

**VILLA BELLA EXPEDITIONARY SCHOOL**  
**PUEBLO, COLORADO**  
**BASIC FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITOR'S REPORT**

June 30, 2021

## Table of Contents

	<u>PAGE</u>
<b>Independent Auditor's Report</b>	1 - 2
<b>Management's Discussion and Analysis - Required Supplementary Information</b>	3 - 6
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	7
Statement of Activities	8
<b>Governmental Fund Financial Statements</b>	
Balance Sheet	9
Reconciliation of Balance Sheet to Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances	11
Reconciliation of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	12
<b>Notes to Financial Statements</b>	13 - 38
<b>Required Supplementary Information</b>	
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Budget Basis)	
General Fund	39
Schedule of School's Proportionate Share - School Division Trust Fund	40
Schedule of School's Contributions - School Division Trust Fund	41
Schedule of School's Proportionate Share - Health Care Trust Fund	42
Schedule of School's Contributions - Health Care Trust Fund	43
<b>Combining Fund Statements - Nonmajor Funds</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	45
<b>Other Supplementary Information</b>	
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Budget Basis)	
Student Activities Fund	46

# *Garren, Ross & DeNardo, Inc.*

CERTIFIED PUBLIC ACCOUNTANTS

JAMES E. GARREN, CPA  
MEL J. ROSS, CPA  
SAM J. DeNARDO, CPA

## **Independent Auditor's Report**

SUITE 200  
3673 PARKER BOULEVARD  
PUEBLO, COLORADO 81008  
719 / 544-9872  
FAX 719 / 253-5417  
www.grdcpa.com

February 15, 2022

Board of Directors  
Villa Bella Expeditionary School  
Pueblo, Colorado

We have audited the accompanying financial statements of the governmental activities of Villa Bella Expeditionary School, a component unit of Pueblo County School District No. 70, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 judgement, 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 opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Villa Bella Expeditionary School as of June 30, 2021, 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 on pages 3 through 6, and required supplementary information as listed in the table of contents on pages 36 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparisons for nonmajor funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparisons schedules for nonmajor funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records use 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, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Garrett Ross*  *DeNardo, Inc.*

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
**JUNE 30, 2021**

As management of Villa Bella Expeditionary School (the School), we offer readers of the School's financial statements this narrative and analysis of the financial activities of the School for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the School's financial performance.

The School was organized in 2019 pursuant to the Colorado Charter Schools Act. The school operates within Pueblo County School District No. 70. The school year ending June 30, 2021 included kindergarten through fourth grade with plans to add fifth grade in 2022, sixth grade in 2023, seventh grade in 2024, and eighth grade in 2025.

**Financial Highlights**

The total net position increased during the current year by \$258,477, from \$56,729 to \$315,206. Of this amount, \$6,671 is invested in capital assets or restricted by law.

The School's General Fund balance increased during the current year by \$492,926 from \$36,671 to \$529,597. Of this amount, \$51,800 is reserved for emergencies.

The School's Activity Fund balance increased during the current year by \$41,510 from \$37,555 to \$79,065.

**Overview of the Financial Statements**

This annual report consists of three parts: Management's Discussion and Analysis (MD&A), the basic financial statements, and notes to the financial statements. The MD&A provides an analysis of the School's overall financial position and results of the previous year's operations to assist the users of financial statements to assess whether the government's finances have improved or deteriorated. The basic financial statements include two kinds of statements that present different views of the school.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements.

**Government-wide Financial Statements**

The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position presents information on all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School's net position and how they have changed. Net position – the difference between the School's assets and liabilities is one way to measure the School's financial health or position.

- Over time, increases or decreases in the School's net position is an indicator of whether its financial position is improving or deteriorating.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
**JUNE 30, 2021**

**Fund Financial Statements**

The Fund financial statements provide more detailed information about the School's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School has two types of funds – the general fund and student activities fund.

**Notes to the Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 38 of this report.

**Budgetary Comparisons**

The School adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided on page 39 of this report.

**Government-wide Financial Analysis – Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2021, the combined assets exceeded liabilities by \$315,206. Of the \$315,206, \$51,800 is restricted to comply with Tabor. An additional \$6,671 is invested in capital assets.

The following table provides a summary of the School's government wide net position for 2021.

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 762,770	\$ 290,899
Non-current assets	6,308,311	68,180
<b>Total Assets</b>	<u>7,071,081</u>	<u>359,079</u>
<u>Deferred Outflow of Resources</u>		
Related to Pensions and OPEB	3,003,347	1,172,143
<u>Liabilities</u>		
Current liabilities	393,884	216,673
Long-term liabilities	8,449,348	820,333
<b>Total Liabilities</b>	<u>8,843,232</u>	<u>1,037,006</u>
<u>Deferred Inflow of Resources</u>		
Related to Pensions and OPEB	915,990	437,487
<u>Net Position</u>		
Invested in capital assets, net of related debt	6,671	68,180
Restricted for emergency	51,800	40,900
Unrestricted	256,735	(52,351)
<b>Total Net Position - restated</b>	<u>\$ 315,206</u>	<u>\$ 56,729</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
**JUNE 30, 2021**

**Government-wide Financial Analysis (Continued)**

The assets of the School are classified as current assets and capital assets. Cash and receivables are current assets. These assets are available to provide resources for the near-term operations of the School. A portion of School's net position reflects its investment in capital assets. These assets include buildings and improvements and furniture and fixtures. Capital assets are discussed in greater detail in the section titled, capital assets, elsewhere in this analysis. In addition to assets there are deferred outflows relating to the pension and OPEB obligations. Deferred outflows represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources until then.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, and the current portion of notes payable. Long term liabilities include compensated absences, the long term portion of notes payable, the net pension liability and OPEB liability. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets, or new resources that become available during fiscal year 2021-2022. In addition to liabilities there are deferred inflows relating to the pension and OPEB. Deferred inflows represent an acquisition of net position that applies to a future period and will not be recognized as revenue until then.

**Changes in Net Position**

The following table summarizes the changes in the School's net position for governmental activities for the year ended June 30:

<b>Revenue</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Program Revenue		
Charges for services	\$ 39	\$ 4,993
Operating grants	526,600	277,248
Capital grants	185,755	77,556
General Revenue		
School finance act	1,936,385	1,562,738
Other income	-	18,312
<b>Total Revenue</b>	<b><u>2,648,779</u></b>	<b><u>1,940,847</u></b>
<b>Program Expenses</b>		
Direct instruction	1,351,796	1,030,067
Indirect instruction	454,030	401,264
Transportation	826	102
Custodial and maintenance	298,369	376,300
Other support services	191,303	66,942
General administration	31,316	20,213
Interest Expense Unallocated	62,662	-
<b>Total Expenses</b>	<b><u>2,390,302</u></b>	<b><u>1,894,888</u></b>
<b>Change in Net Position</b>	<b>258,477</b>	<b>45,959</b>
<b>Net position - beginning of year - restated</b>	<b><u>56,729</u></b>	<b><u>10,770</u></b>
<b>Net position - end of year - restated</b>	<b><u>\$ 315,206</u></b>	<b><u>\$ 56,729</u></b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
VILLA BELLA EXPEDITIONARY SCHOOL  
JUNE 30, 2021**

**Financial Analysis of the School's Funds**

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

**Governmental Funds Overview** - The focus of the School's general 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, unreserved fund balance may serve as a useful measure of the School's net resources available for spending 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 \$529,597, an increase of \$492,926.

**General Fund Budgetary Highlights**

The School's budget is prepared according to Colorado statutes.

For 2021, management appropriated \$8,802,787 for general fund expenditures and other financing uses.

<b>2021 General Fund Budget</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 2,198,652	\$ 8,861,436	\$ 8,969,081
Expenditures	\$ 2,204,942	\$ 8,802,787	\$ 8,476,155

Actual expenditures were less than the anticipated budget and actual revenues, which caused the ending fund balance to increase \$492,926 over the prior year before transfers and other financing sources.

**Capital Assets**

The School's investment in capital assets for its governmental activities as of June 30, 2021 totals \$6,671 (net of accumulated depreciation and associated debt). This investment includes all furniture, buildings, and improvements.

**Economic Factors and Next Year's Budget and Rates**

The primary factor driving the budget for the School is student enrollment. Enrollment for the 2020-21 school year was 251. The enrollment projected for the 2021-22 school year is expected to be approximately 300. This factor was considered when preparing the School's budget for 2021-22.

**Requests for Information**

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or for additional financial information should be addressed to: Villa Bella Expeditionary School, HR/Finance Director, 2390 Rawlings Blvd, Pueblo, CO 81001.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
 June 30, 2021

	<b><u>Governmental Activities</u></b>
<b><u>Assets</u></b>	
Cash in bank and on hand	\$ 532,229
Accounts receivable	342
Accrued federal revenue	50,439
Due from primary government	183
Assets held by primary government	179,577
Capital assets - net of depreciation	<u>6,308,311</u>
<b>Total Assets</b>	<b><u>7,071,081</u></b>
 <b><u>Deferred Outflow of Resources</u></b>	
Related to OPEB	6,258
Related to pensions	<u>2,997,089</u>
<b>Total Deferred Outflow of Resources</b>	<b><u>3,003,347</u></b>
 <b><u>Liabilities</u></b>	
Accounts payable	4,036
Accrued salaries and P.E.R.A.	148,682
Unearned income	1,390
Note payable - current	239,776
Long term liabilities:	
Compensated absences	56,951
Note payable - long term	6,061,864
OPEB liability	57,241
Pension liability	<u>2,273,292</u>
<b>Total Liabilities</b>	<b><u>8,843,232</u></b>
 <b><u>Deferred Inflow of Resources</u></b>	
Related to OPEB	33,373
Related to pensions	<u>882,617</u>
<b>Total Deferred Inflow of Resources</b>	<b><u>915,990</u></b>
 <b><u>Net Position</u></b>	
Invested in capital assets - net of debt	6,671
Restricted - Tabor Reserve	51,800
Unrestricted	<u>256,735</u>
<b>Total Net Position</b>	<b><u>\$ 315,206</u></b>

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



**GOVERNMENTAL FUND**  
**FINANCIAL STATEMENTS**

**BALANCE SHEET**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
 June 30, 2021

	<b><u>General</u></b>	<b><u>Nonmajor</u></b>	
	<b><u>Fund</u></b>	<b><u>Governmental</u></b>	<b><u>Total</u></b>
		<b><u>Funds</u></b>	
<b><u>Assets</u></b>			
Cash in bank	\$ 532,229	\$ -	\$ 532,229
Accounts receivable	342	-	342
Accrued federal revenue	50,439	-	50,439
Due from primary government	183	-	183
Assets held by the primary government	<u>100,512</u>	<u>79,065</u>	<u>179,577</u>
<b>Total Assets</b>	<b><u>683,705</u></b>	<b><u>79,065</u></b>	<b><u>762,770</u></b>
<b><u>Liabilities</u></b>			
Accounts payable	4,036	-	4,036
Accrued salaries and P.E.R.A.	148,682	-	148,682
Unearned revenue	<u>1,390</u>	<u>-</u>	<u>1,390</u>
<b>Total Liabilities</b>	<b><u>154,108</u></b>	<b><u>-</u></b>	<b><u>154,108</u></b>
<b><u>Fund Balances</u></b>			
Restricted - Tabor Reserve	51,800	-	51,800
Unassigned	<u>477,797</u>	<u>79,065</u>	<u>556,862</u>
<b>Total Fund Balances</b>	<b><u>529,597</u></b>	<b><u>79,065</u></b>	<b><u>608,662</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 683,705</u></b>	<b><u>\$ 79,065</u></b>	<b><u>\$ 762,770</u></b>

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

**RECONCILIATION OF BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
June 30, 2021

---

<b>Total Fund Balances - General Fund</b>	\$ 608,662
Capital assets used by Villa Bella Expeditionary School are not considered current financial resources and, therefore, are not reported in the governmental funds.	6,308,311
Long term liability for compensated absences are not due and payable in the current period and, therefore, are not reported in the government funds.	(56,951)
Long term liability for notes payable are not due and payable in the current period and, therefore, are not reported in the government funds.	(6,301,640)
Deferred activity related to pension (\$2,997,089) and OPEB (\$6,258) assumptions are not recorded and included in the governmental funds.	3,003,347
Pension (\$882,617) and OPEB (\$33,373) contributions subsequent to plan measurement date are not included in the long term liability and are deferred.	(915,990)
The long-term liabilities for pension (\$2,273,292) and OPEB (\$57,241) are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(2,330,533)</u>
<b>Total Net Position - Government Activities</b>	<b>\$ <u>315,206</u></b>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Revenues</b>			
State sources	\$ 83,551	\$ -	\$ 83,551
Federal sources	335,254	-	335,254
Other sources	39	59,698	59,737
Fund allocations	1,936,385	-	1,936,385
<b>Total Revenues</b>	<u>2,355,229</u>	<u>59,698</u>	<u>2,414,927</u>
<b>Expenditures</b>			
Direct instruction	1,150,364	18,188	1,168,552
Indirect instruction	384,951	-	384,951
Transportation	826	-	826
Custodial and maintenance	282,314	-	282,314
Other support services	190,503	-	190,503
General administration	31,316	-	31,316
Capital outlay	6,294,859	-	6,294,859
Debt service			
Principal retirement	78,360	-	78,360
Interest	62,662	-	62,662
<b>Total Expenditures</b>	<u>8,476,155</u>	<u>18,188</u>	<u>8,494,343</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(6,120,926)	41,510	(6,079,416)
<b>Other Financing Sources</b>			
PPP loan forgiveness	233,852	-	233,852
Debt proceeds	6,380,000	-	6,380,000
<b>Total Other Financing Sources</b>	<u>6,613,852</u>	<u>-</u>	<u>6,613,852</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	492,926	41,510	534,436
<b>Fund Balances - July 1 - Restated</b>	<u>36,671</u>	<u>37,555</u>	<u>74,226</u>
<b>Fund Balances - June 30</b>	<u>\$ 529,597</u>	<u>\$ 79,065</u>	<u>\$ 608,662</u>

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

**RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
For the year ended June 30, 2021

<b>Total Change in Fund Balances - General Fund</b>	\$	534,436
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$6,294,859) exceeds depreciation expense (\$54,728).		6,240,131
Retirements of principal outstanding on Villa Bella's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements shows these reductions against the long-term liabilities.		78,360
Some capital assets acquired this year were financed with a note payable. These amounts are reported in the governmental funds as a source of financing. These financing sources are not revenues in the statement of activities, but rather constitute a long-term liability in the statement of net assets.		(6,380,000)
In the government-wide statements accrued compensated absences are measured by the amount earned and unused. In the governmental funds, the expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts paid). Therefore, the change in the accrued compensated absences is recognized.		(26,852)
Net pension (\$143,406) and OPEB (\$44,192) expense related items are reported in the statement of activities and do not require the use of current financial sources and, therefore, are not reported in the governmental funds.		<u>(187,598)</u>
<b>Total Change in Net Position - Government Activities</b>	<b>\$</b>	<b><u>258,477</u></b>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
June 30, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Villa Bella Expeditionary School (the School) was organized in 2019 pursuant to the Colorado Charter Schools Act to operate a charter school within the Pueblo County School District No. 70 (the "District") in the State of Colorado.

The accounting policies of the School conform to generally accepted accounting principles, as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

**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.

Based upon the application of these criteria, the following organization is included in the School's reporting entity:

VBE Building Corp. (the "Building Corporation") is considered to be financially accountable to the School. The Building Corporation was formed to support and assist the School in performing its function and carrying out its purpose; specifically, to assist in the financing and purchase of the School's facilities. The activities of the Building Corporation are included in the School's financial statements as part of the General Fund. Separate financial statements are not available for the Building Corporation.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the School. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
VILLA BELLA EXPEDITIONARY SCHOOL  
June 30, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentations (Continued)**

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Intergovernmental revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

**Fund Accounting**

The accounts of the School are organized into two funds - the general fund and student activities fund.

**General Fund**

The general fund, a major fund, records financial transactions for the current educational operations of the School. All revenues and expenditures not allocated by law or contractual agreement to a special fund are accounted for in this fund.

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. The Special Revenue Funds consist of the Student Activities Fund.

The Student Activities Fund accounts for funds related to school sponsored organizations and activities.

**Cash and Cash Equivalents**

The School considers all highly liquid investments with a maturity of three months or less when purchased, net of outstanding checks in excess of bank balance, to be cash equivalents.

**Budgets and Budgetary Data**

The School follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgetary accounting is employed by Pueblo County School District No. 70 as a management control for all funds, including the School. Annual operating budgets are adopted each fiscal year through the passage of an annual appropriation resolution. For each legally adopted budget, budgetary control exists at the total fund level.
- b. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- c. All unencumbered budget appropriations lapse at the end of each fiscal year.

**Capital Assets**

All capital assets are capitalized at cost or estimated historical cost. Donated assets are recorded at fair market value at the time of donation. The costs of normal maintenance, repairs and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. The proceeds from the sale of assets used in the operations of the governmental fund types are recorded as revenues in the general fund. The School does not capitalize interest on the construction of capital assets. The School maintains a capitalization threshold of \$5,000.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets (Continued)**

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations. Depreciation is recorded starting in the month the asset is placed in service. Estimated useful lives are as follows:

	<b><u>ESTIMATED USEFUL LIFE</u></b>
Buildings and improvements	20 to 50 years
Furniture and fixtures	5 to 20 years

**Deferred Outflow / Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School has two items that qualify for reporting under this category, OPEB related items and pension related items.

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 so will not be recognized as an inflow of resources (revenue) until that time. The School has two items that qualify for reporting under this category, OPEB related items and pension related items. These items are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Accounts Payable**

Accounts payable represent obligations due to vendors for goods delivered or services rendered prior to June 30, 2021.

**Compensated Absences**

The School follows the Pueblo County School District No. 70's policy for compensated absences. The School District affords certain employees sick leave benefits which are vesting, accumulating rights and are carried forward to subsequent years. Payment of unused sick leave, or liability of the School District to the employee, if any, is payable only upon termination of an employee with ten years of continuous service to the District. The benefits are paid at varied rates applied to varied maximum accumulated days, depending on the employee group. The sick pay benefits are recognized at the time of the employee absence (i.e.: days off for sick leave) which is in accordance with generally accepted accounting principles for these on-going benefits.

The School District also affords certain employees vacation benefits. These benefits are earned based upon the length of service and accumulation is limited to a maximum of 40 days. Accrued vacation is paid to employees upon termination of employment.

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental fund balance sheet includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
 June 30, 2021

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

**NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Risk Management**

The School is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The School carries commercial insurance for such risks, including workers' compensation. There were no settled claims from these risks during the fiscal year.

**NOTE D - CASH DEPOSITS AND INVESTMENTS**

**Deposits**

Colorado State statutes govern the School's deposits of cash. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal insurance (FDIC or FSLIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to the total uninsured deposits held by that institution. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pool.

Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits may not be returned to it. The School's policy for custodial risk parallels Colorado statutes.

A summary of deposits held at year end follows:

	<b><u>Deposits</u></b>	<b><u>Carrying Amount</u></b>	<b><u>Less Than One Year</u></b>	<b><u>Less Than Five Years</u></b>
Checking		\$ 532,229	\$ 532,229	\$ -

**Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The law outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, banker's acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

Interest rate risk - The School's policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing rates parallels Colorado statutes. Specifically, all securities are limited to a maximum maturity of five years from the date of purchase unless the governing body authorizes a longer period.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE D - CASH DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

Credit risk - The School does not have a policy that would further limit its choices beyond the requirements of Colorado statutes. The School had no investments at June 30, 2021.

**NOTE E - CHANGES IN CAPITAL ASSETS**

The following is a summary of the changes in capital assets for the year ended June 30, 2021:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
<b>Depreciable Assets:</b>				
Furniture and fixtures	\$ 35,780	\$ 28,333	\$ -	\$ 64,113
Buildings and improvements	<u>39,884</u>	<u>6,266,526</u>	<u>-</u>	<u>6,306,410</u>
<b>Total Depreciable Assets</b>	<u>75,664</u>	<u>6,294,859</u>	<u>-</u>	<u>6,370,523</u>
<b>Less Accumulated Depreciation for:</b>				
Furniture and fixtures	2,021	3,795	-	5,816
Bldg. and improvements	<u>5,463</u>	<u>50,933</u>	<u>-</u>	<u>56,396</u>
<b>Total Accumulated Depreciation</b>	<u>7,484</u>	<u>54,728</u>	<u>-</u>	<u>62,212</u>
<b>Total Capital Assets, Net</b>	<u>\$ 68,180</u>	<u>\$ 6,240,131</u>	<u>\$ -</u>	<u>\$ 6,308,311</u>

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

Direct instruction	\$ 48,274
Custodial and maintenance	5,654
Other supporting services	<u>800</u>
Total	<u>\$ 54,728</u>

**NOTE F - ACCRUED SALARIES AND P.E.R.A.**

Salaries of certain contractually employed personnel are paid over a twelve month period, but are earned during the school year, a period of approximately nine months. The amounts representing accrued salaries are those earned through June 30, 2021, but not yet paid by the School. Accrued P.E.R.A. represents the School's 20.9% contribution on the accrued salaries. At June 30, 2021 accrued salaries and P.E.R.A. have been recognized as a liability in the general fund. The accrued salaries and P.E.R.A. at June 30, 2021 are \$148,682.

**NOTE G - DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

**Pensions**

Villa Bella Expeditionary School (the School) participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and accrual basis of accounting.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)**

**Pensions (Continued)**

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.

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. Most of these changes were in effect as of June 30, 2021.

**General Information about the Pension Plan**

**Plan Description**

Eligible employees of the School are provided with pensions through the SCHDTF - a cost-sharing multiple employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. 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 (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Benefits Provided as of December 31, 2020**

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

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

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by the 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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)**

**Benefits Provided as of December 31, 2020 (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 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which the contributions were made.

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living-adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to CRS § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula 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 the service credit was obtained, and the qualified survivor(s) who will receive the benefits.

**Contributions Provisions as of June 30, 2021**

Eligible employees of the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	<u>July 1, 2020 Through June 30, 2021</u>
Employer Contribution Rate	10.90%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208 (1)(f)	(1.02%)
Amount apportioned to SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as in C.R.S. § 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	19.88%

\*\*Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)**

**Contributions Provisions as of June 30, 2021 (Continued)**

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were \$181,968 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

At June 30, 2021, the School reported a liability of \$2,273,292 for its proportionate share of the net pension liability. 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:

The School's proportionate share of the net pension liability	\$	2,273,292
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School		-
Total	\$	<u>2,273,292</u>

At December 31, 2020, the School's proportion was .0150385840 percent, which was an increase of .0099990772 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the School recognized pension expense of \$143,406. At June 30, 2021, the School reported deferred outflows of the resources and deferred inflows related to pensions from the following sources:

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 754,908	\$ -
Changes of assumptions or other inputs	1,306,571	326,568
Net difference between projected and actual earnings on pension plan investments	-	432,482
Changes in proportion and differences between contributions recognized and proportionate share of contributions	842,013	123,567
Contributions subsequent to the measurement date	93,597	-
Total	<u>\$ 2,997,089</u>	<u>\$ 882,617</u>

\$93,597 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 Ended June 30,	
2022	\$ 624,665
2023	624,665
2024	524,873
2025	246,672
	<u>\$ 2,020,875</u>

**Actuarial Assumptions**

The total pension liability in the December 31, 2019 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% - 9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06*	Financed by the AIR

\*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to money's being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial Assumptions (Continued)

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 percent factor applied to male rates and a 55 percent factor applied to females rates.

Post-retirement non disabled mortality assumptions 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 percent factor applied to rates for ages less than 80, a 113 percent 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 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuation 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's Board during the November 18, 2016 Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016 through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019 to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06*	Financed by the AIR

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

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial Assumptions (Continued)

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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

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

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

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

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

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

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

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 the Experience Study report dated October 28, 2020. As a result of the November 20, 2020 PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
 June 30, 2021

**NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial Assumptions (Continued)**

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

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

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

\*The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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%.

**Discount Rate**

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)**

**Discount Rate (Continued)**

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent 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 was 7.25 percent. There was no change in the discount rate from the prior 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 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 3,101,282	\$ 2,273,292	\$ 1,583,741

**Pension Plan Fiduciary Net Position**

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE H - DEFINED CONTRIBUTION PENSION PLAN**

**Voluntary Investment Program**

**Plan Description**

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

**Funding Policy**

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2021, the School had no program members contributing to the Voluntary Investment program.

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**Summary of Significant Accounting Policies**

**OPEB**

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

**General Information about the OPEB Plan**

**Plan Description**

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Benefits Provided**

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure 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 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 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

**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 maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent 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.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**DPS Benefit Structure (Continued)**

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 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School were \$9,336 for the year ended June 30, 2021.

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

At June 30, 2021, the School reported a liability of \$57,241 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020 the School's proportion was .0086855323 percent, which was an increase of .0054131035 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the School recognized OPEB expense of \$44,192. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 58	\$ 15,685
Changes of assumptions or other inputs	160	4,338
Net difference between projected and actual earnings on OPEB plan investments	-	3,004
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,238	10,346
Contributions subsequent to the measurement date	4,802	-
Total	<u>\$ 6,258</u>	<u>\$ 33,373</u>

\$4,802 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

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

Year Ended June 30,		
2022	\$	(5,496)
2023		(5,496)
2024		(5,496)
2025		(5,496)
2026		(5,499)
2027		(4,434)
	\$	<u>(31,917)</u>

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2019 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 increase, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plan	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing 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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019 valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	<b>Initial Costs for Members without Medicare Part A</b>		
	<b>Monthly Cost</b>	<b>Monthly Premium</b>	<b>Monthly Cost Adjusted to Age 65</b>
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	\$621	\$232	\$586

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Actuarial Assumptions**

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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 liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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 used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE 1 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Actuarial Assumptions (Continued)**

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

Post-retirement non-disabled 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 percent factor applied to rates for ages less than 80, a 113 percent 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 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020 and November 4, 2020 for the period of January 1, 2016 through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019 to December 31, 2020.

	<b>Trust Fund</b>			
	<b>State Division</b>	<b>School Division</b>	<b>Local Government Division</b>	<b>Judicial Division</b>
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%*	N/A

\*C.R.S. § 24-51-101(46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

Actuarial Assumptions (Continued)

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Actuarial Assumptions (Continued)**

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

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

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the 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 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020 PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020.

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Actuarial Assumptions (Continued)**

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

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

\*The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

**Sensitivity of the School's Proportionate share of the net OPEB liability to changes in the Health Care Cost**

**Trend Rates**

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 55,762	\$ 57,241	\$ 58,963

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25 percent. 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 3.00%.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Discount Rate (Continued)**

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent 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 percent.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 65,571	\$ 57,241	\$ 50,124

**OPEB Plan Fiduciary Net Position**

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

**NOTE J - NOTE PAYABLE AND OTHER LONG-TERM OBLIGATIONS**

The Building Corporation entered into a note payable agreement with Bank of the San Juans for the purchase of the building that is currently used for the School. The note term is for 10 years with interest at 2.96% per annum. Monthly payments are \$35,256 for 120 months with one final balloon payment of \$3,684,302. Other long term obligations include accrued compensated absences. A summary of the changes for the fiscal year follows:

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**VILLA BELLA EXPEDITIONARY SCHOOL**  
 June 30, 2021

**NOTE J - NOTE PAYABLE AND OTHER LONG-TERM OBLIGATIONS (Continued)**

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2021</u>	<u>Current Portion</u>
Building	\$ -	\$ 6,380,000	\$ 78,360	\$ 6,301,640	\$ 239,776
Compensated absences	30,099	26,852	-	56,951	-
<b>Totals</b>	<u>\$ 30,099</u>	<u>\$ 6,406,852</u>	<u>\$ 78,360</u>	<u>\$ 6,358,591</u>	<u>\$ 239,776</u>

The note payable has the following minimum annual payments:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 239,776	\$ 183,293	\$ 423,069
2023	246,970	176,098	423,068
2024	254,380	168,688	423,068
2025	262,013	161,056	423,069
2026	269,875	153,194	423,069
2027 and thereafter	5,028,626	603,831	5,632,457
<b>Total</b>	<u>\$ 6,301,640</u>	<u>\$ 1,446,160</u>	<u>\$ 7,747,800</u>

**NOTE K - PPP LOAN FORGIVENESS**

The School received a loan in the amount of \$233,852 through the Small Business Administration's Paycheck Protection Program under Division A, Title I of the Coronavirus Aid Relief and Economic Security Act ("CARES Act"). The full amount of this loan was forgiven during the year ended June 30, 2021.

**NOTE L - INTERFUND TRANSACTIONS**

**Due From / To Primary Government:**

The amount due from the primary government is \$183 at June 30, 2021. The charter school also has assets held in the capital reserve and insurance reserve funds maintained by the primary government.

**NOTE M - FUND BALANCE**

**Government-wide Net Position:**

Government-wide net position is divided into three components:

- Invested in capital assets, net of related debt - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of net position that is restricted by the School's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE M - FUND BALANCE (Continued)**

**Governmental Fund Balances**

Fund balance categories are used to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the School's highest level of decision making authority, Board of Directors, prior to the end of the current year. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The School will only report a positive unassigned fund balance.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is the School's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

**NOTE N - COMMITMENTS AND CONTINGENCIES**

**Tax, Revenue, Spending and Debt Limitation**

In November, 1992 Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR imposes tax raising, revenue, spending and debt limitations on local government entities within the State of Colorado. These limitations became effective for the first fiscal year beginning after December 31, 1992, which for the School was the year ended June 30, 1994.

On November 4, 1997, the Pueblo School District No. 70 passed a referendum regarding the revenue and spending limits imposed by Article X, section 20 of the Colorado constitution. The referendum allows the District, without increasing or adding any taxes of any kind, to collect, retain and expend all revenues and other funds collected during 1997 and thereafter. The School believes it is in compliance with the tax raising, revenue, spending, debt and other limitations.

In addition to the tax raising, revenue, spending and debt limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies establish an "emergency reserve". To be used for declared emergencies only, each entity must reserve 3% or more of its fiscal year spending excluding bonded debt service. For the year ended June 30, 2021, the School's reserve requirement was approximately \$51,800 which represents 3% of fiscal year spending.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

**NOTE O - SUBSEQUENT EVENT**

On March 11, 2020 the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. As a result, economic uncertainties have arisen which are likely to negatively impact operations or carrying value of assets. Other financial implications may result, and such potential impact is unknown at this time.

**NOTE P - PRIOR PERIOD ADJUSTMENT**

The Student Activities Fund was not included in the government-wide or governmental fund financial statements as of June 30, 2020. The Student Activities Fund was included in the School's financial statements for the year ended June 30, 2021 and a prior period adjustment was necessary to recognize the beginning net position or fund balance as shown below:

**Government-wide Financial Statements**

Statements of Activities

Net Position - July 1	\$	19,174
To include nonmajor governmental funds		<u>37,555</u>
<b>Net Position - July 1 - Restated</b>	<b>\$</b>	<b><u>56,729</u></b>

**Governmental Fund Financial Statements**

Statements of Revenues, Expenditure, and Changes in Fund Balances

Fund Balances - July 1	\$	36,671
To include nonmajor governmental funds		<u>37,555</u>
<b>Fund Balances - July 1 - Restated</b>	<b>\$</b>	<b><u>74,226</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**BUDGET AND ACTUAL (BUDGET BASIS)**

**GENERAL FUND**

VILLA BELLA EXPEDITIONARY SCHOOL

For the year ended June 30, 2021

	<u>Budgeted Amount</u>			<b>Variance With Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
State sources	\$ 70,052	\$ 83,549	\$ 83,551	\$ 2
Federal sources	344,250	335,370	335,254	(116)
Other sources	10,000	27,189	39	(27,150)
Fund allocations	<u>1,774,350</u>	<u>1,801,476</u>	<u>1,936,385</u>	<u>134,909</u>
<b>Total Revenues</b>	<u>2,198,652</u>	<u>2,247,584</u>	<u>2,355,229</u>	<u>107,645</u>
<b>Expenditures</b>				
Direct instruction	1,174,580	1,289,680	1,150,364	139,316
Indirect instruction	366,446	378,784	384,951	(6,167)
Transportation	1,500	1,500	826	674
Custodial and maintenance	455,698	351,592	282,314	69,278
Other support services	62,148	63,221	190,503	(127,282)
General administration	-	-	31,316	(31,316)
Capital outlay	134,570	6,335,101	6,294,859	40,242
Debt service				-
Principal retirement	-	78,602	78,360	242
Interest	-	61,758	62,662	(904)
Contingency	<u>10,000</u>	<u>242,549</u>	<u>-</u>	<u>242,549</u>
<b>Total Expenditures</b>	<u>2,204,942</u>	<u>8,802,787</u>	<u>8,476,155</u>	<u>326,632</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(6,290)	(6,555,203)	(6,120,926)	434,277
<b>Other Financing Sources</b>				
Debt proceeds	<u>-</u>	<u>6,613,852</u>	<u>6,613,852</u>	<u>-</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(6,290)	58,649	492,926	434,277
<b>Fund Balances - July 1</b>	<u>6,290</u>	<u>(29,840)</u>	<u>36,671</u>	<u>66,511</u>
<b>Fund Balances - June 30</b>	<u>\$ -</u>	<u>\$ 28,809</u>	<u>\$ 529,597</u>	<u>\$ 500,788</u>

**SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE -**  
**SCHOOL DIVISION TRUST FUND**  
VILLA BELLA EXPEDITIONARY SCHOOL  
Last 10 Fiscal Years

---

	<u>2020</u>	<u>2019</u>
School's proportion (percentage) of the net pension liability	0.0150385840%	0.0050395068%
School's proportionate share of the net pension liability	\$ 2,273,292	\$ 752,780
School's covered payroll	\$ 803,191	\$ 294,243
School's proportionate share of the net pension liability as a percentage of covered payroll	283.03%	255.84%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%

The amounts presented for each fiscal year were determined as of December 31.

The schedule is presented to show information for ten years. Until information for the full ten-year period is available, information will be presented for the years it is available.

**SCHEDULE OF SCHOOL'S CONTRIBUTIONS - SCHOOL DIVISION TRUST FUND**

**VILLA BELLA EXPEDITIONARY SCHOOL**

Last 10 Fiscal Years

---

	<u>2021</u>	<u>2020</u>
Statutorily required contributions	\$ 157,881	\$ 57,024
Contributions in relation to the statutorily required contributions	<u>157,881</u>	<u>57,024</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 803,191	\$ 294,243
Contribution as a percentage of covered payroll	19.66%	19.38%

The amounts presented for each fiscal year were determined as of June 30.

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the years it is available.

**SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE -**  
**HEALTH CARE TRUST FUND**  
VILLA BELLA EXPEDITIONARY SCHOOL  
Last 10 Fiscal Years

---

	<u>2020</u>	<u>2019</u>
School's proportion (percentage) of the net OPEB liability	0.0086855323%	0.0032724288%
School's proportionate share of the net OPEB liability	\$ 57,241	\$ 37,454
School's covered payroll	\$ 803,191	\$ 294,243
School's proportionate share of the net pension OPEB as a percentage of covered payroll	7.13%	12.73%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%

The amounts presented for each fiscal year were determined as of December 31.

The schedule is presented to show information for ten years. Until information for the full ten-year period is available, information will be presented for the years it is available.

**SCHEDULE OF SCHOOL'S CONTRIBUTIONS - HEALTH CARE TRUST FUND**

VILLA BELLA EXPEDITIONARY SCHOOL

Last 10 Fiscal Years

---

	<u>2021</u>	<u>2020</u>
Statutorily required contributions	\$ 8,193	\$ 3,001
Contributions in relation to the statutorily required contributions	<u>8,193</u>	<u>3,001</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 803,191	\$ 294,243
Contribution as a percentage of covered payroll	1.02%	1.02%

The amounts presented for each fiscal year were determined as of June 30.

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the years it is available.

**COMBINING FUND STATEMENTS - NONMAJOR FUNDS**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
VILLA BELLA EXPEDITIONARY SCHOOL  
June 30, 2021

---

	<b><u>Student Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>		
Assets held by the primary government	\$ 79,065	\$ 79,065
<b>Total Assets</b>	79,065	79,065
 <b><u>Fund Balances</u></b>		
Unassigned	79,065	79,065
<b>Total Fund Balances</b>	79,065	79,065
<b>Total Liabilities and Fund Balances</b>	\$ 79,065	\$ 79,065

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES

NONMAJOR GOVERNMENTAL FUNDS

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2021

---

	<u>Student Activities</u>	<u>Total</u>
<b>Revenues</b>		
Other sources	\$ 59,698	\$ 59,698
<b>Total Revenues</b>	<u>59,698</u>	<u>59,698</u>
<b>Expenditures</b>		
Direct instruction	18,188	18,188
<b>Total Expenditures</b>	<u>18,188</u>	<u>18,188</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	41,510	41,510
<b>Fund Balances - July 1</b>	<u>37,555</u>	<u>37,555</u>
<b>Fund Balances - June 30</b>	<u>\$ 79,065</u>	<u>\$ 79,065</u>

**OTHER SUPPLEMENTARY INFORMATION**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (BUDGET BASIS)  
STUDENT ACTIVITIES FUND  
VILLA BELLA EXPEDITIONARY SCHOOL  
For the year ended June 30, 2021

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other sources	\$ 35,000	\$ 35,000	\$ 59,698	\$ 24,698
<b>Total Revenues</b>	<u>35,000</u>	<u>35,000</u>	<u>59,698</u>	<u>24,698</u>
<b>Expenditures</b>				
Direct instruction	<u>35,000</u>	<u>35,000</u>	<u>18,188</u>	<u>16,812</u>
<b>Total Expenditures</b>	<u>35,000</u>	<u>35,000</u>	<u>18,188</u>	<u>16,812</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	41,510	41,510
<b>Fund Balances - July 1</b>	<u>-</u>	<u>-</u>	<u>37,555</u>	<u>37,555</u>
<b>Fund Balances - June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,065</u>	<u>\$ 79,065</u>