

**EXPEDITIONARY LEARNING SCHOOL BOARD OF
COOPERATIVE EDUCATIONAL SERVICES DBA: ROCKY
MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
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**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES	11
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	12
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	13
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	14
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	15
NOTES TO BASIC FINANCIAL STATEMENTS	16
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – GENERAL FUND	52
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – GENERAL FUND	53
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	54
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS	55
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	56
SUPPLEMENTARY INFORMATION	
COLORADO DEPARTMENT OF EDUCATION AUDITORS INTEGRITY REPORT	59



INDEPENDENT AUDITORS' REPORT

Board of Directors
Expeditionary Learning School Board of
Cooperative Educational Services dba:
Rocky Mountain School of Expeditionary Learning
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Expeditionary Learning School Board of Cooperative Educational Services dba: Rocky Mountain School of Expeditionary Learning (the School), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity'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.

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

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

Board of Directors
Expeditionary Learning School Board of
Cooperative Educational Services dba:
Rocky Mountain School of Expeditionary Learning

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the 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, budgetary comparison for the General Fund, pension information, and OPEB information on pages III-VII and 35-40 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 Supplementary 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 Auditor's Integrity Report is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Auditor's Integrity Report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Auditor's Integrity Report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP
Greenwood Village, Colorado
February 25, 2022

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The discussion and analysis of the Rocky Mountain School of Expeditionary Learning's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the financial statements and the accompanying footnotes in order to broaden their understanding of the School's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis.

Financial Highlights

- Due to the effect of GASB No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the School has a negative net position. The School's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$636,253 (net position).
- The School has unrestricted net position of \$(4,666,385).
- In comparison to the previous year, the School's net position increased by \$5,309,577 or 113.61%.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The basic financial statements, presented on pages 1-36 are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader of the School's basic financial statements a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents information about all of the School's assets, liabilities, and deferred outflows and inflows of resources. The difference between assets, liabilities and deferred outflows and inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating. The statement of activities presents information showing how the net position of the School changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The government-wide financial statements consolidate governmental activities that are supported from taxes and intergovernmental revenues. Governmental activities consolidate governmental funds including the general fund and the building fund. The government-wide financial statements can be found on pages 1-2.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for special objectives. The School uses governmental funds to account for its activity.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, reconciliations are provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School's activities are reported in a governmental fund, the general fund, which focuses on how money flows into and out of that fund and the balance left at year-end available for spending in future periods. The School also has another governmental fund, the building fund, to account for building activities financed with long-term debt obligations and a BEST (Building Excellent Schools Today) grant from the Colorado Department of Education.

The School adopts an annual budget for the general fund. A budgetary comparison schedule for the general fund is included in the required supplementary information.

The governmental fund financial statements can be found on pages 3-6 of this report.

Notes to the Basic 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 basic financial statements. The notes can be found on pages 7-36 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the School's budgetary comparisons and pension and other postemployment benefit information. Required supplementary information can be found on pages 37-43 of this report.

Government-Wide Financial Analysis

Government-Wide Net Position

The assets of the School are classified as current assets and capital assets. Cash and investments, receivables, prepaid expenses, other assets, and inventories are current assets. These assets are available to provide resources for the near-term operations of the School.

Capital assets are used in the operations of the School. These assets represent construction in process, leasehold improvements, minibuses, HVAC installation, and furniture, fixtures, and equipment of the School. The increase in capital assets during the current year relates to the construction in process to renovate, improve and expand the School's facility.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Current and noncurrent 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 unearned revenue. The liquidation of current liabilities is anticipated to be either from current available resources, current assets, or new resources that become available during fiscal year 2022. The decrease in current liabilities is related to a decrease in accounts payable.

The School issued revenue bonds as part of the BEST grant match during fiscal year 2020. The School's proportionate share of the collective pension liability per GASB No. 68 and collective OPEB liability per GASB No. 75 are reflected as a long-term liabilities.

The current assets of the primary government activities exceed current liabilities by \$2,606,015 with unrestricted net position of \$(4,666,385). The School has net investment in capital assets of \$4,877,266. The School's overall net position increased by \$5,309,577 during this fiscal year.

CONDENSED STATEMENTS OF NET POSITION

	June 30,	
	2021	2020
ASSETS		
Current	\$ 4,148,852	\$ 10,605,498
Capital Assets, Net of Depreciation	12,258,457	4,009,798
Total Assets	16,407,309	14,615,296
 DEFERRED OUTFLOW OF RESOURCES		
Deferred Pension and OPEB Outflows of Resources	1,396,920	580,225
 LIABILITIES		
Current	1,542,837	3,249,139
Long-Term	13,038,639	12,774,943
Total Liabilities	14,581,476	16,024,082
 DEFERRED INFLOW OF RESOURCES		
Deferred Pension and OPEB Inflows of Resources	2,586,500	3,844,763
 NET POSITION		
Net Investment in Capital Assets	4,877,266	1,335,013
Restricted	425,372	428,255
Unrestricted	(4,666,385)	(6,436,592)
Total Net Position	\$ 636,253	\$ (4,673,324)

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Government-wide Activities

All of the School's programs and services are reported as governmental activities including instruction, support services, operations and facility maintenance. Capital Grants and Contributions from the BEST grant increased the net position of the School by \$5,309,577. The details of this increase are shown in the following schedule:

CONDENSED STATEMENTS OF ACTIVITIES

	Year Ended June 30,	
	2021	2020
REVENUES		
Program Revenue:		
Charges for Service	\$ 423,504	\$ 433,163
Operating Grants and Contributions	146,547	77,912
Capital Grants and Contributions	2,890,012	1,300,213
General Revenue:		
Per Pupil Funding	3,240,820	3,224,878
Other	835,753	289,453
Total Revenue	7,536,636	5,325,619
 EXPENSES		
Governmental Activities:		
Instructional	1,100,589	1,462,510
Support Services	506,228	711,703
Building	329,126	307,148
Debt Service	291,116	632,194
Total Expenses	2,227,059	3,113,555
 CHANGE IN NET POSITION	5,309,577	2,212,064
Net Position - Beginning of Year	(4,673,324)	(6,885,388)
 NET POSITION - END OF YEAR	\$ 636,253	\$ (4,673,324)

The key element of the increase in net position for governmental activities is due to the increase in capital grants and contributions.

Financial Analysis of the School's Governmental Funds

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

All of the School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps determine where there are more or fewer financial resources that can be spent in the near future to finance educational programs. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government'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 two governmental funds, the general fund and the building fund, reported an ending fund balance of \$1,786,068 and \$1,042,007, respectively.

Unassigned fund balance for the School at the end of the fiscal year was \$1,003,635.

The School is not subject to the requirements of TABOR; however, in compliance with Colorado Revised Statute 22-44-106(2), the Board of Directors has specified that the School's operating reserve in the general fund may not exceed 15% of the budgeted expenditures of the general fund. As such, the Board authorized a 10% general reserve of \$770,000 and a 5% general contingency of \$380,000 of the general fund ending fund balance to be used in the event of an emergency. The School's net position is invested in U.S. Bank and CSAFE, a governmental investment pool.

The general fund is the chief operating fund of the School. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the general fund amounted to \$3,594,509. Unassigned general fund balance represents 28% of expenditures while total general fund balance represents 50% of expenditures.

General Fund Budgetary Highlights

The fund balance for the general fund increased by \$97,786, resulting in an ending fund balance of \$1,786,068. While the actual expenditures were less than the adopted budgeted expenditures by \$928,648, the actual revenue was also lower than budgeted revenue by \$8,473 resulting in a net positive variance of \$920,175 for the year. The positive variance is due to an increase in fundraising revenue compared to budget and a reduction in fieldwork, capital expenditures, and administrative expenses compared to budget.

Economic Factors and Next Year's Budgets and Rates

The economic outlook for the 2021-2022 school year is expected to improve significantly as the U.S. economy gains momentum, is trending upward, and working through the transitory supply chain issues. However, the local labor shortage will continue to affect the School's ability to secure substitute teachers, and inflationary pressure may affect school fees.

- The year ending June 30, 2021 is the 28th year of operations for the Rocky Mountain School of Expeditionary Learning.
- The School opened at its location at 1700 South Holly Street in November 2000. The School has a 440 student capacity. We anticipate an enrollment of 395 students for the 2021-2022 school year.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

- For 2021-2022, the School will be receiving \$9,341.10 per pupil (FTE basis), which is an increase of 11.8% over the 2020-2021 funding of \$8,352.63 per pupil.
- The operations of the School are funded primarily by tax revenue received under the State Finance Act by Denver Public Schools. Per pupil revenue for the year ended June 30, 2021 was \$3,240,820 as compared to \$3,224,878 for the year ended June 30, 2020.

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 School. Questions concerning any of the information provided in this report or requests for additional information shall be addressed to:

Rocky Mountain School of Expeditionary Learning
Julie L. Stelzer
1700 South Holly Street
Denver, CO 80222

BASIC FINANCIAL STATEMENTS

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS

Cash and Investments	\$ 1,983,303
Restricted Cash and Investments	1,853,292
Accounts Receivable	132,419
Inventory	2,720
Other Assets	10,244
Prepaid Expenses	166,874
Capital Assets Not Being Depreciated:	
Construction in Process	12,091,985
Capital Assets Net of Accumulated Depreciation:	
Leasehold Improvements	46,397
Vehicles	120,075
Total Assets	16,407,309

DEFERRED OUTFLOWS OF RESOURCES

Related to Pension	1,385,817
Related to OPEB	11,103
Total Deferred Outflows of Resources	1,396,920

LIABILITIES

Accounts Payable	481,887
Retainage Payable	526,564
Accrued Interest Payable	88,538
Accrued Salaries and Benefits	128,624
Unearned Revenue	183,702
Noncurrent Liabilities:	
Due Within One Year	133,522
Due in More Than One Year	7,803,790
Net Pension Liability	5,051,049
Net OPEB Liability	183,800
Total Liabilities	14,581,476

DEFERRED INFLOWS OF RESOURCES

Related to Pension	2,498,169
Related to OPEB	88,331
Total Deferred Inflows of Resources	2,586,500

NET POSITION

Net Investment in Capital Assets	4,877,266
Restricted for:	
Transportation Fees	28,027
Debt Service	397,345
Unrestricted	(4,666,385)
Total Net Position	\$ 636,253

See accompanying Notes to Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

ASSETS	General	Building	Total
Cash and Investments	\$ 1,983,303	\$ -	\$ 1,983,303
Restricted Cash and Investments	-	1,853,292	1,853,292
Accounts Receivable	841	131,578	132,419
Inventory	2,720	-	2,720
Other Assets	10,244	-	10,244
Prepaid Expenditures	166,874	-	166,874
	<u>\$ 2,163,982</u>	<u>\$ 1,984,870</u>	<u>\$ 4,148,852</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 65,588	\$ 416,299	\$ 481,887
Retainage Payable	-	526,564	526,564
Accrued Salaries and Benefits	128,624	-	128,624
Unearned Revenue	183,702	-	183,702
Total Liabilities	<u>377,914</u>	<u>942,863</u>	<u>1,320,777</u>
FUND BALANCE			
Nonspendable	169,594		169,594
Restricted for:			
Transportation Fees	28,027		28,027
Capital Projects	-	556,124	556,124
Debt Service		485,883	485,883
Assigned for:			-
Fieldwork Fees	134,812		134,812
Budget Carryover - Bond Issuance			
Debt Service (BEST Grant Match)	450,000		450,000
Unassigned	1,003,635		1,003,635
Total Fund Balance	<u>1,786,068</u>	<u>1,042,007</u>	<u>2,828,075</u>
Total Liabilities and Fund Balance	<u>\$ 2,163,982</u>	<u>\$ 1,984,870</u>	<u>\$ 4,148,852</u>

See accompanying Notes to Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund Balance - Total Government Funds	\$	2,828,075
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		12,258,457
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Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.

Bond Payable		(7,310,000)
Bond Premium		(627,312)
Accrued Interest Payable		(88,538)
Net Pension Liability		(5,051,049)
Net OPEB Liability		(183,800)

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Related to Pension		1,385,817
Related to OPEB		11,103

Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Related to Pension		(2,498,169)
Related to OPEB		(88,331)

Net Position of Governmental Activities	\$	<u>636,253</u>
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See accompanying Notes to Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	General	Building	Total
REVENUES			
Per Pupil Operating Revenue	\$ 3,240,820	\$ -	\$ 3,240,820
State BOCES Funding	204,216	-	204,216
Fee Income	421,297	-	421,297
Grant Revenue	25,000	2,877,331	2,902,331
Intergovernmental Revenue	-	598,790	598,790
Fundraising:			
School Based	12,773	-	12,773
Parent Based	108,774	-	108,774
Facility Use Rental	2,206	-	2,206
Net Investment Earnings	854	2,650	3,504
Miscellaneous	15,690	-	15,690
Total Revenue	4,031,630	3,478,771	7,510,401
EXPENDITURES			
Instructional:			
Payroll and Benefits	1,438,489	-	1,438,489
Fieldwork	155,372	-	155,372
Professional Development	1,984	-	1,984
Special Education Fees	250,155	-	250,155
Other	148,272	-	148,272
Support Services:			
Payroll and Benefits	856,450	-	856,450
Administrative	196,626	-	196,626
Vehicle Expense	27,476	-	27,476
Technology	24,509	-	24,509
Fundraising Costs	14,789	-	14,789
Building:			
Lease	150,000	-	150,000
Facility Maintenance	167,683	-	167,683
Capital Outlay	162,704	8,240,757	8,403,461
Debt Service:			
Interest and Fiscal Charge	-	354,150	354,150
Bond Issuance Costs	-	-	-
Total Expenditures	3,594,509	8,594,907	12,189,416
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	437,121	(5,116,136)	(4,679,015)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	12,681	-	12,681
Proceeds from Sale of Capital Assets	20,000	-	20,000
Transfer In	-	372,016	372,016
Transfer Out	(372,016)	-	(372,016)
Total Other Financing Sources (Uses)	(339,335)	372,016	32,681
NET CHANGE IN FUND BALANCE	97,786	(4,744,120)	(4,646,334)
Fund Balance - Beginning of Year	1,688,282	5,786,127	7,474,409
FUND BALANCE - END OF YEAR	\$ 1,786,068	\$ 1,042,007	\$ 2,828,075

See accompanying Notes to Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Governmental Funds \$ (4,646,334)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, in the statement of activities, only the gain/loss on the sale of capital assets is reported.

Capital Outlay	8,392,018
Depreciation Expense	(136,913)
Net Book Value on Disposal of Capital Asset	<u>(6,446)</u>
Total	<u>8,248,659</u>

Bond proceeds and related bond premiums provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Amortization of Premium	<u>33,522</u>
Total	<u>33,522</u>

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:

Accrued Interest Payable	29,512
Pension Expense	1,623,406
Other Postemployment Benefits Expense	<u>20,812</u>
Total	<u>1,673,730</u>

Change in Net Position of Governmental Activities \$ 5,309,577

See accompanying Notes to Financial Statements.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Financial Reporting Entity

Expeditionary Learning School Board of Cooperative Educational Services dba: Rocky Mountain School of Expeditionary Learning (the School), was organized on July 1, 1993 and is governed pursuant to provisions of the Board of Cooperative Services Act. The School is located in Denver, Colorado and was established to improve and expand educational services in the member districts through the opening and operation of a K-12 expeditionary learning school that will draw students from all of the member districts and that will represent a cross-district collaboration among member districts. The member districts are: Cherry Creek School District No. 5 (Cherry Creek Schools), School District No. 1 in the City and County of Denver (Denver Public Schools), Douglas County School District RE-1 (Douglas County Schools), Arapahoe County District No. 6 (Littleton Public Schools), and Adams-Arapahoe 28-J School District (Aurora Public Schools).

The School follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic, but not the only, criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The School is not financially accountable for any other organization, nor is the School a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental units. A summary of the School's significant accounting policies consistently applied in the preparation of these financial statements follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the School. Governmental activities are normally supported by intergovernmental per pupil revenues.

The statement of net position reports all financial and capital resources of the School with the difference between the assets, liabilities, and deferred outflows and inflows of resources of the School being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Per pupil revenue and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School reports the following major governmental funds:

The *General Fund* is the School's primary operating fund. It accounts for all financial resources of the general government.

The *Building Fund* is for the board approved capital project to expand the School's facility. Activity is funded by a combination of bond and grant funding.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible 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. The major sources of revenue susceptible for accrual are per pupil intergovernmental revenue, contributions and fieldwork fees. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the School.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources, as they are needed.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at amortized cost.

Inventories

Inventories are stated at the lower of cost using the first-in, first-out method or market. Inventory consists primarily of grocery store gift cards used for fund raising purposes. The cost is recorded as an expenditure/expense at the time the individual inventory items are sold rather than when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include leasehold improvements, vehicles, and equipment, are reported by the School. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Computer Equipment	5 Years
Furnishings and Equipment	5 Years
Vehicles	5 to 10 Years
Modular Building	14 Years
Leasehold Improvements	Lesser of 20 Years or Life of Remaining Building Lease

Net Position

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued along with any premium or discount is reported as other financing sources while issue costs are recorded as expenditures when debt is issued.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The School classified the fund balance related to inventory and prepaid items as nonspendable.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restricted balances relate to donor contributions accumulated for specific annual fund-raising projects and related to capital activities and debt service requirements.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Governing Board.

These amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action (i.e., resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are subject to a purpose constraint that represents an intended use but does not meet the criteria to be classified as restricted or committed. The purpose of this assignment must be narrower than the purpose of the General Fund. The School has assigned \$134,812 of unspent fieldwork fees and carryover from the previous fiscal year for future trips, and \$450,000 for debt service requirements related to the BEST grant matching funds as of June 30, 2021.

Unassigned – This classification includes the residual fund balance for the General Fund.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

When both restricted and unrestricted resources are available, the School would typically use restricted fund balances first, followed by committed then assigned, then unassigned.

In compliance with Colorado Revised Statute 22-44-106(2), the Board of Directors has specified that the School's operating reserve in the general fund may not exceed 15% of the budgeted expenditures of the general fund. As such, the Board authorized a 10% general reserve of \$770,000 and a 5% general contingency of \$380,000 of the general fund ending fund balance to be used in the event of an emergency.

Deferred Inflows and Outflows of Resources

Deferred Outflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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. See Note 9 and Note 10 for deferred outflows of resources related to pension and other postemployment benefits, respectively.

Deferred Inflows of Resources – In addition to liabilities, the School's financial statements 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. See Note 9 and Note 10 for the deferred inflows of resources related to pension and other postemployment benefits, respectively.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

Cash Deposits

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

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2021, cash deposits amounted to \$3,245,314.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

Credit Risk

The School has not adopted a formal investment policy; however, the School follows State statutes regarding investments.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States, U.S. government agency securities and World Bank,
- Certain corporate bonds,
- General obligation and revenue bonds of U.S. state and local government entities,
- Bankers' acceptances of certain banks,
- Commercial paper,
- Written repurchase agreements collateralized by certain authorized securities,
- Certain money market funds,
- Guaranteed investment contracts,
- Local government investment pools,
- Certain reverse repurchase agreements, and
- Certain securities lending agreements.

The local government investment pool used by the School is the Colorado Surplus Asset Fund Trust (CSAFE) and is rated AAAM by Standard & Poor's.

Interest Rate Risk

Colorado revised statutes generally limit investment maturities to five years or less unless formally approved by the Board of Directors. Revenue bonds of U.S. local governments, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

As of June 30, 2021, the School had the following investments:

Investments	Maturity	Amount
Local Government Investment Pool (CSAFE)	Less than 1 Year	\$ 591,281

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

CSAFE

At June 30, 2021, the School had invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by State statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share value at \$1.00.

At June 30, 2021, cash deposits and investments consisted of the following:

Cash Deposits	\$ 1,392,022
Restricted Cash Deposits	1,853,292
Investments	<u>591,281</u>
Total	<u>\$ 3,836,595</u>

The amount of \$1,853,292 of the total cash balance is restricted, per the Series 2019 revenue bond agreement.

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School's investment in CSAFE as of June 30, 2021, is measured at amortized cost and is therefore not categorized in a level of the fair value hierarchy.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, Not Depreciated:				
Construction in Process	\$ 3,757,211	\$ 8,334,774	\$ -	\$ 12,091,985
Capital Assets, Being Depreciated:				
Computer Equipment	57,131	-	19,164	37,967
Furniture and Equipment	24,840	-	-	24,840
Modular Building	105,930	-	105,930	-
Leasehold Improvements	645,119	-	-	645,119
Vehicles	425,030	57,244	44,990	437,284
Total Capital Assets, Being Depreciated	1,258,050	57,244	170,084	1,145,210
Accumulated Depreciation:				
Computer Equipment	(57,131)	-	(19,164)	(37,967)
Furniture and Equipment	(24,840)	-	-	(24,840)
Modular Building	(93,493)	(5,991)	(99,484)	-
Leasehold Improvements	(519,513)	(79,209)	-	(598,722)
Vehicles	(310,486)	(51,713)	(44,990)	(317,209)
Total Accumulated Depreciation	(1,005,463)	(136,913)	(163,638)	(978,738)
Total Capital Assets, Being Depreciated, Net	252,587	(79,669)	6,446	166,472
Total Assets	<u>\$ 4,009,798</u>	<u>\$ 8,255,105</u>	<u>\$ 6,446</u>	<u>\$ 12,258,457</u>

All depreciation expense is charged to the Instructional function/program.

NOTE 5 ACCRUED SALARIES AND BENEFITS

Salaries of employees of the School are paid monthly in the month subsequent to the month earned. The salaries and benefits earned, but unpaid, at June 30, 2021 are \$128,624. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

NOTE 6 OPERATING LEASE

The School leases operating facilities (land and building) from Denver Public Schools under a 22-year lease, which expires October 31, 2022. The lease requires semi-annual payments of \$75,000 (\$150,000 annually), payable on the first day of November and May each year. Subsequent to June 30, 2019, the lease was extended through October 31, 2050. Beginning November 2023, the lease payments will increase 1% annually.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 OPERATING LEASE (CONTINUED)

During the year ended June 30, 2021, the School paid Denver Public Schools \$150,000. Due to the timing of the School's required semiannual payments, \$50,000 of the above-described lease payment was considered by the School to be prepaid rent as of June 30, 2021.

Total operating facilities rental expense for the year ended June 30, 2021, amounted to \$150,000.

The future minimum lease payments for the lease, as amended subsequent to June 30, 2020, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 150,000
2023	150,000
2024	151,500
2025	153,015
2026	154,545
2027 to 2031	796,219
2032 to 2036	836,834
2037 to 2041	879,521
2042 to 2046	924,385
2047 to 2050	773,345
Total	<u>\$ 4,969,365</u>

NOTE 7 INTERFUND TRANSFER

During the year ended June 30, 2021, the General Fund transferred \$354,150 to the Building Fund to meet debt obligations of the Series 2019 Bond. The remaining transfers of \$17,866 were made from the General Fund to the Building Fund to cover capital expenditures incurred by the Building Fund which did not relate to the BEST Grant building project.

NOTE 8 LONG TERM OBLIGATIONS

The changes in long-term debt for the year ended June 30, 2021, are as follows:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion</u>
Governmental Activities:					
Revenue Bonds:					
Series 2019 Bonds	\$ 7,310,000	\$ -	\$ -	\$ 7,310,000	\$ 100,000
Bond Premium	660,834	-	33,522	627,312	33,522
Total	<u>\$ 7,970,834</u>	<u>\$ -</u>	<u>\$ 33,522</u>	<u>\$ 7,937,312</u>	<u>\$ 133,522</u>

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 LONG TERM OBLIGATIONS (CONTINUED)

On October 8, 2019, RMSEL issued \$7,310,000 Colorado Educational and Cultural Facilities Authority (CECFA) Revenue Bonds Series 2019. The Bonds have a 4.00% interest rate. Principal payments are due annually on March 1 beginning in 2022 and running through 2050. The Bonds serve as a portion of the School's match on the BEST grant program, where the School was awarded approximately \$4.4 million of BEST grant funds to expand the current RMSEL facility.

The following schedule reflects the debt service requirements to maturity for the School's revenue bonded debt at June 30, 2021:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 100,000	\$ 354,150	\$ 454,150
2023	130,000	350,150	480,150
2024	135,000	344,950	479,950
2025	140,000	339,550	479,550
2026	150,000	333,950	483,950
2027 to 2031	835,000	1,573,800	2,408,800
2032 to 2036	1,050,000	1,355,000	2,405,000
2037 to 2041	1,345,000	1,064,250	2,409,250
2042 to 2046	1,720,000	693,000	2,413,000
2047 to 2051	1,705,000	218,500	1,923,500
Total	<u>\$ 7,310,000</u>	<u>\$ 6,627,300</u>	<u>\$ 13,937,300</u>

NOTE 9 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions

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 the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 (CAFR) that can be obtained at:

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

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided as of December 31, 2020 (Continued)

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. 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% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership after January 1, 2007, will receive the lessor of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% 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% based on the parameters specified C.R.S. § 24-51-413.

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

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contribution Provisions as of June 30, 2021

Eligible employees, 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% 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:

	July 1, 2020, through June 30, 2021
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 the SCHDTF*	9.88
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411*	4.50
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411*	5.50
Total Employer Contribution Rate to the SCHDTF*	29.76 %

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

As specified in C.R.S. § 24-51-413, the state is required to contribute \$225 million (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 \$343,413 for the year ended June 30, 2021.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

**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 0%. 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 \$5,051,049 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 School were as follows:

School's Proportionate Share of the Net Pension Liability	\$	5,051,049
State's Proportionate Share of the Net Pension Liability		
Associated with the School		-
Total	<u>\$</u>	<u>-</u>

At December 31, 2020, the School's proportion was 0.0334108631% which was an increase of 0.0027617523 from its proportion measured as of December 31, 2019.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2021, the School recognized pension expense of \$1,803,527 and revenue of \$-0- for support from the state as a nonemployer contributing entity. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 277,530	\$ -
Changes of Assumptions or Other Inputs	485,895	849,039
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,111,851
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	442,272	537,279
Contributions Subsequent to the Measurement Date	180,120	-
Total	<u>\$ 1,385,817</u>	<u>\$ 2,498,169</u>

The amount of \$180,120 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:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ (1,135,320)
2023	157,147
2024	(138,897)
2025	(175,402)
2026	-
Thereafter	-
Total	<u>\$ (1,292,472)</u>

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, including Wage Inflation	3.40 to 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, including Price Inflation	7.25%
Discount Rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.25% Compounded Annually
PERA Benefit Structure Hired After December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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.

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

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

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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 PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by the 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	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, including Wage Inflation	3.50% to 9.70%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, including Price Inflation	7.25%
Discount Rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.25% Compounded Annually
PERA Benefit Structure Hired After December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Postretirement 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.

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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

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

The 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 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% per year to 2.30% per year.
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50% per year to 3.00% 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 percentages and then adding expected inflation.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (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 the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future Plan members not financed by their member contributions.
- As specified in law, the State, as a nonexplorer 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 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 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 projection test indicates the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond index rate and, therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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%, 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%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 6,890,044	\$ 5,051,049	\$ 3,518,559

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

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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, and additions to / deductions from the fiduciary net position 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.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

Contributions

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan

Contributions (Continued)

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 \$17,620 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 \$183,800 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 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 proportion was 0.0193428089%, which was a decrease of 0.0006925964 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the School recognized OPEB expense of \$30,054. 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	\$ 488	\$ 40,408
Changes of Assumptions or Other Inputs	1,373	11,270
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	7,510
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions Contributions Subsequent to the Measurement Date	-	29,143
	9,242	-
Total	<u>\$ 11,103</u>	<u>\$ 88,331</u>

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

\$9,242 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (20,897)
2023	(19,846)
2024	(20,518)
2025	(18,217)
2026	(6,579)
Thereafter	(413)
Total	<u>\$ (86,470)</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 Increases, including Wage Inflation	3.50% in the Aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, including Price Inflation	7.25%
Discount Rate	7.25%
Health Care Cost Trend Rates	
Service-Based Premium Subsidy	0.00%
PERACare Medicare Plans	8.10% in 2020, Gradually Decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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 are assumed for 2020 for the PERA Benefit Structure:

	<u>Initial Costs for Members without Medicare Part A</u>		
	<u>Monthly Cost</u>	<u>Monthly Premium</u>	<u>Monthly Cost Adjusted to Age 65</u>
Medicare Advantage/ Self-Insured Prescription	\$ 562	\$ 227	\$ 550
Kaiser Permanente Medicare Advantage HMO	571	232	586

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 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.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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% factor applied to male rates and a 55% 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:

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

The mortality assumption for disabled retirees was based on 90% 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 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.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
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% to 10.90%	3.40% to 11.00%	3.20% to 11.30%	2.80% to 5.30%
State Troopers	3.20% to 12.40%	N/A	3.20% to 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.

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

Post-retirement non-disabled 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.

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

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

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% 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 capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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% per year to 2.30% per year.
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50% per year to 3.00% 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 percentages and then adding expected inflation.

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

<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	<u>100.00 %</u>	

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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%.

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 1% lower or 1% 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 %
Proportionate Share of the Net OPEB Liability	<u>\$ 179,050</u>	<u>\$ 183,800</u>	<u>\$ 189,331</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied for 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 December 31, 2020, measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future Plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Discount Rate (Continued)

- 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 indented 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 projection test indicates 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% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate and, therefore, the discount rate is 7.25%.

Sensitivity of the 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%, 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% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 210,546	\$ 183,800	\$ 160,948

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

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the state of Colorado and all local governments.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

The School does not believe itself to be subject to the requirements of TABOR as the School has been established by intergovernmental agreement by Cherry Creek Schools, Denver Public Schools, Douglas County Schools, Littleton Public Schools and Aurora Public Schools and it receives no direct tax dollars and has no power to tax. TABOR is applied to the school districts, which have formed the School. The School receives an allocation of per pupil funding from Denver Public Schools for each pupil admitted to the School from the sponsoring districts. TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of what organizations may be subject to TABOR may require judicial interpretation.

NOTE 12 RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters.

The School is a member of the Colorado School Districts Self-Insurance Pool (Colorado Pool), which was established by the Colorado Association of School Boards. The Colorado Pool is a public entity risk pool currently operating as a common risk management and insurance program.

The School pays an annual premium to the Colorado Pool for its property, casualty and liability insurance coverage. In the event aggregated losses incurred by the Colorado Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Colorado Pool, the Colorado Pool may require additional contributions from the Colorado Pool members. Any excess funds which the Colorado Pool determines are not needed for purposes of the Colorado Pool may be returned to the members pursuant to a distribution formula.

The Colorado Pool retains liability losses up to \$750,000 per occurrence and purchases insurance coverage of up to \$9,250,000 per occurrence in excess of the Colorado Pool's retention depending on the type of liability loss. The Colorado Pool property insurance policy provides limits up to \$1,000,000,000 per occurrence subject to the Colorado Pool's retention of \$18,500,000 per occurrence and an annual aggregate of \$18,500,000. Flood and earthquake coverage provided by the Colorado Pool has annual aggregate limits of \$100,000,000.

The School continues to carry commercial insurance coverage for other risks of loss including workers compensation and employee health and accident insurance. Settled claims have not exceeded any coverage in any of the past three fiscal years.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 INTERGOVERNMENTAL AGREEMENT

Effective July 1, 2017, through June 30, 2022, the School entered into an agreement with the member districts for the operation of an expeditionary learning school. According to the agreement, student admissions are up to the following for each district, not to exceed 400: Denver Public Schools – 200 FTE; Cherry Creek Schools – 110 FTE; Douglas County Schools – 50 FTE; Littleton Public Schools – 40 FTE; and Aurora Public Schools – 40 FTE. In the event a district does not fill its allocation, students from another district shall be eligible for admission with the concurrence of their district of residence.

Funding for the School is provided in the amount of one hundred% (100%) of member Denver Public Schools' per-pupil revenue (PPR) for each pupil admitted to the School, up to a maximum of 400 students.

Denver Public Schools makes a distribution to the School on or about July 15 (25% of the total), with the remaining 75% paid on or about the 15th of the month in October through June, less any adjustments or rescissions from the Colorado Department of Education.

REQUIRED SUPPLEMENTARY INFORMATION

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Per Pupil Operating Revenue	\$ 3,060,353	\$ 3,238,001	\$ 3,240,820	\$ 2,819
State BOCES Funding	201,186	204,216	204,216	-
Fee Income	463,200	452,360	421,297	(31,063)
Grant Revenue	-	25,000	25,000	-
School Based Fundraising	12,530	12,580	12,773	193
Parent Based Fundraising	69,150	69,150	108,774	39,624
After School Program	33,000	-	-	-
Facility Use Rental	8,000	8,000	2,206	(5,794)
Net Investment Earnings	10,000	850	854	4
Miscellaneous	5,000	13,000	15,690	2,690
Total Revenues	<u>3,862,420</u>	<u>4,023,157</u>	<u>4,031,630</u>	<u>8,473</u>
EXPENDITURES				
Payroll and Benefits:				
Instructional	1,575,328	1,472,964	1,438,489	34,475
Support Services	888,681	866,416	856,450	9,966
Fieldwork	252,336	228,940	155,372	73,568
Professional Development	14,200	14,200	1,984	12,216
Special Education Fees	247,713	239,250	250,155	(10,905)
Supplies and Materials	198,880	207,188	148,272	58,916
Administrative	282,306	606,723	196,626	410,097
Vehicle Expense	58,553	58,553	27,476	31,077
Technology	23,160	24,461	24,509	(48)
Fundraising Costs	37,900	36,800	14,789	22,011
After School Program	31,500	-	-	-
Building Lease	150,000	150,000	150,000	-
Facility Maintenance	177,050	189,850	167,683	22,167
Capital Expenditures	424,813	427,813	162,704	265,109
Total Expenditures	<u>4,362,420</u>	<u>4,523,157</u>	<u>3,594,509</u>	<u>928,648</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(500,000)	(500,000)	437,121	(920,175)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	-	12,681	12,681
Proceeds from Sale of Capital Assets	-	-	20,000	20,000
Transfer Out	-	-	(372,016)	372,016
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(339,335)</u>	<u>404,697</u>
NET CHANGES IN FUND BALANCES	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	97,786	<u>\$ 937,121</u>
Fund Balance - Beginning of Year			<u>1,688,282</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,786,068</u>	

See accompanying Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS***

NOTE 1 BASIS OF ACCOUNTING

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) using the modified accrual basis of accounting.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets are required by state statutes for all funds. The School adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- Management submits to the Board of Cooperative Educational Services a proposed General Fund budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Prior to June 30, the budget is adopted by the Board of Cooperative Educational Services.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Cooperative Educational Services.
- All budgets lapse at fiscal year-end.
- There was no legally adopted budget for the Building Fund for the fiscal year ended June 30, 2021.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's Proportion (Percentage) of the Collective Net Pension Liability	0.0334108631 %	0.0306491110 %	0.0335415116 %	0.0394411014 %	0.0400684539 %	0.0394925832 %	0.0404203481 %	0.0420701317 %
School's Proportionate Share of the Collective Pension Liability	\$ 5,051,049	\$ 4,578,911	\$ 5,939,214	\$ 12,753,850	\$ 11,929,928	\$ 6,040,112	\$ 5,478,315	\$ 5,366,034
State's Proportionate Share of the Net Pension Liability	-	580,776	812,105	-	-	-	-	-
Total	<u>\$ 5,051,049</u>	<u>\$ 5,159,687</u>	<u>\$ 6,751,319</u>	<u>\$ 12,753,850</u>	<u>\$ 11,929,928</u>	<u>\$ 6,040,112</u>	<u>\$ 5,478,315</u>	<u>\$ 5,366,034</u>
Covered Payroll	\$ 1,788,718	\$ 1,817,182	\$ 1,858,750	\$ 1,819,371	\$ 1,798,344	\$ 1,721,078	\$ 1,693,323	\$ 1,695,981
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	282.38 %	251.98 %	319.53 %	701.00 %	663.38 %	350.95 %	323.52 %	316.40 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.99 %	64.50 %	57.01 %	43.96 %	43.13 %	59.16 %	62.80 %	64.06 %

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST 10 FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily Required Contributions	\$ 343,413	\$ 356,384	\$ 353,031	\$ 346,294	\$ 339,353	\$ 313,050	\$ 286,644	\$ 270,031	\$ 258,749	\$ 229,647
Contributions in Relation to the Statutorily Required Contribution	<u>343,413</u>	<u>356,384</u>	<u>353,031</u>	<u>346,294</u>	<u>339,353</u>	<u>313,050</u>	<u>286,644</u>	<u>270,031</u>	<u>258,749</u>	<u>229,647</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,727,429	\$ 1,838,926	\$ 1,845,433	\$ 1,833,060	\$ 1,845,708	\$ 1,764,956	\$ 1,697,858	\$ 1,689,544	\$ 1,715,966	\$ 1,511,020
Contribution as a Percentage of Covered Payroll	19.88 %	19.38 %	19.13 %	18.89 %	18.39 %	17.74 %	16.88 %	15.98 %	15.08 %	15.20 %

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
SCHEDULE OF THE SCHOOL'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS**

	2021	2020	2019	2018	2017
School's Proportion (Percentage) of the Collective Net OPEB Liability	0.0193428089 %	0.0200354053 %	0.0218021637 %	0.0224102735 %	0.0227753907 %
School's Proportionate Share of the Collective OPEB Liability	\$ 183,800	\$ 225,198	\$ 296,628	\$ 291,244	\$ 295,291
Covered Payroll	\$ 1,788,718	\$ 1,817,182	\$ 1,858,750	\$ 1,819,371	\$ 1,798,344
School's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	10.28 %	12.39 %	15.96 %	16.01 %	16.42 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.78 %	24.49 %	17.03 %	17.53 %	16.72 %

The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2018 was not available.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
LAST 10 FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily Required Contributions	\$ 17,620	\$ 18,757	\$ 18,823	\$ 18,697	\$ 18,826	\$ 18,003	\$ 17,318	\$ 17,233	\$ 17,503	\$ 15,412
Contributions in Relation to the Statutorily Required Contribution	<u>17,620</u>	<u>18,757</u>	<u>18,823</u>	<u>18,697</u>	<u>18,826</u>	<u>18,003</u>	<u>17,318</u>	<u>17,233</u>	<u>17,503</u>	<u>15,412</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,727,429	\$ 1,838,926	\$ 1,845,433	\$ 1,833,060	\$ 1,845,708	\$ 1,764,956	\$ 1,697,858	\$ 1,689,544	\$ 1,715,966	\$ 1,511,020
Contribution as a Percentage of Covered Payroll	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %

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

SUPPLEMENTARY INFORMATION



Colorado Department of Education
Auditors Integrity Report
 District: 9130 - Expeditionary BOCES
 Fiscal Year 2020-21
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	1,688,280	3,692,294	3,594,509	1,786,066
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	1,688,280	3,692,294	3,594,509	1,786,066
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	5,786,127	3,850,786	8,594,907	1,042,006
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	7,474,407	7,543,080	12,189,416	2,828,072
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

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