based on known facts and conservative assumptions incorporating information available at the time of budget development.

Revenue and available resources
School Finance Act: Total Program Funding
The Public School Finance Act provides funding for approximately 69.7 percent of the revenues for general fund operations. The funding formula, shown below, is a statutory creation and requires various inputs and assumptions to complete. The state, through the Colorado Department of Education, recalculates the formula throughout the years as the inputs become known.

\[
\text{Total Program Funding} = (\text{funded pupil count} \times \text{per pupil funding}) + \text{at-risk funding} - \text{the negative factor}
\]

- Funded pupil count is estimated based on historical cohort trends, birth rates and local economic factors
- Per pupil funding is derived from a statutory formula with the base growing by inflation and increases with factors for cost of living, personnel costs and district size; State legislation provided a 2.7 percent inflationary increase to the base, increasing per pupil base funding from $6,768.77 to $6,953.51 ($184.74 per pupil)
- At-risk funding is based on the district’s students participating in free-lunch and those identified as ELL
- The negative factor, a legislative budget balancing scheme formerly known as the budget stabilization factor, is set by the state and is expected to grow annually. The negative factor has reduced the district’s total program funding by $27 million, or 7 percent, an equivalent reduction of $710 per pupil
- Total program is funded first by local property taxes, via the Total Program mill levy and including a portion of specific ownership tax, with the remainder backfilled by the state (i.e., state equalization)
Local Property Override and Specific Ownership Taxes

Local property taxes related to the voter-approved overrides are estimated and subsequently adjusted based on final certified net assessed valuations. Specific ownership taxes, the portion not applied to the School Finance Act, are monies collected for vehicle ownership.

<table>
<thead>
<tr>
<th></th>
<th>2018-19 Actual</th>
<th>2019-20 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assessed valuations</td>
<td>$2,607,966,143</td>
<td>$23,177,978,005</td>
</tr>
<tr>
<td>Mill levy</td>
<td>59.014</td>
<td>58.275</td>
</tr>
<tr>
<td>Equals property tax revenue</td>
<td>$153,906,513</td>
<td>$185,196,667</td>
</tr>
<tr>
<td>Total specific ownership taxes</td>
<td>$15,082,796</td>
<td>$16,500,000</td>
</tr>
<tr>
<td>Attributed to School Finance Act</td>
<td>($5,586,545)</td>
<td>($4,889,147)</td>
</tr>
<tr>
<td>Net specific ownership taxes</td>
<td>$9,496,251</td>
<td>$11,610,853</td>
</tr>
</tbody>
</table>

The allocation of specific ownership taxes to the School Finance Act means the district will receive less in state equalization as calculated by the Act.

Other local revenue

Other revenue represents the smallest component of revenue. The district receives additional funding for tuition paid by other districts, earnings on investments, cost recoupment for services provided to charters and e-rate reimbursement of approved technology expenditures. Unless the district has additional information, the budget reflects a conservative estimate of these sources.

Categorical and Other State Revenue

In addition to Total Program funding providing from the School Finance Act, the district receives state funding to pay for specific programs designed to serve particular groups of students or particular student needs. Such programs often are referred to as “categorical” programs.

The English Language Proficiency Act (ELPA) provides funding for evidence-based English language development programs to enable students to learn English while achieving and maintaining grade-level performance in academics. For each eligible K-12 student, ELPA provides funding for a maximum five years.

Gifted and Talented Education provides funding to develop and implement GT plans unique to the needs of the gifted population. Funding may be used for salaries of licensed, endorsed teachers who work with GT students; staff development and training needed by personnel to address the educational needs of these students; and activities, materials, and equipment associated with GT education.

Special Education, through the State Exceptional Children’s Education Act (ECEA), outlines district responsibilities for providing special education programs for children with disabilities. The Act recognizes the need to provide educational opportunities to all children, and the benefits of providing a continuum of services in the least restrictive environment. The district provides services to children between the ages of three and twenty-one who are unable to receive reasonable educational benefit from general education due to one or more disabilities. In addition to a base allocation, the district receives a set dollar amount for each child reported by the district on
December 1 of the previous year. Additional funding is available for each child reported with specifically identified disabilities. State ECEA monies can be used to pay for the salaries of special education instructional and support personnel, purchased services (including tuition payments to other districts and eligible facilities), supplies and equipment.

Transportation funding provides state monies to help defray student transportation expenses. Monies are provided to cover operating expenses such as driver salaries, fuel, and repairs. However, state funding generally is not available to cover capital costs such as school bus purchases. Payments are received on a reimbursement basis for the prior fiscal year. Generally, the district receives a set per-mile-traveled reimbursement and an addition funding for costs remaining after the per-mile-traveled reimbursement, if funding is available. The shortfall in reimbursed expenditures is funded by other general fund revenues.

Vocational Education funding for career and technical education (CTE) provides program revenue designed to provide students with occupational skills and related knowledge to meet identified needs of business and industry. The administration of the funding, monitoring, research and professional development is provided through the State Board for Community Colleges and Occupational Education. Funding is provided on a per-pupil basis to districts to cover the cost of instructional personnel, supplies, equipment and instructional services provided by cooperating agencies or institutions. The shortfall in reimbursed expenditures is funded by other general fund revenues.

Reading to Ensure Academic Development (READ) Act funding focuses on K-3 literacy, assessment and individual reading plans for students reading below grade level. The district focuses spending on students identified as having a significant reading deficiency, delineating requirements parent communication and provides funding to support intervention. Other components of the Act include a competitive Early Literacy Grant and a resource bank of assessments, instructional programming and professional development.

<table>
<thead>
<tr>
<th>State Source</th>
<th>2018-19 Actual</th>
<th>2019-20 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational education</td>
<td>$1.2</td>
<td>$1.5</td>
</tr>
<tr>
<td>Special education</td>
<td>8.5</td>
<td>9.4</td>
</tr>
<tr>
<td>Gifted and talented</td>
<td>0.4</td>
<td>.4</td>
</tr>
<tr>
<td>Transportation</td>
<td>1.9</td>
<td>1.8</td>
</tr>
<tr>
<td>ELPA</td>
<td>6.0</td>
<td>6.5</td>
</tr>
<tr>
<td>READ Act</td>
<td>3.9</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 21.9</strong></td>
<td><strong>$ 22.0</strong></td>
</tr>
</tbody>
</table>

**Expenditures**
- Overall costs for health benefit premiums increase by approximately 7 percent
- Required district contributions for PERA, the employees’ retirement fund, increased by 0.25 percentage points effective July 1, 2019
Consolidating Revenues, Expenditures, and Changes in Fund Balance
### REVENUES

#### Local:

- **Property taxes**: 116,235,125
- **Specific ownership taxes**: 14,446,509
- **Tuition**: 1,182,149
- **Gifts and grants**: 170,025
- **Charges for services**: 4,027,525
- **Rental of buildings**: 1,202,016
- **Fund balances, beginning of year**: 66,277,700

#### State:

- **Facilities acquisition and improvements**: 1,494,549
- **Contingencies and appropriated reserves**: -
- **Federal grants**: 117,823

#### Total revenues:

- **2017-18 Actual**: 368,846,950
- **2018-19 Actual**: 417,714,313
- **2019-20**: 443,852,072

#### Net change in fund balances:

- **2017-18**: 25,605,713
- **2018-19**: 42,386,179
- **2019-20**: (99,974,721)

### EXPENDITURES

#### Current:

- **Instruction**: 183,563,711
- **Pupil support**: 27,288,441
- **General administration**: 8,382,197
- **School administration**: 31,940,343
- **Business administration**: 4,322,623
- **Operations and maintenance**: 31,401,259
- **General administration**: 5,933,877
- **Programs**: 201,192,094
- **Special education**: 1,561,128
- **Grants**: 8,842,106
- **Transportation**: 1,580,675
- **English Language Proficiency Act**: 5,789,488
- **READ Act**: 3,027,751
- **Gifted and talented**: 388,114
- **Federal grants**: 117,823

#### Total expenditures:

- **2017-18 Actual**: 336,370,448
- **2018-19 Actual**: 527,634,587
- **2019-20 Budget Total**: 2019-20

#### Excess (deficiency) of revenues over (under) expenditures:

- **2017-18**: 32,476,502
- **2018-19**: 50,999,429
- **2019-20**: (83,782,515)

### OTHER FINANCING SOURCES (USES)

#### Transfers in:

- **General fund**: -

#### Transfers out:

- **Nutrition Services**: (500,000)
- **Capital Reserve**: (5,835,958)

#### Total other financing sources (uses):

- **2017-18**: 6,870,789
- **2018-19**: 8,613,250
- **2019-20**: 16,192,206

#### Net change in fund balances:

- **2017-18**: 25,605,713
- **2018-19**: 42,386,179
- **2019-20**: (99,974,721)

#### Fund balances, beginning of year:

- **2017-18 Actual**: 40,671,987
- **2018-19 Actual**: 99,974,721
- **2019-20 Budget Total**: 40,671,987

#### Fund balances, end of year:

- **2017-18 Actual**: 66,277,700
- **2018-19 Actual**: 108,663,879
- **2019-20 Budget Total**: 66,277,700

The Comprehensive Annual Financial Report for the fiscal years 2017-18 and 2018-19 are an integral part of this statement.
**General**

Used to account for *and report* all financial resources *not* accounted for *and reported* in another fund, including Nutrition Services, Bond Redemption, Capital Reserve and Building. Any lawful expenditure of the school district, including any expenditure of a nature that could be made from any other fund, may be made from the General Fund.

Typically, categorical programs—such as special education, gifted and talented education, vocational education, transportation and E.L.P.A. (English Language Proficiency Act) are funded by both state categorical revenues and General Fund subsidies. It is recommended that these *categorical programs be reported in the General Fund* rather than in a special revenue fund (i.e., Grants Fund).
## REVENUES

<table>
<thead>
<tr>
<th></th>
<th>2017-18 Actual</th>
<th>2018-19 Actual</th>
<th>2019-20 Budget</th>
<th>Change over prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>116,235,125</td>
<td>153,850,829</td>
<td>182,438,717</td>
<td>28,587,888</td>
</tr>
<tr>
<td>Specific ownership taxes</td>
<td>14,446,509</td>
<td>15,082,796</td>
<td>16,500,000</td>
<td>1,417,204</td>
</tr>
<tr>
<td>Tuition</td>
<td>139,968</td>
<td>156,813</td>
<td>125,000</td>
<td>(31,813)</td>
</tr>
<tr>
<td>Gifts and grants</td>
<td>150,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charges for services</td>
<td>4,027,207</td>
<td>5,191,406</td>
<td>8,000,000</td>
<td>2,808,594</td>
</tr>
<tr>
<td>Other</td>
<td>5,428,592</td>
<td>4,249,851</td>
<td>4,382,153</td>
<td>132,302</td>
</tr>
<tr>
<td>Net earnings on investments</td>
<td>1,841,340</td>
<td>2,206,803</td>
<td>3,000,000</td>
<td>793,197</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State equalization</td>
<td>194,326,607</td>
<td>203,281,573</td>
<td>207,325,677</td>
<td>4,044,104</td>
</tr>
<tr>
<td>Vocational education</td>
<td>1,561,128</td>
<td>1,206,662</td>
<td>1,528,169</td>
<td>321,507</td>
</tr>
<tr>
<td>Special education</td>
<td>8,382,197</td>
<td>8,462,930</td>
<td>9,356,915</td>
<td>893,985</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>22,824</td>
<td>(10,501,197)</td>
</tr>
<tr>
<td>Transportation</td>
<td>1,580,675</td>
<td>1,919,532</td>
<td>1,788,827</td>
<td>(369,705)</td>
</tr>
<tr>
<td>English Language Proficiency Act</td>
<td>5,789,488</td>
<td>6,030,578</td>
<td>6,521,772</td>
<td>492,194</td>
</tr>
<tr>
<td>READ Act</td>
<td>3,027,751</td>
<td>3,886,073</td>
<td>2,384,876</td>
<td>(1,501,197)</td>
</tr>
<tr>
<td>Gifted and talented</td>
<td>388,114</td>
<td>384,270</td>
<td>377,142</td>
<td>(7,128)</td>
</tr>
<tr>
<td>Federal grants</td>
<td>117,823</td>
<td>111,751</td>
<td>100,000</td>
<td>(11,751)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>357,442,524</td>
<td>406,021,867</td>
<td>443,852,072</td>
<td>37,830,205</td>
</tr>
</tbody>
</table>

## EXPENDITURES

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Change over prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>177,634,605</td>
<td>188,200,131</td>
<td>206,780,051</td>
<td>18,579,920</td>
</tr>
<tr>
<td>Pupil support</td>
<td>26,803,890</td>
<td>32,227,214</td>
<td>48,205,874</td>
<td>15,987,977</td>
</tr>
<tr>
<td>Instructional staff support</td>
<td>17,636,646</td>
<td>20,421,936</td>
<td>30,380,646</td>
<td>9,958,710</td>
</tr>
<tr>
<td>General administration</td>
<td>5,624,019</td>
<td>6,107,904</td>
<td>6,770,953</td>
<td>663,049</td>
</tr>
<tr>
<td>School administration</td>
<td>29,144,177</td>
<td>28,914,615</td>
<td>37,990,191</td>
<td>8,975,576</td>
</tr>
<tr>
<td>Business administration</td>
<td>4,322,623</td>
<td>4,623,092</td>
<td>6,476,477</td>
<td>1,853,385</td>
</tr>
<tr>
<td>Operations and maintenance</td>
<td>30,368,482</td>
<td>32,384,633</td>
<td>33,649,131</td>
<td>1,264,498</td>
</tr>
<tr>
<td>Transportation services</td>
<td>9,682,365</td>
<td>10,967,574</td>
<td>12,609,472</td>
<td>641,898</td>
</tr>
<tr>
<td>Personnel/data/risk management</td>
<td>10,797,928</td>
<td>13,940,438</td>
<td>14,650,095</td>
<td>709,657</td>
</tr>
<tr>
<td>Other support services</td>
<td>6,038,168</td>
<td>13,981,799</td>
<td>16,257,130</td>
<td>2,275,331</td>
</tr>
<tr>
<td>Facilities acquisition and improvements</td>
<td>1,495,312</td>
<td>473,368</td>
<td>663,400</td>
<td>190,032</td>
</tr>
<tr>
<td>Contingencies and appropriated reserves</td>
<td>-</td>
<td>-</td>
<td>115,401,100</td>
<td>115,401,100</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>319,548,215</td>
<td>351,242,704</td>
<td>527,634,587</td>
<td>176,391,883</td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues over (under) expenditures: 37,894,309, 54,779,163, (83,782,517), (138,561,678)

## OTHER FINANCING SOURCES (USES)

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Change over prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>(7,480,207)</td>
<td>(7,931,137)</td>
<td>(7,814,399)</td>
<td>116,738</td>
</tr>
<tr>
<td>Transfers out:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nutrition Services</td>
<td>(500,000)</td>
<td>(1,486,873)</td>
<td>(500,000)</td>
<td>986,873</td>
</tr>
<tr>
<td>Capital Reserve</td>
<td>(5,835,958)</td>
<td>(6,495,130)</td>
<td>(6,899,657)</td>
<td>(404,527)</td>
</tr>
<tr>
<td>Nonmajor governmental funds</td>
<td>(460,150)</td>
<td>(360,150)</td>
<td>(978,150)</td>
<td>(618,000)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>(14,276,315)</td>
<td>(16,273,209)</td>
<td>(16,192,206)</td>
<td>81,084</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>23,617,994</td>
<td>38,505,873</td>
<td>(99,974,721)</td>
<td>(138,480,594)</td>
</tr>
</tbody>
</table>

## Fund balances

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Change over prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balances, beginning of year</td>
<td>37,850,854</td>
<td>61,468,848</td>
<td>99,974,721</td>
<td>38,505,873</td>
</tr>
<tr>
<td>Fund balances, end of year</td>
<td>61,468,848</td>
<td>99,974,721</td>
<td>-</td>
<td>(99,974,721)</td>
</tr>
</tbody>
</table>

The Comprehensive Annual Financial Report for the fiscal years 2017-18 and 2018-19 are an integral part of this statement.
Special Programs – Carryover Fund
This optional sub-fund of the General Fund is used to account for programs of the district such as aquatics, before & after school programs and the district’s vocational building trades program. Financing for these projects is provided through various local revenues and transfers.

Certain programs receive subsidies or allocations from general fund revenues. These programs include ASCENT, instrumental music, drama, visual and performing arts, yearbook, GED testing and destination imagination. Transfer to these programs exceed $1.2 million.

The district utilizes this sub-fund to carryover unspent revenues and transfers within a specific program through subsequent appropriations. As these balances accumulate, other general fund monies may also be paying for similar programs without the ability to carryover unspent appropriations.
Risk
This sub-fund of the general fund allows the district to separate risk management accounting, and maintain a self-balancing set of records specific to risk management insurance reserve requirements for transfers made to the fund. Expenditures in this fund include the cost of risk and casualty insurance premiums and claims, including insurance protection for the District and self-insured property and casualty claims. Funding for the Risk Fund is provided by an allocation from the General Fund to ensure an assigned fund balance of at least $1,200,000. The district's risk management policy includes various forms of loss prevention, control and risk transfer.
Colorado Preschool Program
This fund allows the district to separate the Colorado Preschool Program (CPP) accounting, and maintain a self-balancing set of records specific to CPP requirements for allocations of state funding and general fund transfers. Expenditures from the fund shall only be made to pay the costs of providing preschool services directly to children enrolled in the preschool program. Such costs include teacher and paraprofessional salaries and benefits, supplies and materials, home visits, the entire cost of any preschool program contracted services, any associated professional development activities, costs that a district would not otherwise have incurred but for the services provided in conjunction with the five percent of such overhead costs. Any monies remaining in the fund at the end of the year shall remain in the fund.
**Special Revenue Funds**

Used to account for *and report* the proceeds of special revenue sources that are restricted *or committed* to expenditure for specified purposes *other than debt service or capital projects*. A separate fund may be used for each restricted source.

The district uses five special revenue funds:

- Grants
- Nutrition Services
- Pupil Activity
- Athletic
- Medicaid
- Pickens Post-Secondary
Grants
This fund is used to record financial transactions for grants received for designated programs funded by federal, state or local sources.
Nutrition Services
This fund is used to record financial transactions related to food service operations, including USDA school breakfast and lunch reimbursements, state reimbursements and paid meals.
**Pupil Activity**

This fund is formerly an agency fund (see fund 74 under informational items). The fund records funds raised and generated through pupil activities at school sites (clubs, etc.) A new pronouncement from the Governmental Accounting Standards Board (GASB) requires these funds to be accounted for in a special revenue fund beginning July 1, 2019.
Athletic
This fund is used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. These activities are supported in whole or in part by revenue from pupils, gate receipts and other fund-raising activities.
Medicaid
In 1997, the Colorado Legislature enacted legislation authorizing school districts to receive and encumber Medicaid reimbursements. This fund is used to account for Medicaid reimbursements that support local school health and related services. Funding is also intended to increase access to preventative and primary care services for low-income, under-insured and uninsured school aged children.

The Colorado School Health Services (SHS) Program administered by the Department of Health Care Policy and Financing (the Department) administers this program which allows school districts to access federal Medicaid funds for delivering Medicaid allowable school health services to Medicaid eligible children. Districts may also receive funding through the Medicaid Administrative Claiming (MAC) component for performing administrative activities which include service coordination, outreach and enrollment and administrative functions that support the SHS program. This enables districts to support local school health and related health services via Medicaid funds without requiring additional state or local expenditures.

Reimbursement received through the SHS Program shall be used by the district to provide additional and expanded health services. Funding is also intended to increase access to preventative and primary care services for low-income, under-insured, and uninsured school-aged children. The Local Service Plan (LSP) was developed after collaboration with a series of meetings and surveys with individuals and groups, including parents and staff, Tri-County Department of Health, etc. This LSP has been approved by the board of education, the Medicaid Consortium, and the Colorado Department of Education. An Annual Expenditure Report is submitted each year to the Colorado Department of Education for legislative review.

The district is a member of the Colorado School Medicaid Consortium which provides technical assistance with claims and billing, software purchases specifically customized for Colorado school districts, ongoing staff training on service and claiming procedures, monthly eligibility statements and tracking reports, cost reporting, and the random moment of time study.

The program has two different and exclusive components; receiving reimbursements from the federal government for providing IEP health services to Medicaid eligible students and using these funds to enhance health services to all students. The statute allows districts to be reimbursed through federal matching funds for IEP health services provided by Medicaid qualified providers to Medicaid eligible students during school hours. Matching funds are required to be used to expand health services for all children. Funds are intended to enhance or expand the availability of health services to students and should not be used to fund services that districts are required to deliver under federal or state law. The legislation allows for up to 30% of these reimbursed funds to be used for initiatives to increase access to health care for low-income students.

Because the intent of this legislation is:
- Support and enhance local school health programs for all students
- Increase access to preventive and primary health care services for low-income, uninsured and underinsured children
- Improve care coordination between schools and health care providers
• Address unmet health needs for all students in the District

In addition to those programs already supported in 2013, 2014 and 2015, the 2015-2020 LSP includes the following:
• Capital and non-capital support for existing and additional school based health centers; School Based Health Center Case Manager/Coordinator 1FTE;
• Increased Mental – Social and behavioral health including-Purchase and implement Signs of Suicide Curriculum; HEARTs program expansion; 3 FTE DORA licensed mental health professionals; additional mental health provider professional development;
• Increase and support professional nursing services for APS students-7 FTE School nurse positions; 2 additional Medicaid Clerk positions;
• Continued support for specialized transportation services- purchase 2 fully equipped buses;
• Support District wellness coordinator-1 FTE qualified wellness coordinator;
• Enhance the provision of early childhood screening-1 FTE licensed audiologist;
• Continued support for materials, supplies and professional development for ESS;
• Continued support of dental, mental health, medical services for uninsured students
**Pickens Post-Secondary**
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 educations.

Pickens Technical College Master Plan Capital Improvement Project Objectives:
- Increase access and opportunity for students
- Maximize current square footage
- Provide space to add new programs
**Debt Service Fund – Bond Redemption**

This fund is used to account for the accumulation of property tax revenues for and the payment of principal, interest and related expenses on long-term general obligation debt. The entire fund balance is appropriated for the purpose of scheduled payments of bond principal and interest and the defeasance of outstanding debt.

Outstanding net general obligation debt as of June 30, 2019, is $432.4 million. For more information on the district’s long-term debt, refer to Note 6, Noncurrent Liabilities, in the Notes to the Financial Statements included in the Comprehensive Annual Financial Report (CAFR) for the period ending June 30, 2019 (available online at [http://aurorak12.org/about-aps/finances](http://aurorak12.org/about-aps/finances)).

**Computation of Legal Debt Margin**

Pursuant to state law, the district has a limit of bonded indebtedness of the greater of 20.0 percent of its valuation for taxable property as it exists on 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. As of June 30, 2017, the district’s debt limit is based on the 6 percent limit, approved by voters of the district in November 2016. 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 2019 assessed value and the June 30, 2019 outstanding general obligation bonds payable.

<table>
<thead>
<tr>
<th>Debt Limit Factors</th>
<th>Actual Valuation</th>
<th>Percentage of Actual Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation – Adams County</td>
<td>6,633,181,479</td>
<td></td>
</tr>
<tr>
<td>Valuation – Arapahoe County</td>
<td>20,468,246,402</td>
<td></td>
</tr>
<tr>
<td>Total valuation</td>
<td>27,101,427,881</td>
<td>6.00%</td>
</tr>
<tr>
<td>Apply percentage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal debt limit</td>
<td>1,626,085,673</td>
<td>6.0%</td>
</tr>
<tr>
<td>Less general obligation bonds payable</td>
<td>432,411,027</td>
<td>1.6%</td>
</tr>
<tr>
<td>Debt margin</td>
<td>$1,193,674,646</td>
<td>4.4%</td>
</tr>
</tbody>
</table>
**Capital Project Funds**
Used to account for and report financial resources that are restricted, committed or assigned to expenditures for the ongoing capital needs of the District.

The district uses two capital project funds: building fund and capital reserve fund.
**Building**
This fund is used to account for all resources available for acquiring capital sites, buildings and equipment. Examples of such resources include bond sale proceeds, interest, grants, donations and interfund transfers. The district’s funding was provided by the sale of the 2008, 2010 and 2017 General Obligation Bonds. Additionally, the expected proceeds from the BEST grant will be accounted for in this fund. Resources available at the end of the fiscal year are restricted for capital projects.
**Capital Reserve**

This fund accounts for 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 technology, capital projects, deferred maintenance, heating, ventilation, and air conditioning (HVAC) projects, vehicles, and roofing projects.

On September 1, 2016, the district executed a Master Lease Purchase Agreement with JPMorgan Chase Bank in an amount not to exceed $12 million for the purpose of acquiring approximately 80 school buses, and other essential equipment over an approximate five-year period. In lieu of borrowing, the district may strategically allocate general fund dollars to purchase the buses.
Informational Only Fiduciary Funds:

Trust Fund: Health Trust Fund
The Health Trust Fund, also a 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 trustee 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.
Appendix:
Individual School and Division Budgets