ROCKY MOUNTAIN PREPARATORY SCHOOLS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

COMPRISED OF:

Rocky Mountain Preparatory Creekside
Rocky Mountain Preparatory Southwest
Rocky Mountain Preparatory Berkeley
Rocky Mountain Preparatory Fletcher
Rocky Mountain Preparatory NST

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rocky Mountain Preparatory Schools
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund, the proprietary fund of Rocky Mountain Preparatory Schools (the School or RMPS), the financial statements of the governmental activities and the general fund of RMPS – Denver (a component unit of School District Number 1 in the City and County of Denver and State of Colorado (Denver Public Schools or DPS), and RMPS – Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado (APS), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the School's and the component units' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinions, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of the governmental activities and general fund of the School and the component units RMPS-Denver (DPS) and RMPS – Aurora (APS) as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RMPS's and the component units' basic financial statements. The general fund balance sheet by location, and general fund revenues, expenditures, and changes in fund balance by location are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The general fund balance sheet by location, and general fund revenues, expenditures, and changes in fund balance by location and schedules of revenue, expenditures, and changes in fund balance – budget to actual by location are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund balance sheet by location, and general fund revenues, expenditures, and changes in fund balance by location and schedules of revenue, expenditures, and changes in fund balance – budget to actual by location are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Rocky Mountain Preparatory Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 25, 2020 on our consideration of the School's and the component units' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the School's and the component units' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's and the component units' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
August 25, 2020

This section of the Rocky Mountain Preparatory Schools (the School) annual financial report presents our discussion and analysis of the School's financial performance for the fiscal year ended June 30, 2020. Please read it in conjunction with the audited financial statements, which immediately follow this section**.**

Financial Highlights

- As of the close of the current fiscal year, the School's governmental fund reported ending fund balance of $13,366,397.
- The assets of the School's governmental fund comprise primarily of cash of $13,266,642 and accounts receivable of $1,631,312. The liabilities of the School's governmental fund at the close of the fiscal year are $1,543,870 which is comprised of accounts payable and deferred revenues.
- The School's governmental general fund had revenues of $33,746,838 and expenses of $27,400,494 for the year ended June 30, 2020 for a change in fund balance of $5,346,494.
- After adjusting for the School's pension and OPEB assets and liabilities and blending the Building Fund, the School's change in net position was an increase of $214,966 for a total net position of $1,942,703.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: (1) Statement of Net Position and General Fund Balance Sheet, (2) Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance, and (3) Notes to the Basic Financial Statements. In addition, the financial statements have Required Supplementary Information required by the Governmental Accounting Standards Board (GASB) and the Statement of Revenues, Expenditures, Expenditures and Changes in Fund Balance – General Fund – Budget to Actual.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

	Governmental Activities 2020	Governmental Activities 2019
ASSETS		
Current Assets	$ 16,336,147	$ 9,765,080
Capital Assets	5,780,423	5,970,658
Total Assets	22,116,570	15,735,738
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources - Pensions	7,625,241	7,550,698
Total Deferred Outflows of Resources	7,625,241	7,550,698
LIABILITIES		
Current Liabilities	1,651,580	428,322
Noncurrent Liabilities	20,266,987	17,071,123
Total Liabilities	21,918,567	17,499,445
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources - Pensions	5,880,541	4,059,254
Total Deferred Inflows of Resources	5,880,541	4,059,254
NET POSITION		
Invested in Capital Assets	(69,577)	120,658
Emergency Reserve	822,014	672,082
Without Donor Restriction	1,190,266	934,997
Total Net Position	$ 1,942,703	$ 1,727,737

The current assets balance is primarily cash and accounts receivable at June 30, 2020 that were due from the State of Colorado. Increases in current assets are the results of expanding the network of schools, contributions of grants to fund that expansion, and the Payroll Protection Program Loan proceeds.

The total noncurrent assets are comprised of capital assets that were purchased with an original cost of $5,000 or more. The current liabilities balance is a combination of accounts payable that were due but not paid at June 30 and long-term liabilities is comprised of the net pension and OPEB liabilities. The pension liability has increased due to more contributions from increasing staff levels.

Revenues

During this year of the School's operations, the primary source of revenue is Per Pupil Revenue from the State of Colorado, federal funding, private grants, and contributions. These revenues continue to grow as more schools are opening and adding grade levels.

Expenses

Total expenses consist of salary and benefit costs, facilities and maintenance costs, general supplies, food services, purchased services and other expenditures needed to operate the School. These expenditures continue to grow as more schools are opening and adding grade levels.

	Governmental Activities 2020	Governmental Activities 2019
REVENUES		
Per Pupil Revenue and Preschool Funding	$ 17,282,393	$ 12,023,268
Mill Levy Override	4,032,820	2,935,297
Grants and Contributions	5,329,465	5,636,950
All Other Revenue	3,679,589	4,252,135
Total Revenues	30,324,267	24,847,650
EXPENSES		
Governmental Activities - Program	23,080,670	15,789,736
Supporting Services	7,028,631	7,543,261
Total Expenses	30,109,301	23,332,997
CHANGES IN NET POSITION	214,966	1,514,653
Net Position, Beginning of Year	1,727,737	213,084
NET POSITION, END OF YEAR	$ 1,942,703	$ 1,727,737

Fund Financial Analysis

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School's governmental fund is discussed below.

Governmental Fund

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

As of the end of the current fiscal year, the School's general fund reported an ending fund balance of $13,366,397.

Capital Assets

The School had capital assets net of depreciation of $5,780,423 and related long-term debt of $5,850,000 as of June 30, 2020.

Budgetary Highlights

The School prepares its budget on an activities basis. That is, all expenditures expected to be incurred are accounted for regardless of when they are actually paid, which includes expenditures related to compensate for absences. However, expenditures for compensated absences are not recognized in the School's general fund until payouts are expected to be made from current financial resources.

Actual revenues of the Creekside location were 10% higher than the original and revised budgets for the year ended June 30, 2020, excluding the revenue from end of year pandemic-related stimulus funding. Enrollment for the year was six students higher than the original target, and per pupil level funding for the location were also higher than projected, leading to per pupil revenue being 3% higher than original targets. Mill levy override and other local revenues were a combined 7% lower than original and 10% lower than revised budgets. As a result of higher enrollment, total expenses were 1.8% lower than original and revised budget targets. Payroll expenses were 10% lower than original and 11% lower than revised budget targets, general supplies were 23% higher than original and revised budget targets, and other fees and services were 7% higher than original and revised budget targets.

Actual revenues of the Southwest location were over 13% higher than original budget targets and 5% higher than the revised budget targets for the year ended June 30, 2020, excluding the revenue from end of year pandemic-related stimulus funding. Enrollment count for the year was 24 students higher than the original target, and per pupil level funding was commensurately higher. Local funding for early childhood education and other supporting grants were higher than expected, leading to Mill Levy Override and Other Local Revenues being 20% higher than original budget targets and 5% higher than revised budget expectations. Total expenses were 5% lower than original expenses and 3% lower than the revised budget targets. Actual payroll and benefits expenses were 12% lower than original and revised budget targets as a result of open positions and lower supplemental staffing expenses which were expected for Spring 2020. Books, Supplies and Equipment were 31% higher than original and 21% higher than revised budget targets because of higher non-personnel spending on quarantine-related activities. Actual expenses on Services and other Operating Expenses were in-line with original budget targets and 9% higher than revised budget targets. Many of the budgeted line items were revised upward following the higher than expected enrollment to allow for higher appropriations, with upward revisions in contingencies, transportation, external services, and plant fixtures.

Actual revenues of the Fletcher location were 27% higher than the original budget and 17% higher than the revised budget for the year ended June 30, 2020, excluding the revenue from end of year pandemic-related stimulus funding. Enrollment count for the year was 39 students higher than the original target. Per Pupil Revenues and Preschool funding was 24% higher than original budget expectations and 13% higher than revised budget expectations. Mill levy override revenues and other local revenues were a combined 7% higher than original budget targets and 3% higher than revised budget targets. Federal grant revenues were 73% higher than original and revised budget targets as a result of higher one-time funding from Federal Title programs and pandemic food service reimbursement revenues. Actual expenses for the year were 9% higher than the original budget and in-line with revised budget targets. Payroll and benefits were 4% higher than original budget targets and 4% lower than revised budget targets. Books, Supplies and Equipment spending was 27% higher than original budget targets and 20% higher than revised budget targets.

Actual revenues of the Berkeley location were 19% higher than the original budget targets and 9% higher than the revised budget targets for the year ended June 30, 2020, excluding the revenue from end of year pandemic-related stimulus funding. Enrollment count for the year was 15 students higher than the original target, and per pupil level funding was commensurately higher. Actual expenses for the year were 6% higher than the original budget, and in line with revised budgeted expenses. Payroll and benefits expenses were 4% higher than original budget expenses and 1% lower than revised budget targets. Books, Supplies, and Equipment expenses were 40% higher than original and revised budget targets as a result of higher non-personnel spending during quarantine operations for the fourth quarter of the year.

Economic Factors and Next Year's Budget

The following factors were considered in preparing the School's budget for fiscal year 2020/21.

For fiscal year 2020/21, enrollment at Rocky Mountain Preparatory Schools is projected to be 598 students at Creekside, 425 students at Southwest, 554 students at Fletcher, and 298 students at Berkeley. The School estimates that the Per Pupil funding will be approximately 6% to 7% lower on a per student average, when compared to 2019/20, due to lower state revenues from the decreased economic activity following the quarantine measures beginning in March 2020. Accordingly, the total Per Pupil program revenue will increase due to increased enrollment and funding levels.

Contacting the School's Financial Management

This financial report is designed to provide our citizens, taxpayers, parents, investors and creditors with a general overview of the School's finances. If you have questions regarding this report or need additional financial information, contact the School's Director of Finance at (720) 863-8920.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION AND GENERAL FUND BALANCE SHEET
JUNE 30, 2020

	General Fund	Adjustments: Building Fund	Adjustments: RMP - Denver	Adjustments: RMP - Aurora	Statement of Net Position
ASSETS					
CURRENT ASSETS					
Cash	$ 12,444,628	$ 1,425,880	$ -	$ -	$ 13,870,508
Cash Held for TABOR	822,014	-	-	-	822,014
Prepaids	12,313	-	-	-	12,313
Accounts Receivable	1,631,312	-	-	-	1,631,312
Total Current Assets	14,910,267	1,425,880	-	-	16,336,147
NONCURRENT ASSETS					
Capital Assets, Net of Accumulated Depreciation	-	5,671,733	108,690	-	5,780,423
Total Assets	$ 14,910,267	7,097,613	108,690	-	22,116,570
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources - OPEB	-	-	131,495	115,553	247,048
Deferred Outflows of Resources - Pensions	-	-	3,038,990	4,339,203	7,378,193
Total Deferred Outflows of Resources	-	-	3,170,485	4,454,756	7,625,241
LIABILITIES AND FUND BALANCE					
CURRENT LIABILITIES					
Accounts Payable	$ 653,374	107,709	1	-	761,084
Unearned Revenues	890,496	-	-	-	890,496
Total Current Liabilities	1,543,870	107,709	1	-	1,651,580
NONCURRENT LIABILITIES					
Long-Term Debt	-	5,850,000	2,160,021	840,181	8,850,202
Net OPEB Liabilities	-	-	418,073	272,183	690,256
Net Pension Liabilities	-	-	5,181,401	5,545,128	10,726,529
Total Noncurrent Liabilities	-	5,850,000	7,759,495	6,657,492	20,266,987
Total Liabilities	1,543,870	5,957,709	7,759,496	6,657,492	21,918,567
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - OPEB	-	-	88,820	50,280	139,100
Deferred Inflows of Resources - Pensions	-	-	2,569,347	3,172,094	5,741,441
Total Deferred Inflows of Resources	-	-	2,658,167	3,222,374	5,880,541
FUND BALANCE					
Emergency Reserve - TABOR	822,014	-	(601,657)	(220,357)	-
TABOR Fund Balance Reserved for Multi-Year Obligations	3,000,202	-	(2,160,021)	(840,181)	-
Unassigned	9,544,181	-	(7,479,332)	(2,064,849)	-
Total Fund Balance	13,366,397	-	(10,241,010)	(3,125,387)	-
Total Liabilities and Fund Balance	$ 14,910,267				
NET POSITION					
Invested in Capital Assets, Net of Related Debt		(178,267)	108,690	-	(69,577)
Emergency Reserve		-	601,657	220,357	822,014
Without Donor Restriction		1,318,171	2,392,175	(2,520,080)	1,190,266
Total Net Position		$ 1,139,904	$ 3,102,522	$ (2,299,723)	$ 1,942,703

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2020

	General	Adjustments			Statement of
	Fund	Building Fund	RMP - Denver	RMP - Aurora	Net Position
REVENUES					
General Revenues:					
Per Pupil Revenue and Preschool Funding	$ 17,282,393	$ -	$ -	$ -	$ 17,282,393
Mill Levy Override	4,032,820	-	-	-	4,032,820
Program Revenues:					
Federal Revenue	2,122,458	-	-	-	2,122,458
Other State	1,579,633	-	-	-	1,579,633
Private Grants and Contributions	1,627,374	-	-	-	1,627,374
Investment Income	9,717	-	-	-	9,717
NST Management Fee	2,940,783	-	-	-	2,940,783
All Other Local Revenues	151,458	268,166	256,195	53,270	729,089
Proceeds From Long-Term Debt	3,000,202	-	(2,160,021)	(840,181)	-
Total Revenues	32,746,838	268,166	(1,903,826)	(786,911)	30,324,267
EXPENSES					
Program Expenses	20,371,863	343,100	667,232	1,698,475	23,080,670
Supporting Services	7,028,631	-	-	-	7,028,631
Total Expenses	27,400,494	343,100	667,232	1,698,475	30,109,301
CHANGE IN FUND BALANCE/NET POSITION	5,346,344	(74,934)	(2,571,058)	(2,485,386)	214,966
Fund Balance/Net Position - July 1, 2019	8,020,053	1,214,838	(4,567,430)	(2,939,724)	1,727,737
FUND BALANCE/NET POSITION - JUNE 30, 2020	$ 13,366,397	$ 1,139,904	$ (7,138,488)	$ (5,425,110)	$ 1,942,703

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION – PROPRIETARY FUND TYPES
JUNE 30, 2020

	Governmental Activities
	Internal Service Fund - Building Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 1,425,880
Total Current Assets	1,425,880
NONCURRENT ASSETS	
Capital Assets, Net of Accumulated Depreciation	5,671,733
Total Assets	$ 7,097,613
LIABILITIES AND FUND BALANCE	
CURRENT LIABILITIES	
Accounts Payable	$ 107,709
Total Current Liabilities	107,709
NONCURRENT LIABILITIES	
Long-Term Debt	5,850,000
Total Noncurrent Liabilities	5,850,000
Total Liabilities	5,957,709
NET POSITION	
Invested in Capital Assets, Net of Related Debt	(178,267)
Unrestricted	1,318,171
Total Net Position	$ 1,139,904

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2020

	Governmental Activities Internal Service Fund - Building Fund
OPERATING REVENUES	
Rent	$ 268,166
Total Operating Revenues	268,166
OPERATING EXPENSES	
Purchased Services	266,700
Depreciation	76,400
Total Operating Expenses	343,100
NET LOSS	(74,934)
Net Position - July 1, 2019	1,214,838
NET POSITION - JUNE 30, 2020	$ 1,139,904

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF CASH FLOWS – PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2020

	Governmental Activities Internal Service Fund - Building Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Rental Operations	$ 268,166
Cash Paid to Suppliers	(222,700)
Net Cash Provided by Operating Activities	45,466
NET INCREASE IN CASH	45,466
Cash - July 1, 2019	1,380,414
CASH - JUNE 30, 2020	$ 1,425,880
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (74,934)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	76,400
Changes in Assets and Liabilities	
Accounts Payable	44,000
Total Adjustments	120,400
Net Cash Provided by Operating Activities	$ 45,466

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION AND GENERAL FUND BALANCE SHEET – RMP – DENVER
JUNE 30, 2020

	General Fund	Building Fund	Adjustments	Statement of Net Position
ASSETS				
CURRENT ASSETS				
Cash	$ 9,773,112	$ 1,425,880	$ -	$ 11,198,992
Cash Held for TABOR	601,657	-	-	601,657
Prepaids	9,088	-	-	9,088
Accounts Receivable	1,246,730	-	-	1,246,730
Total Current Assets	11,630,587	1,425,880	-	13,056,467
NONCURRENT ASSETS				
Capital Assets, Net of Accumulated Depreciation	-	5,671,733	108,690	5,780,423
Total Assets	$ 11,630,587	7,097,613	108,690	18,836,890
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources - OPEB	-	-	131,495	131,495
Deferred Outflows of Resources - Pensions	-	-	3,038,990	3,038,990
Total Deferred Outflows of Resources	-	-	3,170,485	3,170,485
LIABILITIES AND FUND BALANCE				
CURRENT LIABILITIES				
Accounts Payable	$ 499,639	107,709	1	607,349
Unearned Revenues	889,938	-	-	889,938
Total Current Liabilities	1,389,577	107,709	1	1,497,287
NONCURRENT LIABILITIES				
Long-Term Debt	-	5,850,000	2,160,021	8,010,021
Net OPEB Liabilities	-	-	418,073	418,073
Net Pension Liabilities	-	-	5,181,401	5,181,401
Total Noncurrent Liabilities	-	5,850,000	7,759,495	13,609,495
Total Liabilities	1,389,577	5,957,709	7,759,496	15,106,782
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources - OPEB	-	-	88,820	88,820
Deferred Inflows of Resources - Pensions	-	-	2,569,347	2,569,347
Total Deferred Inflows of Resources	-	-	2,658,167	2,658,167
FUND BALANCE				
Emergency Reserve - TABOR	601,657	-	(601,657)	-
TABOR Fund Balance Reserved for Multi-Year Obligations	2,160,021	-	(2,160,021)	-
Unassigned	7,479,332	-	(7,479,332)	-
Total Fund Balance	10,241,010	-	(10,241,010)	-
Total Liabilities and Fund Balance	$ 11,630,587			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT				
Invested in Capital Assets, Net of Related Debt		(178,267)	$ 108,690	$ (69,577)
Emergency Reserve		-	601,657	601,657
Without Donor Restriction		1,318,171	2,392,175	3,710,346
Total Net Position		$ 1,139,904	$ 3,102,522	$ 4,242,426

RECONCILIATION

FUND BALANCE - JUNE 30, 2020	$ 10,241,010
Long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the general fund.	(2,160,021)
Capital assets in governmental activities are not financial resources and, therefore, are not reported as assets in the general fund.	108,690
Net position in internal service funds	1,139,904
Pension and OPEB contributions made during the fiscal year are removed from fund expenses and are recorded as a deferred outflow and inflows of resources. This amount will be recognized as a reduction/addition of the net pension and OPEB liabilities in the subsequent year.	512,318
Long-term net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the general fund.	(5,599,475)
NET POSITION - JUNE 30, 2020	$ 4,242,426

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – RMP – DENVER
YEAR ENDED JUNE 30, 2020

	General Fund	Building Fund	Adjustments	Statement of Net Position
REVENUES				
General Revenues:				
Per Pupil Revenue and Preschool Funding	$ 12,109,057	$ -	$ -	$ 12,109,057
Mill Levy Override	2,675,979	-	-	2,675,979
Program Revenues:				
Federal Revenue	1,672,451	-	-	1,672,451
Other State	1,245,433	-	-	1,245,433
Private Grants and Contributions	1,137,138	-	-	1,137,138
Investment Income	6,996	-	-	6,996
NST Management Fee	2,117,243	-	-	2,117,243
All Other Local Revenues	161,156	268,166	256,195	685,517
Proceeds From Long-Term Debt	2,160,021	-	(2,160,021)	-
Total Revenues	23,285,474	268,166	(1,903,826)	21,649,814
EXPENSES				
Program Expenses	15,065,522	343,100	667,232	16,075,854
Supporting Services	4,989,734	-	-	4,989,734
Total Expenses	20,055,256	343,100	667,232	21,065,588
CHANGE IN FUND BALANCE/NET POSITION	3,230,218	(74,934)	(2,571,058)	584,226
Fund Balance/Net Position - July 1, 2019	7,010,792	1,214,838	(4,567,430)	3,658,200
FUND BALANCE/NET POSITION - JUNE 30, 2020	$ 10,241,010	$ 1,139,904	$ (7,138,488)	$ 4,242,426

RECONCILIATION

NET CHANGE IN FUND BALANCE - YEAR ENDED JUNE 30, 2020	$ 3,230,218
Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increase long-term liabilities in the statement of net assets and does not affect the statement of activities.	(2,160,021)
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense (depreciation).	(13,836)
Internal service funds change in net position	(74,934)
Pension contributions and OPEB contributions made during the fiscal year are removed from fund expenses and are recorded as deferred outflows and inflows of resources. This amount will be recognized as a reduction/addition of the net pension liability in the subsequent year.	(397,201)
Total Adjustment	(2,645,992)
CHANGE IN NET POSITION - YEAR ENDED JUNE 30, 2020	$ 584,226

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION – PROPRIETARY FUND TYPES – RMP – DENVER
JUNE 30, 2020

	Governmental Activities
	Internal Service Fund - Building Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 1,425,880
Total Current Assets	1,425,880
NONCURRENT ASSETS	
Capital Assets, Net of Accumulated Depreciation	5,671,733
Total Assets	$ 7,097,613
LIABILITIES AND FUND BALANCE	
CURRENT LIABILITIES	
Accounts Payable	$ 107,709
Total Current Liabilities	107,709
NONCURRENT LIABILITIES	
Long-Term Debt	5,850,000
Total Noncurrent Liabilities	5,850,000
Total Liabilities	5,957,709
NET POSITION	
Invested in Capital Assets, Net of Related Debt	(178,267)
Unrestricted	1,318,171
Total Net Position	$ 1,139,904

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND TYPES – RMP – DENVER
YEAR ENDED JUNE 30, 2020

	Governmental Activities
	Internal Service Fund - Building Fund
OPERATING REVENUES	
Rent	$ 268,166
Total Operating Revenues	268,166
OPERATING EXPENSES	
Purchased Services	266,700
Depreciation	76,400
Total Operating Expenses	343,100
NET LOSS	(74,934)
Net Position - July 1, 2019	1,214,838
NET POSITION - JUNE 30, 2020	$ 1,139,904

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF CASH FLOWS – PROPRIETARY FUND TYPES – RMP – DENVER
YEAR ENDED JUNE 30, 2020

	Governmental Activities
	Internal Service Fund - Building Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Rental Operations	$ 268,166
Cash Paid to Suppliers	(222,700)
Net Cash Provided by Operating Activities	45,466
NET INCREASE IN CASH	45,466
Cash - July 1, 2019	1,380,414
CASH - JUNE 30, 2020	$ 1,425,880
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (74,934)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	76,400
Changes in Assets and Liabilities	
Accounts Payable	44,000
Total Adjustments	120,400
Net Cash Provided by Operating Activities	$ 45,466

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION AND GENERAL FUND BALANCE SHEET – RMP – AURORA
JUNE 30, 2020

	General Fund	Adjustments	Statement of Net Position
ASSETS			
CURRENT ASSETS			
Cash	$ 2,671,516	$ -	$ 2,671,516
Cash Held for TABOR	220,357	-	220,357
Prepaids	3,225	-	3,225
Accounts Receivable	384,582	-	384,582
Total Current Assets	3,279,680	-	3,279,680
NONCURRENT ASSETS			
Capital Assets, Net of Accumulated Depreciation	-	-	-
Total Assets	$ 3,279,680	-	3,279,680
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - OPEB	-	115,553	115,553
Deferred Outflows of Resources - Pensions	-	4,339,203	4,339,203
Total Deferred Outflows of Resources	-	4,454,756	4,454,756
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
Accounts Payable	$ 153,735	-	153,735
Unearned Revenues	558	-	558
Total Current Liabilities	154,293	-	154,293
NONCURRENT LIABILITIES			
Notes Payable	-	840,181	840,181
Net OPEB Liabilities	-	272,183	272,183
Net Pension Liabilities	-	5,545,128	5,545,128
Total Noncurrent Liabilities	-	6,657,492	6,657,492
Total Liabilities	154,293	6,657,492	6,811,785
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - OPEB	-	50,280	50,280
Deferred Inflows of Resources - Pensions	-	3,172,094	3,172,094
Total Deferred Inflows of Resources	-	3,222,374	3,222,374
FUND BALANCE			
Emergency Reserve -TABOR	220,357	(220,357)	-
TABOR Fund Balance Reserved for Multi-Year Obligations	840,181	(840,181)	-
Unassigned	2,064,849	(2,064,849)	-
Total Fund Balance	3,125,387	(3,125,387)	-
Total Liabilities and Fund Balance	$ 3,279,680		
NET POSITION			
Emergency Reserve		220,357	220,357
Without Donor Restriction		(2,520,080)	(2,520,080)
Total Net Position		$ (2,299,723)	$ (2,299,723)

RECONCILIATION

FUND BALANCE - JUNE 30, 2020	$ 3,125,387
Long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the general fund.	(840,181)
Pension and OPEB contributions made during the fiscal year are removed from fund expenses and recorded as deferred outflows and inflows of resources. This amount will be recognized as a reduction/addition of the net pension and OPEB liabilities in the subsequent year.	(5,817,311)
Long-term net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the general fund.	1,232,382
NET POSITION - JUNE 30, 2020	$ (2,299,723)

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – RMP – AURORA
YEAR ENDED JUNE 30, 2020

	General Fund	Adjustments	Statement of Net Position
REVENUES			
General Revenues:			
Per Pupil Revenue and Preschool Funding	$ 5,173,336	$ -	$ 5,173,336
Mill Levy Override	1,356,841	-	1,356,841
Program Revenues:			
Federal Revenue	450,007	-	450,007
Other State	334,200	-	334,200
Private Grants and Contributions	490,236	-	490,236
Investment Income	2,721	-	2,721
NST Management Fee	823,540	-	823,540
All Other Local Revenues	(9,698)	53,270	43,572
Proceeds From Long-term Debt	840,181	(840,181)	-
Total Revenues	9,461,364	(786,911)	8,674,453
EXPENSES			
Program Expenses	5,306,341	1,698,475	7,004,816
Supporting Services	2,038,897		2,038,897
Total Expenses	7,345,238	1,698,475	9,043,713
CHANGE IN FUND BALANCE/NET POSITION	2,116,126	(2,485,386)	(369,260)
Fund Balance/Net Position - July 1, 2019	1,009,261	(2,939,724)	(1,930,463)
FUND BALANCE/NET POSITION - JUNE 30, 2020	$ 3,125,387	$ (5,425,110)	$ (2,299,723)

RECONCILIATION

NET CHANGE IN FUND BALANCE - YEAR ENDED JUNE 30, 2020	$ 2,116,126
Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increase long-term liabilities in the statement of net assets and does not affect the statement of activities.	(840,181)
Pension and OPEB contributions made during the fiscal year are removed from fund expenses and are recorded as deferred outflows and inflows of resources. This amount will be recognized as a reduction/addition of the net pension and OPEB liabilities in the subsequent year.	(1,645,205)
Total Adjustment	(2,485,386)
CHANGE IN NET POSITION - YEAR ENDED JUNE 30, 2020	$ (369,260)

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Rocky Mountain Preparatory Schools (the School or RMPS) was formed to operate charter schools as provided in the Colorado Charter Schools Act. RMPS's mission is to provide educational, technical, and supporting services to the School. The School's support is derived primarily from state of Colorado public education monies, foundation contributions, and various government agency grants.

Reporting Entity

The financial reporting entity consists of the School and organizations for which the School is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. In addition, any legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the School.

RMPS manages several charter schools within the Denver Metro area. The Creekside, Southwest and Berkeley locations are component units of the Denver Public School District (DPS) (RMP – Denver) and the Fletcher location is a component unit of Aurora Public Schools (APS) (RMP – Aurora). RMPS also includes the Network Support Team (NST) which provides supporting services to the School through management fees paid by the School. The financial activities of NST have been allocated to each component unit based upon enrollment.

The following organization is included in the School's and RMP – Denver's reporting entity:

- The Building Corporation – The purpose of the Corporation is to provide a mechanism to issue and pay debt on behalf of the School and RMP – Denver. The Corporation is considered to be part of the School and RMP – Denver for financial reporting purposes because its resources are entirely for the direct benefit of the School and RMP – Denver and is blended into the School's and RMP – Denver's financial statements as an internal service fund.

Accounting Policies

As required by the state of Colorado, the School and the component units account for financial transactions in accordance with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Measurement Focus and Financial Statement Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School and the component units as a whole. All of the School's and component units' activities as a charter school are considered governmental in nature per the state of Colorado; therefore, the School and the component units do not report any business-type activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Financial Statement Presentation (Continued)

Government-Wide Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the cash flows occur. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds (see Notes 2 and 3).

Governmental Fund Financial Statements

The School's and component units' general funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they measurable. Revenues are considered to be available if they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the School and the component units' consider revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of revenues related to private grants, which are included in revenue if received within six months after year-end. Expenditures generally are recorded when a liability is incurred under accrual accounting. The School and component units account for all of their operating activities in its general fund.

When both restricted and unrestricted resources are available for use, it is the School's and component units' policy to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed, assigned, and then unassigned fund balances.

Internal Service Fund Financial Statements

The Internal Service Fund is used to account for activity of the Building Corporation for the School and RMP - Denver.

Cash and Cash Equivalents

The School and component units define their cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less. Cash is restricted in the financial statements to comply with the provisions of the TABOR amendment.

The financial institution holding the School's and the component units' cash accounts participates in the FDIC's Transaction Account Guarantee Program. Interest-bearing transaction accounts were subject to the $250,000 limit on FDIC insurance per covered institution.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

The School's and component units' investment policies conform to state statute for governmental entities. All accounts established at financial institutions should, in the aggregate, total less than $250,000 so as to provide maximum insurance coverage provided by the FDIC. If, however, deposits exceed the $250,000 insurance coverage level, the excess must be (1) fully collateralized at face value with government securities, (2) separately segregated in the School's name, and (3) held at a Federal Reserve Bank or another depository.

Under the provisions of GASB 40, *Deposit and Investment Risk Disclosures*, deposits are not deemed exposed to custodial credit risk if they are collateralized with securities held by the pledging financial institutions under Colorado Public Deposit Protection Act (PDPA), as discussed below. Custodial credit risk is the risk that in the event of bank failure, the deposits may not be returned.

Cash held at charter schools is governed by state statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items. In the governmental fund balance sheet, there is a reservation of fund balance equal to the amount of prepaid items, as these amounts are not available for expenditure.

Capital Assets

Capital assets are those purchased or acquired with an original cost of $5,000 or more and are reported at acquisition cost or estimated acquisition cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all capital assets is provided on a straight-line basis over the estimated useful lives of the capital assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial section, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred Outflows – Pension and OPEB Contributions

The deferred outflow of resources resulted from contributions to employee pension and OPEB plans subsequent to the measurement date and actuarial valuations. The deferred outflow – contributions will be recognized as a reduction of the net pension and OPEB liabilities in the subsequent fiscal year.

Deferred Inflows – Pension and OPEB Contributions

The deferred inflows of resources related to pensions and OPEB resulted from differences between the estimated and actual return on pension and OPEB plan investments, changes in assumptions, and the difference between expected and actual experience. These amounts are deferred and amortized.

Revenues

Revenue resulting from exchange transactions in which each party gives and receives essentially equal value is recorded under the accrual basis when the exchange takes place.

Nonexchange transactions are those in which the School and the component units receive value without directly giving equal value in return, and includes private grants and contributions and state revenue. Under the accrual basis, this revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted, matching requirements under which the School and the component units must provide local resources to be used for a specific purpose and expenditure requirements, in which the resources are provided to the School and the component units on a reimbursement basis.

Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are recorded as unearned revenue.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances

Fund balance presented in the governmental fund financial statements represent the difference between assets and liabilities. Accounting standards require that the fund balance be classified into the following categories based upon the type of restrictions imposed on the use of funds:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. This includes TABOR reserve for emergencies (see Note 12).
- Committed – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the entity's highest level of decision-making authority.
- Assigned – This classification includes amounts intended to be used by the entity for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – This classification is the residual amount for the School's general fund and includes all spendable amounts not contained in the other classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

The net position is the residual of assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The School and the component units maintain the following classifications of net position:

- Net Investment in Capital Assets – Capital assets, net of accumulated depreciation, reduced by any borrowings used for the acquisition, construction or improvement of those assets.
- Restricted – Expendable – Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the School or by the passage of time. This includes TABOR reserve for emergencies (see Note 12).
- Unrestricted: All other categories of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to $225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the School by the State of Colorado has been recorded in the fund financial statements.

Budgets and Budgetary Accounting

The School adopts an annual budget for the General Fund. The Board or management can modify the budget by line item within the total fund's appropriation. Formal budgetary integration is employed as a management control device during the year for the General Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Revenues are on the modified accrual basis.

Use of Estimates

The preparation of financial statements in conformity and in accordance with the generally accepted financial principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

NOTE 2 EXPLANATION OF DIFFERENCES BETWEEN THE BALANCE SHEET AND THE STATEMENT OF NET POSITION

Total fund balance of the School's and the component units' general fund differs from net position of governmental activities primarily because of the long-term economic resources measurement focus of the statement of net position versus the current financial resources measurement focus of the general fund balance sheet.

The differences are described below:

	RMP - Denver	RMP - Aurora	Total
Fund Balance - June 30, 2020	$ 10,241,010	$ 3,125,387	$ 13,366,397
Capital assets in governmental activities are not financial resources and, therefore, are not reported as assets in the general fund.	108,690	-	108,690
Long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the general fund.	(2,160,021)	(840,181)	
Net Position in Internal Service Funds	1,139,904	-	1,139,904
Pension and OPEB contributions made during the fiscal year are removed from fund expenses and are recorded as deferred outflows and inflows of resources. This amount will be recognized as a reduction/addition of the net pension and OPEB liabilities in the subsequent year.	512,317	(5,817,311)	(5,304,994)
Long-term net pension and OPEB liabilities are not due due and payable in the current period and, therefore, are not reported as liabilities in the general fund.	(5,599,474)	1,232,382	(4,367,092)
Net Position - June 30, 2020	$ 4,242,426	$ (2,299,723)	$ 4,942,905

NOTE 3 EXPLANATION OF DIFFERENCES BETWEEN STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE STATEMENT OF ACTIVITIES

The net change in fund balance for the general fund differs from the change in net position for governmental activities primarily because of the long-term economic resources measurement focus of the statement of activities versus the current financial resources measurement focus of the general fund statement of revenues, expenditures, and changes in fund balance.

NOTE 3 EXPLANATION OF DIFFERENCES BETWEEN STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE STATEMENT OF ACTIVITIES (CONTINUED)

The differences are described below:

	RMP - Denver	RMP - Aurora	Total
Net Change in Fund Balance - Year Ended June 30, 2020	$ 3,230,218	$ 2,116,126	$ 5,346,344
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense (depreciation).	(13,836)	-	(13,836)
Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, issuing debt increase long-term liabilities in the statement of net assets and does not affect the statemen of activities.	(2,160,021)	(840,181)	(3,000,202)
Internal Service Funds Change in Net Position	(74,934)	-	(74,934)
Pension and OPEB contributions made during the fiscal year are removed from fund expenses and are recorded as deferred outflows and inflows of resources. This amount will be recognized as a reduction/addition of the net pension and OPEB liabilities in the subsequent year.	(397,201)	(1,645,205)	(2,042,406)
Change in Net Position - Year Ended June 30, 2020	$ 584,226	$ (369,260)	$ 214,966

NOTE 4 CASH AND EQUIVALENTS

Restricted Cash

Cash in the amount of $822,014 as of June 30, 2020, is restricted to comply with provisions of the TABOR amendment.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The School and the component units have not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable primarily consist of funds due from various governmental units. Management believes all of these amounts are collectible; therefore no provisions for uncollectible accounts were recorded. As of June 30, 2020, all amounts are considered collectible within one year.

NOTE 6 CAPITAL ASSETS AND DEPRECIATION

Capital assets and depreciation consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30,
RMP - Denver				
Capital Assets Being Depreciated:				
Facilities Improvements	$ 6,106,006	$ -	$ (78,821)	$ 6,027,185
Less: Accumulated Depreciation	(156,526)	(90,236)	-	(246,762)
Total Capital Assets Being Depreciated, Net	$ 5,949,480	$ (90,236)	$ (78,821)	$ 5,780,423
RMP - Aurora				
Capital Assets Being Depreciated:				
Facilities Improvements	$ 21,179	$ -	$ (21,179)	$ -
Total Capital Assets Being Depreciated, Net	$ 21,179	$ -	$ (21,179)	$ -

Depreciation and amortization expense was $90,236 for the year ended June 30, 2020.

NOTE 7 RISK MANAGEMENT

The School and the component units are exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, students, and visitors and natural disasters. Management's policy is to minimize these risks through the purchase of commercial insurance. Settled claims have not exceeded the commercial insurance coverage since inception.

NOTE 8 EMPLOYEE BENEFIT PLANS

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions Some, but not all, of these changes were in effect as of June 30, 2020.

Plan Description

Eligible employees of the School and the component units are provided with pensions through the Denver Public Schools Division Trust Fund (DPS Division) and the School Division Trust Fund (School Division) single-employer defined benefit pension plans administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

Benefits provided as of December 31, 2019. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the DPS Division Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the School Division Benefit Structure is the greater of the:

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

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Benefits Provided (Continued)

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lessor of an annual increase of 1.5% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR). The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1% based on the parameters specified C.R.S. § 24-51-413.

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

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Contributions

Eligible employees of the School, component units and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 8% of their PERA-includable salary period of July 1, 2019 through June 30, 2020.are required to contribute to the DPS Division at a rate set by Colorado Statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	12/31/2019	6/30/2020
Employer Contribution Rate[1]	10.40%	10.40%
Amount of Employee Contribution Apportioned to the DPS Health Care Trust Fund as Specified in C.R.S. 24-51-208(1)(f)[1]	(1.02)%	(1.02)%
PCOP Offset as Specified in C.R.S. 24-51-412[1]	(13.60)%	(12.25)%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. 24-51-411[1]	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-4111	5.50%	5.50%
Total Employer Contribution Rate to the DPS[1]	5.78%	7.13%

[1] Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42)

As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a non-employer contribution for financial reporting purposes.

Subsequent to the DPS Division's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, $225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the School and the component units are statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division for the year ended June 30, 2020 from the NST and Creekside, Southwest, and Berkeley locations were $278,839, $124,276, and $88,623, respectively.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Contributions

Eligible employees and the School and component units are required to contribute to the SCHDTF at a rate set by Colorado Statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	6/30/2020
Employer Contribution Rate[1]	10.40%
Amount of Employee Contribution Apportioned to the DPS Health Care Trust Fund as Specified in C.R.S. 24-51-208(1)(f)[1]	(1.02)%
Amount Apportioned	(13.60)%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. 24-51-411[1]	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. 24-51-411[1]	5.50%
Total Employer Contribution Rate to the School Division[1]	19.38%

[1] Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42)

As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the State Division Trust Fund based on the proportionate amount of annual payroll of the State Division Trust Fund to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a non-employer contribution for financial reporting purposes.

Subsequent to the School Division Trust Fund's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, $225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the School Division in the period in which the compensation becomes payable to the member and the School and the component units is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the School Division from the Fletcher location were $419,990 for the year ended June 30, 2020.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

At June 30, 2020, the NST and Creekside location reported a total liability of $2,938,098 for its proportionate share of the net pension liability, the Southwest location reported a total liability of $1,309,482, the Berkeley location reported a total liability of $933,821, and the Fletcher location reported a total liability of $5,545,128. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liabilities was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The School's and the component unit's proportion of the net pension liability was based on the School's and the component unit's contributions to the DPS Division and School Division for the calendar year 2019 relative to the total contributions of participating employers to the DPS Division and the School Division and the State as a nonemployer contributing entity.

At June 30, 2020, the School reported a total liability of $10,726,529 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

	RMP - Denver	RMP - Aurora	Total
School's Proportionate Share of the Net Pension Liability (Assets)	$ 5,181,401	$ 5,545,128	$ 10,726,529
State's Proportionate Share of the Net Pension Liability (Assets)	2,296,288	703,329	2,999,617
Total	$ 7,477,689	$ 6,248,457	$13,726,146

For the year ended June 30, 2020, the School recognized pension expense for DPS Division and the School Division for support from the State as a nonemployer contributing entity as follows:

	RMP - Denver	RMP - Aurora	Total
Pension Expense	$ (752,700)	$ (1,774,511)	$ (2,527,211)
Revenue from Support Provided by the State	$ 180,286	$ (22,247)	$ 158,039

At December 31, 2019, the NST and Creekside location's proportion was 0.446%, the Southwest location's proportion was 0.199%, the Berkeley location's proportion was 0.142%, and the Fletcher location's proportion was 0.037%.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

At June 30, 2020, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	NST and Creekside RMP - Denver		Southwest RMP - Denver		Berkeley RMP - Denver		Fletcher RMP - Aurora	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 454,166	$ 1,726	$ 202,417	$ 769	$ 144,349	$ 549	$ 302,213	$ -
Changes of Assumptions	124,781	1,012	55,613	451	39,659	322	158,305	2,515,218
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	1,072,370	-	477,945	-	340,833	-	656,876
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	599,415	530,410	426,254	142,960	646,959	-	3,588,843	-
Contribution Subsequent to the Measurement Date	188,796	-	93,344	-	63,237	-	289,842	-
Total	$ 1,367,158	$ 1,605,518	$ 777,628	$ 622,125	$ 894,204	$ 341,704	$ 4,339,203	$ 3,172,094

$188,796 for the NST and Creekside location, $93,344 for the Southwest location, $63,237 for the Berkeley location, and $289,842 for the Fletcher location were reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, and will therefore be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	NST/Creekside RMP - Denver	Southwest RMP - Denver	Berkeley RMP - Denver	Fletcher RMP - Aurora
2021	$ (11,897)	$ 95,872	$ 266,619	$ 365,056
2022	(329,845)	(56,321)	217,421	288,997
2023	195,829	131,248	85,698	446,665
2024	(281,243)	(108,640)	(80,475)	(223,451)
2025	-	-	-	-
Thereafter	-	-	-	-

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% to 9.70%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (Automatic)	1.25%, compounded annually
PERA Benefit Structure Hired After 12/31/06	Financed by the Annual Increase Reserve

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Actuarial Assumptions (Continued)

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42 %	4.80 %
Non-U.S. Equity - Developed	18.55 %	5.20 %
Non-U.S. Equity - Emerging	5.83 %	5.40 %
Core Fixed Income	19.32 %	1.20 %
High Yield	1.38 %	4.30 %
Non-U.S. Fixed Income - Developed	1.84 %	0.60 %
Emerging Market Bonds	0.46 %	3.90 %
Core Real Estate	8.50 %	4.90 %
Opportunity Fund	6.00 %	3.80 %
Private Equity	8.50 %	6.60 %
Cash	1.00 %	0.20 %
Total	100.00 %	

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% to 9.70%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (Automatic)	1.25%, compounded annually
PERA Benefit Structure Hired After 12/31/06 (ad hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Actuarial Assumptions (Continued)

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42 %	4.80 %
Non-U.S. Equity - Developed	18.55 %	5.20 %
Non-U.S. Equity - Emerging	5.83 %	5.40 %
Core Fixed Income	19.32 %	1.20 %
High Yield	1.38 %	4.30 %
Non-U.S. Fixed Income - Developed	1.84 %	0.60 %
Emerging Market Bonds	0.46 %	3.90 %
Core Real Estate	8.50 %	4.90 %
Opportunity Fund	6.00 %	3.80 %
Private Equity	8.50 %	6.60 %
Cash	1.00 %	0.20 %
Total	100.00 %	

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and an additional 0.5% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.5% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions include current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.5% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions for the Trust Fund are reduced by an amount equal to the principal payments plus interest necessary each year to finance PCOPs issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.5% to 1.25% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Discount Rate (Continued)

Based on the above assumptions and methods, the projection test indicates the DPS Division’s fiduciary net position was projected to be available to make all projected future payments of its current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate of 7.25%. There was no change in the discount rate from the prior measurement date.

School Division Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and an additional 0.5% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.5% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions include current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.5% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions for the Trust Fund are reduced by an amount equal to the principal payments plus interest necessary each year to finance PCOPs issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Discount Rate (Continued

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.5% to 1.25% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25%.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25% and the municipal bond index rate of 3.43% were used in the discount rate determination resulting in a discount rate of 4.78%, 2.47% lower compared to the current measurement date.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25% for both the DPS Division and School Division, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

NST and Creekside - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability	$ 5,211,783	$ 2,938,098	$ 1,046,799

Southwest - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability	$ 2,322,841	$ 1,309,482	$ 466,548

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Continued)

Berkeley - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability	$ 1,656,471	$ 933,821	$ 332,706

Fletcher - RMP - Aurora	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability	$ 7,354,027	$ 5,545,128	$ 4,026,400

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

Other Post-Employment Benefits – Health Care Trust Funds

Summary of Significant Accounting Policies

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

General Information About the OPEB Plans

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

General Information About the OPEB Plans (Continued)

Benefits provided. The HCTF and DPS HCTF provide a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. §24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

General Information About the OPEB Plans (Continued)

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

Employer contributions are recognized by the HCTF and DPS HCTF in the period in which the compensation becomes payable to the member and the RMPS schools is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF and DPS HCTF from RMP – Denver and RMP – Aurora were $86,777 and $22,209, respectively, for the year ended June 30, 2020.

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

At June 30, 2020, RMP – Denver and RMP – Aurora reported liabilities of $418,073 and $272,183, respectively, for its proportionate share of the net OPEB liabilities. The net OPEB liability for the HCTF and DPS HCTF were measured as of December 31, 2019, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liabilities to December 31, 2019. The RMP – Denver and RMP - Aurora proportions of the net OPEB liabilities were based on their contributions to the HCTF and DPS HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF and DPS HCTF.

At December 31, 2019, the RMP – Denver and RMP – Aurora proportions were 1.135% and 0.024%, respectively, which was an increase of 0.192% and 0.008%, respectively, from its proportion measured as of December 31, 2018.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

For the year ended June 30, 2020, RMP – Denver and RMP – Aurora recognized OPEB expense of $(41,857) and $13,936, respectively. At June 30, 2020, RMP – Denver and RMP – Aurora reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	RMP - Aurora	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 45,737
Changes of Assumptions	2,258	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	903	4,543
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	97,137	-
Contribution Subsequent to the Measurement Date	15,255	-
Total	$ 115,553	$ 50,280

	RMP - Denver	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 70,332
Changes of Assumptions	34	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	18,488
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	82,177	-
Contribution Subsequent to the Measurement Date	49,284	-
Total	$ 131,495	$ 88,820

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

$64,539 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	RMP - Aurora
2021	$ 9,541
2022	9,541
2023	10,856
2024	9,129
2025	10,332
Thereafter	619

Year Ending June 30,	RMP - Denver
2021	$ (5,018)
2022	(5,029)
2023	(581)
2024	(6,516)
2025	385
Thereafter	10,150

Actuarial assumptions. The total OPEB liabilities in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% in aggregate
Investment Rate of Return	7.25%
Discount Rate	7.25%
Health Care Cost Trend Rates:	
PERA Benefit Structure:	
Service-Based Premium Subsidy	0.00%
PERACare Medicare Plans	5.60% in 2019 gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50%, for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-Based Premium Subsidy	0.00%
PERACare Medicare Plans	N/A
Medicare Part A Premiums	N/A

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$ 601	$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is $437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$ 562
Kaiser Permanente Medicare Advantage HMO	571

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

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liabilities are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF and DPS HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF and DPS HCTF.

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93%t factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF and DPS HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's board on October 28, 2016.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

As of the most recent adoption of the long-term expected rate of return by the PERA board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42 %	4.80 %
Non-U.S. Equity - Developed	18.55 %	5.20 %
Non-U.S. Equity - Emerging	5.83 %	5.40 %
Core Fixed Income	19.32 %	1.20 %
High Yield	1.38 %	4.30 %
Non-U.S. Fixed Income - Developed	1.84 %	0.60 %
Emerging Market Bonds	0.46 %	3.90 %
Core Real Estate	8.50 %	4.90 %
Opportunity Fund	6.00 %	3.80 %
Private Equity	8.50 %	6.60 %
Cash	1.00 %	0.20 %
Total	100.00 %	

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Sensitivity of the proportionate share of the net OPEB liabilities to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liabilities using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

RMP - Aurora	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	4.00%	5.00%	6.60%
Ultimate PERACare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 265,717	$ 272,183	$ 279,606

RMP - Denver	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	4.00%	5.00%	6.60%
Ultimate PERACare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 417,982	$ 418,073	$ 418,164

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Based on the above assumptions and methods, the projection test indicates the HCTF's and DPS HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

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

RMP - Aurora	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Decrease (8.25)%
Proportionate Share of the Net Pension Liability	$ 307,757	$ 272,183	$ 241,759

RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Decrease (8.25)%
Proportionate Share of the Net Pension Liability	$ 607,685	$ 418,073	$ 353,098

OPEB plan fiduciary net position. Detailed information about the HCTF's and DPS – HCTF's fiduciary net position are available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Taxable Pension Certificates of Participation (PCOPs)

The District issued Taxable Pension Certificates of Participation (PCOP) on July 17, 1997 to fully fund the unfunded actuarial accrued liability (UAAL) of the plan. Full funding of the UAAL reduced the employer contribution rate from the full funding rate of 15.75% to the normal cost rate of 4.98%. This rate is based upon actuarially determined contribution requirements, the approval and recommendation of the plan's board and approval of the District's Board of Education. DPS – Denver contributed 9.60%, 9.60%, and 9.60% of covered payroll for the fiscal years ended June 30, 2020, 2019, and 2018, respectively, to the District to cover its obligation relating to the PCOP. During the fiscal years ended June 30, 2020, 2019, and 2018, DPS – Denver made contributions totaling $813,130, $704,679, and $497,337 to the District toward its PCOP obligation.

NOTE 9 LONG-TERM DEBT

Following is a summary of RMP – Denver's long-term debt transactions for the year ended June 30, 2020:

RMP - Denver	Balance July 1, 2019	Additions	Repayments	Balance June 30, 2020
CSGF Facility Fund III LLC	$ 600,000	$ -	$ -	$ 600,000
Low Income Investment Fund	4,250,000	-	-	4,250,000
Colorado Facility Solutions	1,000,000	-	-	1,000,000
CSGF Loan	-	300,000	-	300,000
PPP Loan	-	2,700,202	-	2,700,202
Total Long Term Debt	$ 5,850,000	$ 3,000,202	$ -	$ 8,850,202

CSGF Facility Fund III LLC
RMP – Denver obtained (via RMP Berkeley Facility LLC) a loan of $1,600,000 to support the acquisition of a facility project to be occupied by a future charter school. $1,000,000 of this loan was refinanced with the proceeds from the loan from Colorado Facility Solutions, described below. The loan bears an interest rate of 2.75% per annum and requires 2 equal payments of principal and interest on January 1, 2021 and January 1, 2023.

Low Income Investment Fund
RMP – Denver obtained (via RMP Berkeley Facility LLC) a loan of $4,250,000 to support the acquisition of a facility project to be occupied by a future charter school. The loan bears an interest rate of 5.24% per annum through February 28, 2022 and 5.99% thereafter. The loan requires monthly interest payments through March 1, 2022, and then amortizes the outstanding principal up to the maturity date of March 1, 2044.

Colorado Facility Solutions
RMPS obtained (via RMP Berkeley Facility LLC) a loan of $1,000,000 to support the acquisition of a facility project to be occupied by a future charter school. The loan bears an interest rate of 2.75% per annum and requires 2 equal payments of principal and interest on January 1, 2021 and January 1, 2023.

CSGF Loan
RMPS obtained a loan of $300,000 to support all of the charter schools managed and/or operated by RMPS. The CSGF loan bears an interest rate of 0.0% per annum and requires one payment of principal on November 20, 2021.

NOTE 9 LONG-TERM DEBT (CONTINUED)

Paycheck Protection Program

RMPS received loan proceeds in the amount of approximately $2,700,202 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. RMPS intends to use the proceeds for purposes consistent with the PPP. RMPS management believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan.

Future maturities of long-term debt are as follows:

Year Ended June 30,	Amount
2021	$ 2,300,092
2022	1,831,508
2023	598,035
2024	104,071
2025	110,479
Thereafter	3,906,017
Total	$ 8,850,202

NOTE 10 INTERCOMPANY TRANSFERS

The charter schools have adopted and approved the payment of management fees paid to the NST of approximately 12% of estimated revenues. For the year ended June 30, 2020, the NST recorded $2,940,783 in management income received from the schools. The fees are paid to account for the services provided in the areas of operations, finance and accounting, marketing, staff recruitment, human resources, student recruitment and enrollment.

NOTE 11 COMMITMENT AND CONTINGENCIES

Facilities Use Agreements

The School and the component units entered into several facility use agreements with Districts for use of a District school building for the 2019-2020 school year. The District will charge the School and the component units per pupil to cover these costs. The cost per student will be recalculated by the District each year. The School and the component units paid $1,294,807 under the terms of these agreements for the year ended June 30, 2020.

NOTE 11 COMMITMENT AND CONTINGENCIES (CONTINUED)

Claims and Judgments

The School and the component units participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, The School and the component units may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited, but the School and the component units believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School and the component units.

COVID-19 Pandemic

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to RMPS, COVID-19 may impact various parts of its 2020 operations and financial results. Management believes the RMPS is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

Pension Plan

HB 20-1379: Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year, passed during the 2020 legislative session and signed by Governor Polis on June 29, 2020, suspends the July 1, 2020, $225 million (in actual dollars) direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200. Governmental accounting standards require the net pension liabilities for financial reporting purposes be measured using the plan provisions in effect as of the pension plan's year end. The passage of HB 20-1379 into law is considered a nonrecognized subsequent event as these statutory changes to plan provisions did not exist as of the December 31, 2019, pension measurement date.

Paycheck Protection Program

RMPS received a loan in the amount of $2,700,202 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the federal Paycheck Protection Program. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2020, the reserve of $822,014 was recorded as a restriction of fund balance in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

NST AND CREEKSIDE – DPS – DENVER

	2020	2019	2018	2017	2016	2015	2014
School's Proportion of the Net Pension Liability (Assets)	0.446%	0.374%	0.504%	0.417%	0.353%	0.274%	0.179%
School's Proportionate Share of the Net Pension Liability (Assets)	$ 2,938,098	$ 3,821,091	$ 4,519,089	$ 4,571,504	$ 2,872,286	$ 1,712,357	$ 929,887
State's Proportionate Share of the Net Pension Liability (Assets)	1,302,103	1,979,693	-	-	-	-	-
Total	$ 4,240,201	$ 5,800,784	$ 4,519,089	$ 4,571,504	$ 2,872,286	$ 1,712,357	$ 929,887
School's Covered Payroll	$ 4,824,196	$ 4,117,766	$ 3,411,317	$ 2,753,575	$ 1,860,246	$ 1,241,868	$ 975,068
School's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	60.9%	92.8%	132.5%	166.0%	154.4%	137.9%	95.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.7%	75.7%	79.5%	74.1%	79.3%	83.9%	86.3%

SOUTHWEST – DPS – DENVER

	2020	2019	2018	2017	2016
School's Proportion of the Net Pension Liability (Assets)	0.199%	0.142%	0.177%	0.133%	0.108%
School's Proportionate Share of the Net Pension Liability (Assets)	$ 1,309,482	$ 1,450,765	$ 1,586,893	$ 1,454,345	$ 876,093
State's Proportionate Share of the Net Pension Liability (Assets)	580,334	751,636	-	-	-
Total	$ 1,889,816	$ 2,202,401	$ 1,586,893	$ 1,454,345	$ 876,093
School's Covered Payroll	$ 2,150,080	$ 1,563,404	$ 1,199,787	$ 877,228	$ 336,928
School's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	60.9%	92.8%	132.3%	165.8%	260.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.7%	75.7%	79.5%	74.1%	79.3%

* Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST 10 FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

BERKELEY – DPS – DENVER

	2020	2019
School's Proportion of the Net Pension Liability (Assets)	0.142%	0.106%
School's Proportionate Share of the Net Pension Liability (Assets)	$ 933,821	$ 1,079,885
State's Proportionate Share of the Net Pension Liability (Assets)	413,851	559,484
Total	$ 1,347,672	$ 1,639,369
School's Covered Payroll	$ 1,533,283	$ 581,864
School's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	60.9%	185.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.7%	75.7%

FLETCHER – DPS – AURORA

	2020	2019	2018	2017
School's Proportion of the Net Pension Liability (Assets)	0.037%	0.024%	0.014%	0.004%
School's Proportionate Share of the Net Pension Liability (Assets)	$ 5,545,128	$ 4,232,211	$ 4,430,368	$ 1,216,811
State's Proportionate Share of the Net Pension Liability (Assets)	703,329	578,696	-	-
Total	$ 6,248,457	$ 4,810,907	$ 4,430,368	$ 1,216,811
School's Covered Payroll	$ 2,177,364	$ 1,313,981	$ 632,004	$ 76,427
School's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	254.7%	322.1%	701.0%	1592.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.5%	57.0%	44.0%	43.1%

* Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF SCHOOL CONTRIBUTIONS
LAST 10 FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

NST AND CREEKSIDE – DPS – DENVER

	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	$ 278,839	$ 203,829	$ 139,060	$ 71,417	$ 30,046	$ 50,736	$ 60,955
Contributions in Relation to the Contractually Required Contribution	278,839	203,829	139,060	71,417	30,046	50,736	60,955
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 4,824,196	$ 4,117,766	$ 3,411,317	$ 2,753,575	$ 1,860,246	$ 1,241,868	$ 975,068
Contributions as a Percentage of Covered-Employee Payroll	5.78%	4.95%	4.08%	2.59%	1.62%	4.09%	6.25%

SOUTHWEST – DPS – DENVER

	2020	2019	2018	2017	2016
Contractually Required Contributions	$ 124,276	$ 77,388	$ 48,831	$ 22,721	$ 21,678
Contributions in Relation to the Contractually Required Contribution	124,276	77,388	48,831	22,721	21,678
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 2,150,080	$ 1,563,404	$ 1,199,787	$ 877,228	$ 336,928
Contributions as a Percentage of Covered-Employee Payroll	5.78%	4.95%	4.07%	2.59%	6.43%

BERKELEY – DPS – DENVER

	2020	2019
Contractually Required Contributions	$ 88,623	$ 57,605
Contributions in Relation to the Contractually Required Contribution	88,623	57,605
Contribution Deficiency (Excess)	$ -	$ -
School's Covered Payroll	$ 1,533,283	$ 581,864
Contributions as a Percentage of Covered-Employee Payroll	5.78%	9.90%

* Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF SCHOOL CONTRIBUTIONS (CONTINUED)
LAST 10 FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

FLETCHER – DPS – AURORA

	2020	2019	2018	2017
Contractually Required Contributions	$ 419,990	$ 241,365	$ 117,742	$ 13,856
Contributions in Relation to the Contractually Required Contribution	419,990	241,365	117,742	13,856
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 2,177,364	$ 1,313,981	$ 632,004	$ 76,427
Contributions as a Percentage of Covered-Employee Payroll	19.29%	18.37%	18.63%	18.13%

* Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND SCHEDULE OF SCHOOL CONTRIBUTIONS
LAST 10 FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

RMP - DENVER	2020	2019	2018	2017
Proportion of the net OPEB liability	1.135%	0.943%	0.678%	N/A
Proportionate share of the net OPEB liability	$ 418,073	$ 425,798	$ 345,742	$ 105,073
School's Covered Payroll	$ 8,507,559	$ 6,263,035	$ 4,611,104	$ 3,630,803
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.74%	6.80%	N/A	N/A
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	46.98%	17.03%	17.53%	16.72%

	2020	2019	2018	2018
Contractually Required Contributions	$ 86,777	$ 68,818	$ 47,033	$ 37,034
Contributions in Relation to the Contractually Required Contribution	86,777	68,818	47,033	37,034
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 8,507,559	$ 6,263,035	$ 4,611,104	$ 3,630,803
Contributions as a Percentage of Covered-Employee Payroll	1.02%	1.10%	1.02%	1.02%

RMP -AURORA:	2020	2019	2018	2017
Proportion of the net OPEB liability	0.024%	0.016%	0.008%	0.002%
Proportionate share of the net OPEB liability	$ 272,183	$ 211,373	$ 101,171	$ 30,118
School's Covered Payroll	$ 2,177,364	$ 1,313,981	$ 632,004	$ 76,426
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.50%	16.09%	16.01%	39.41%
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	24.49%	17.03%	17.53%	16.72%

	2020	2019	2018	2017
Contractually Required Contributions	$ 22,209	$ 13,403	$ 6,446	$ 1,871
Contributions in Relation to the Contractually Required Contribution	22,209	13,403	6,446	1,871
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 2,177,364	$ 1,313,981	$ 632,004	$ 76,426
Contributions as a Percentage of Covered-Employee Payroll	1.02%	1.02%	1.00%	2.40%

* Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – RMPS
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 15,184,050	$ 16,353,437	$ 17,282,393	$ 928,956
Mill Levy Override	3,273,498	3,730,646	4,032,820	302,174
Grants and Contributions	2,882,707	3,001,748	5,329,465	2,327,717
All Other Local Revenues	3,414,135	3,584,966	3,101,958	(483,008)
Proceeds for Issuance of Debt	-	-	3,000,202	3,000,202
Total Revenues	24,754,390	26,670,797	32,746,838	6,076,041
EXPENSES				
Payroll	16,783,876	17,313,795	15,920,064	(1,393,731)
Books, Supplies, and Equipment	1,510,132	1,629,521	2,182,509	552,988
Services and Other Operating Expenses	8,783,326	8,940,186	9,297,921	357,735
Total Expenses	27,077,334	27,883,502	27,400,494	(483,008)
CHANGE IN FUND BALANCE	$ (2,322,944)	$ (1,212,705)	5,346,344	$ 6,559,049
Fund Balance - July 1, 2019			8,020,053	
FUND BALANCE - JUNE 30, 2020			$ 13,366,397	

See accompanying Notes to Required Supplementary Information.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – RMP – DENVER
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 11,255,367	$ 11,834,258	$ 12,109,057	$ 274,799
Mill Levy Override	2,261,442	2,541,417	2,675,979	134,562
Grants and Contributions	2,552,232	2,645,628	4,055,022	1,409,394
All Other Local Revenues	2,330,267	2,464,918	2,285,395	(179,523)
Proceeds for Issuance of Debt	-	-	2,160,021	2,160,021
Total Revenues	18,399,308	19,486,221	23,285,474	3,799,253
EXPENSES				
Payroll	12,301,441	12,465,808	11,338,407	(1,127,401)
Books, Supplies, and Equipment	1,099,784	1,175,746	1,614,364	438,618
Services and Other Operating Expenses	6,943,346	6,819,007	7,102,485	283,478
Total Expenses	20,344,571	20,460,561	20,055,256	(405,305)
CHANGE IN FUND BALANCE	$ (1,945,263)	$ (974,340)	3,230,218	$ 4,204,558
Fund Balance - July 1, 2019			7,010,792	
FUND BALANCE - JUNE 30, 2020			$ 10,241,010	

See accompanying Notes to Required Supplementary Information.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – RMP – AURORA
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 3,928,683	$ 4,519,179	$ 5,173,336	$ 654,157
Mill Levy Override	1,012,056	1,189,229	1,356,841	167,612
Grants and Contributions	330,475	356,120	1,274,443	918,323
All Other Local Revenues	1,083,868	1,120,048	816,563	(303,485)
Proceeds for Issuance of Debt	-	-	840,181	840,181
Total Revenues	6,355,082	7,184,576	9,461,364	2,276,788
EXPENSES				
Payroll	4,482,435	4,847,987	4,581,657	(266,330)
Books, Supplies, and Equipment	410,348	453,775	568,145	114,370
Services and Other Operating Expenses	1,839,980	2,121,179	2,195,436	74,257
Total Expenses	6,732,763	7,422,941	7,345,238	(77,703)
CHANGE IN FUND BALANCE	$ (377,681)	$ (238,365)	2,116,126	$ 2,354,491
Fund Balance - July 1, 2019			1,009,261	
FUND BALANCE - JUNE 30, 2020			$ 3,125,387	

See accompanying Notes to Required Supplementary Information.

NOTE 1 SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

The schedule presents information on the School's and component units' proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the School. Accounting standards require calculation of the proportionate share of the pension liability based on the plan information for the previous year. In the future, as data becomes available, 10 years of information will be presented.

NOTE 2 SCHEDULE OF SCHOOL CONTRIBUTIONS

The schedule presents information on the School's and component units' required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

NOTE 3 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND SCHEDULE OF SCHOOL CONTRIBUTIONS

This schedule is intended to show trends about the changes in the School's and component units' OPEB liability and required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

NOTE 4 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND – BUDGET TO ACTUAL

The information on these schedules are presented in accordance with the requirements of the state of Colorado.

**SUPPLEMENTARY INFORMATION AND
OPTIONAL SUPPLEMENTARY INFORMATION**

ROCKY MOUNTAIN PREPARATORY SCHOOLS
BOARD OF DIRECTORS AND ADMINISTRATORS
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

The Board of Directors and the Administrators as of the year ended June 30, 2020 were as follows:

BOARD OF DIRECTORS

Charlotte Brantley	Board Chair
Lydia Prado	Vice Chair
Jill Hamilton Anschultz	ER Committee Chair
Pat Donovan	Treasurer and Business Committee Chair
Therese Zosel-Harper	Member
Marueen Vasquez	Member
Lee White	Member
Evy Valencia Jackson	Member
Chidozie Ugwumba	Member
Rhonda Fields	Member
Russell Hedman	Member

ADMINISTRATORS

James Cryan	Founder and CEO
Camilla Lopez	Chief Academic Officer
Sara Lynch	Chief Talent Officer
Indrina Kanth	Chief of Staff
Greg Rawson	Chief Operating Officer
Fulton Breen	Senior Director of Finance
Sara Streigal	School Leader, Rocky Mountain Preparatory Berkeley
Austen Kassinger	School Leader, Rocky Mountain Preparatory Creekside
Jennifer Reese	School Leader, Rocky Mountain Preparatory Southwest
Caitlin Vaughan	School Leader, Rocky Mountain Preparatory Fletcher

ROCKY MOUNTAIN PREPARATORY SCHOOLS
GENERAL FUND BALANCE SHEET BY LOCATION
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Rocky Mountain Preparatory Creekside	Rocky Mountain Preparatory Southwest	Rocky Mountain Preparatory Berkeley	Total DPS	Rocky Mountain Preparatory Fletcher (APS)	Total
ASSETS						
CURRENT ASSETS						
Cash	$ 6,299,444	$ 2,718,053	$ 755,615	$ 9,773,112	$ 2,671,516	$ 12,444,628
Cash Held for TABOR	250,830	209,824	141,003	601,657	220,357	822,014
Prepaids	3,647	3,132	2,309	9,088	3,225	12,313
Accounts Receivable	624,710	516,018	106,002	1,246,730	384,582	1,631,312
Total Current Assets	7,178,631	3,447,027	1,004,929	11,630,587	3,279,680	14,910,267
Total Assets	$ 7,178,631	$ 3,447,027	$ 1,004,929	$ 11,630,587	$ 3,279,680	$ 14,910,267
LIABILITIES AND FUND BALANCES						
CURRENT LIABILITIES						
Accounts Payable	$ 116,141	$ 135,530	$ 247,968	$ 499,639	$ 153,735	$ 653,374
Unearned Revenues	380,921	326,057	182,960	889,938	558	890,496
Total Current Liabilities	497,062	461,587	430,928	1,389,577	154,293	1,543,870
Total Liabilities	497,062	461,587	430,928	1,389,577	154,293	1,543,870
FUND BALANCES						
Emergency Reserve - TABOR	250,830	209,824	141,003	601,657	220,357	822,014
TABOR Fund Balance Reserved for Multi-Year Obligations	940,754	756,626	462,641	2,160,021	840,181	3,000,202
Unassigned	5,489,985	2,018,990	(29,643)	7,479,332	2,064,849	9,544,181
Total Fund Balances	6,681,569	2,985,440	574,001	10,241,010	3,125,387	13,366,397
Total Liabilities and Fund Balances	$ 7,178,631	$ 3,447,027	$ 1,004,929	$ 11,630,587	$ 3,279,680	$ 14,910,267

ROCKY MOUNTAIN PREPARATORY SCHOOLS
GENERAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE BY LOCATION
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Rocky Mountain Preparatory Creekside	Rocky Mountain Preparatory Southwest	Rocky Mountain Preparatory Berkeley	Total DPS	Rocky Mountain Preparatory Fletcher (APS)	Total
REVENUES						
General Revenues:						
Per Pupil Revenue and Preschool Funding	$ 5,172,618	$ 4,347,716	$ 2,588,723	$ 12,109,057	$ 5,173,336	$ 17,282,393
Mill Levy Override	1,149,659	1,043,944	482,376	2,675,979	1,356,841	4,032,820
Program Revenues:						
Federal Revenue	602,315	576,155	493,981	1,672,451	450,007	2,122,458
Other State	779,004	334,355	132,074	1,245,433	334,200	1,579,633
Private Grants and Contributions	494,217	397,113	245,808	1,137,138	490,236	1,627,374
Investment Income	3,047	2,451	1,498	6,996	2,721	9,717
NST Management Fee	922,123	741,642	453,478	2,117,243	823,540	2,940,783
All Other Local Revenues	73,486	17,528	70,142	161,156	(9,698)	151,458
Proceeds from debt	940,754	756,626	462,641	2,160,021	840,181	3,000,202
Total Revenues	10,137,223	8,217,530	4,930,721	23,285,474	9,461,364	32,746,838
EXPENSES						
Program Expenses	6,186,492	5,238,533	3,640,497	15,065,522	5,306,341	20,371,863
Supporting Services	2,174,510	1,755,609	1,059,615	4,989,734	2,038,897	7,028,631
Total Expenses	8,361,002	6,994,142	4,700,112	20,055,256	7,345,238	27,400,494
CHANGE IN FUND BALANCE/ NET POSITION	1,776,221	1,223,388	230,609	3,230,218	2,116,126	5,346,344
Fund Balance/Net Position - July 1, 2019	4,905,348	1,762,052	343,392	7,010,792	1,009,261	8,020,053
FUND BALANCE/NET POSITION - JUNE 30, 2020	$ 6,681,569	$ 2,985,440	$ 574,001	$ 10,241,010	$ 3,125,387	$ 13,366,397

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION BY LOCATION
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Rocky Mountain Preparatory Creekside (DPS)	Rocky Mountain Preparatory Southwest (DPS)	Rocky Mountain Preparatory Berkeley (DPS)	Total RMP - Denver	Rocky Mountain Preparatory Fletcher	Total RMP - Aurora	Total
ASSETS							
CURRENT ASSETS							
Cash	$ 6,299,444	$ 2,718,053	$ 2,181,495	$ 11,198,992	$ 2,671,516	$ 2,671,516	$ 13,870,508
Cash Held for TABOR	250,830	209,824	141,003	601,657	220,357	220,357	822,014
Prepaids	3,647	3,132	2,309	9,088	3,225	3,225	12,313
Accounts Receivable	624,710	516,018	106,002	1,246,730	384,582	384,582	1,631,312
Total Current Assets	7,178,631	3,447,027	2,430,809	13,056,467	3,279,680	3,279,680	16,336,147
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation	108,690	-	5,671,733	5,780,423	-	-	5,780,423
Total Assets	7,287,321	3,447,027	8,102,542	18,836,890	3,279,680	3,279,680	22,116,570
DEFERRED OUTFLOWS OF RESOURCES	1,426,871	821,433	922,181	3,170,485	4,454,756	4,454,756	7,625,241
LIABILITIES AND NET POSITION							
CURRENT LIABILITIES							
Accounts Payable	116,141	135,530	355,678	607,349	153,735	153,735	761,084
Unearned Revenues	380,921	326,057	182,960	889,938	558	558	890,496
Total Current Liabilities	497,062	461,587	538,638	1,497,287	154,293	154,293	1,651,580
NONCURRENT LIABILITIES							
Long-Term Debt	940,754	756,626	6,312,641	8,010,021	840,181	840,181	8,850,202
Net Pension and OPEB Liabilities	3,175,165	1,415,140	1,009,169	5,599,474	5,817,311	5,817,311	11,416,785
Total Noncurrent Liabilities	4,115,919	2,171,766	7,321,810	13,609,495	6,657,492	6,657,492	20,266,987
Total Liabilities	4,612,981	2,633,353	7,860,448	15,106,782	6,811,785	6,811,785	21,918,567
DEFERRED INFLOWS OF RESOURCES - PENSIONS	1,655,883	644,572	357,712	2,658,167	3,222,374	3,222,374	5,880,541
NET POSITION							
Invested in Capital Assets, Net of Related Debt	108,690	-	(178,267)	(69,577)	-	-	(69,577)
Emergency Reserve	250,830	209,824	141,003	601,657	220,357	220,357	822,014
Unrestricted	2,085,808	780,711	843,827	3,710,346	(2,520,080)	(2,520,080)	1,190,266
Total Net Position	$ 2,445,328	$ 990,535	$ 806,563	$ 4,242,426	$ (2,299,723)	$ (2,299,723)	$ 1,942,703

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES BY LOCATION
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Rocky Mountain Preparatory Creekside	Rocky Mountain Preparatory Southwest	Rocky Mountain Preparatory Berkeley	Total RMP - Denver	Rocky Mountain Preparatory Fletcher	Total RMP - Aurora	Total
REVENUES							
General Revenues:							
Per Pupil Revenue and Preschool Funding	$ 5,172,618	$ 4,347,716	$ 2,588,723	$ 12,109,057	$ 5,173,336	$ 5,173,336	$ 17,282,393
Mill Levy Override	1,149,659	1,043,944	482,376	2,675,979	1,356,841	1,356,841	4,032,820
Program Revenues:							
Federal Revenue	602,315	576,155	493,981	1,672,451	450,007	450,007	2,122,458
Other State	779,004	334,355	132,074	1,245,433	334,200	334,200	1,579,633
Private Grants and Contributions	494,217	397,113	245,808	1,137,138	490,236	490,236	1,627,374
Investment Income	3,047	2,451	1,498	6,996	2,721	2,721	9,717
NST Management Fee	922,123	741,642	453,478	2,117,243	823,540	823,540	2,940,783
All Other Local Revenues	197,061	110,872	377,584	685,517	43,572	43,572	729,089
Total Revenues	9,320,044	7,554,248	4,775,522	21,649,814	8,674,453	8,674,453	30,324,267
EXPENSES							
Program Expenses	6,196,728	5,404,804	4,474,322	16,075,854	7,004,816	7,004,816	23,080,670
Supporting Services	2,174,510	1,755,609	1,059,615	4,989,734	2,038,897	2,038,897	7,028,631
Total Expenses	8,371,238	7,160,413	5,533,937	21,065,588	9,043,713	9,043,713	30,109,301
CHANGE IN NET POSITION	948,806	393,835	(758,415)	584,226	(369,260)	(369,260)	214,966
Net Position - July 1, 2019	1,496,522	596,700	1,564,978	3,658,200	(1,930,463)	(1,930,463)	1,727,737
NET POSITION - JUNE 30, 2020	$ 2,445,328	$ 990,535	$ 806,563	$ 4,242,426	$ (2,299,723)	$ (2,299,723)	$ 1,942,703

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – NST
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Grants and Contributions	$ -	$ -	$ 1,574,645	$ 1,574,645
All Other Local Revenues	2,553,736	2,724,567	2,950,500	225,933
Proceeds for Issuance of Debt	-	-	3,000,202	3,000,202
Total Revenues	2,553,736	2,724,567	7,525,347	4,800,780
EXPENSES				
Payroll	3,066,724	3,066,724	2,942,779	(123,945)
Books, Supplies, and Equipment	220,415	220,415	367,600	147,185
Services and Other Operating Expenses	647,544	647,544	976,257	328,713
Total Expenses	3,934,683	3,934,683	4,286,636	351,953
CHANGE IN FUND BALANCE	$ (1,380,947)	$ (1,210,116)	3,238,711	$ 4,448,827
Fund Balance - July 1, 2019			2,978,389	
FUND BALANCE - JUNE 30, 2020			$ 6,217,100	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – CREEKSIDE
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Between Final Budget and Actual
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 4,992,650	$ 4,992,650	$ 5,172,618	$ 179,968
Mill Levy Override	1,025,123	1,025,123	1,149,659	124,536
Grants and Contributions	939,504	939,504	1,875,536	936,032
All Other Local Revenues	1,293,875	1,359,196	998,656	(360,540)
Proceeds for Issuance of Debt	-	-	940,754	940,754
Total Revenues	8,251,152	8,316,473	10,137,223	1,820,750
EXPENSES				
Payroll	5,190,635	5,228,111	4,680,725	(547,386)
Books, Supplies, and Equipment	477,463	477,150	618,021	140,871
Services and Other Operating Expenses	2,866,687	2,828,319	3,062,256	233,937
Total Expenses	8,534,785	8,533,580	8,361,002	(172,578)
CHANGE IN FUND BALANCE	$ (283,633)	$ (217,107)	1,776,221	$ 1,993,328
Fund Balance - July 1, 2019			4,905,348	
FUND BALANCE - JUNE 30, 2020			$ 6,681,569	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – SOUTHWEST
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 4,047,901	$ 4,307,928	$ 4,347,716	$ 39,788
Mill Levy Override	801,007	1,025,123	1,043,944	18,821
Grants and Contributions	986,016	1,031,261	1,307,623	276,362
All Other Local Revenues	691,468	737,724	761,621	23,897
Proceeds for Issuance of Debt	-	-	756,626	756,626
Total Revenues	6,526,392	7,102,036	8,217,530	1,115,494
EXPENSES				
Payroll	4,483,605	4,483,605	3,933,730	(549,875)
Books, Supplies, and Equipment	351,303	404,267	509,073	104,806
Services and Other Operating Expenses	2,543,950	2,331,617	2,551,339	219,722
Total Expenses	7,378,858	7,219,489	6,994,142	(225,347)
CHANGE IN FUND BALANCE	$ (852,466)	$ (117,453)	1,223,388	$ 1,340,841
Fund Balance - July 1, 2019			1,762,052	
FUND BALANCE - JUNE 30, 2020			$ 2,985,440	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – BERKELEY
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 2,214,816	$ 2,533,680	$ 2,588,723	$ 55,043
Mill Levy Override	435,312	491,171	482,376	(8,795)
Grants and Contributions	626,712	674,863	871,863	197,000
All Other Local Revenues	344,924	367,998	525,118	157,120
Proceeds for Issuance of Debt	-	-	462,641	462,641
Total Revenues	3,621,764	4,067,712	4,930,721	863,009
EXPENSES				
Payroll	2,627,201	2,754,092	2,723,952	(30,140)
Books, Supplies, and Equipment	271,018	294,329	487,270	192,941
Services and Other Operating Expenses	1,532,709	1,659,071	1,488,890	(170,181)
Total Expenses	4,430,928	4,707,492	4,700,112	(7,380)
CHANGE IN FUND BALANCE	$ (809,164)	$ (639,780)	230,609	$ 870,389
Fund Balance - July 1, 2019			343,392	
FUND BALANCE - JUNE 30, 2020			$ 574,001	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – FLETCHER
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 3,928,683	$ 4,519,179	$ 5,173,336	654,157
Mill Levy Override	1,012,056	1,189,229	1,356,841	167,612
Grants and Contributions	330,475	356,120	1,274,443	918,323
All Other Local Revenues	1,083,868	1,120,048	816,563	(303,485)
	-	-	840,181	840,181
Total Revenues	6,355,082	7,184,576	9,461,364	2,276,788
EXPENSES				
Payroll	4,482,435	4,847,987	4,581,657	(266,330)
Books, Supplies, and Equipment	410,348	453,775	568,145	114,370
Services and Other Operating Expenses	1,839,980	2,121,179	2,195,436	74,257
Total Expenses	6,732,763	7,422,941	7,345,238	(77,703)
CHANGE IN FUND BALANCE	$ (377,681)	$ (238,365)	2,116,126	$ 2,354,491
Fund Balance - July 1, 2019			1,009,261	
FUND BALANCE - JUNE 30, 2020			$ 3,125,387	

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

Board of Directors
Rocky Mountain Preparatory Schools
Denver, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements Rocky Mountain Preparatory Schools (the School or RMPS), RMPS – Denver (a component unit of School District Number 1 in the City and County of Denver and State of Colorado (Denver Public Schools or DPS) and RMPS – Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado (APS), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's and the component units' financial statements, and have issued our report thereon dated August 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's and the component units' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's and the component units' internal control. Accordingly, we do not express an opinion on the effectiveness of the School's and the component units' internal control.

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

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

Board of Directors
Rocky Mountain Preparatory Schools

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
August 25, 2020

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

There were no findings or questioned costs for the current year.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020

There were no findings or questioned costs for the prior year.