ROCKY MOUNTAIN PREPARATORY SCHOOLS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

COMPRISED OF:

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

ROCKY MOUNTAIN PREPARATORY SCHOOLS
ROSTER OF SCHOOL OFFICIALS
YEAR ENDED JUNE 30, 2022

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Bridget Tiebout	Principal, Rocky Mountain Preparatory Southwest
Julieta Garcia-Vicente	Principal, Rocky Mountain Preparatory Fletcher

ROCKY MOUNTAIN PREPARATORY SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

ROCKY MOUNTAIN PREPARATORY SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rocky Mountain Preparatory Schools
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Rocky Mountain Preparatory Schools (the School or RMPS) as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents. We also have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of RMP – Denver (a component unit of School District Number 1 in the City and County of Denver and State of Colorado (Denver Public Schools or DPS), and the governmental activities and major fund of the RMP – Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado (APS), presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying individual financial statements as of and for the year ended June 30, 2022, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Rocky Mountain Preparatory Schools as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of RMP – Denver and the governmental activities and major fund of the RMP – Aurora as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the School's proportionate share of the net pension liability, schedule of the school's contributions, the schedule of changes in net OPEB liability and schedule of school contributions, and the schedules of revenues, expenditures, and changes in fund balance – general fund – budget to actual – RMPS be presented to supplement the basic financial statements. Such information, although not a part of the 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.

Supplementary Information

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

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

Board of Directors
Rocky Mountain Preparatory Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 27, 2022 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 27, 2022

This section of the Rocky Mountain Preparatory Schools (the School) annual financial report presents our discussion and analysis of the School's financial performance for the fiscal year ended June 30, 2022. Please read it in conjunction with the audited financial statements, which immediately follow this section**.**

Financial Highlights

- As of the close of the current fiscal year, the School's governmental fund reported ending fund balance of $16,952,204.
- The assets of the School's governmental fund comprise primarily of cash of $14,600,595, interfund receivable of $397,242 and accounts receivable of $2,785,192. The liabilities of the School's governmental fund at the close of the fiscal year are $899,705 which is comprised of accounts payable and unearned revenues.
- The School's governmental general fund had revenues of $35,009,595 and expenditures of $34,535,928 for the year ended June 30, 2022 for a change in fund balance of $396,884.
- After adjusting for the School's pension and OPEB assets and liabilities, adjusting for the blending the Building Fund, the School's change in net position was an increase of $2,461,723 for a total net position of $8,429,891.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Government-Wide Financial Analysis

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

	Governmental Activities 2022	Governmental Activities 2021
ASSETS		
Current Assets	$ 18,454,783	$ 17,701,208
Capital Assets	5,660,669	5,750,906
Total Assets	24,115,452	23,452,114
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	7,764,957	13,516,142
Total Deferred Outflows of Resources	7,764,957	13,516,142
LIABILITIES		
Current Liabilities	1,366,107	1,098,899
Noncurrent Liabilities	11,405,018	20,037,019
Total Liabilities	12,771,125	21,135,918
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	10,679,393	9,865,170
Total Deferred Inflows of Resources	10,679,393	9,865,170
NET POSITION		
Net Investment in Capital Assets	650,015	700,906
Restricted For Emergency Reserve - TABOR	1,036,077	846,013
Unrestricted	6,743,799	4,421,249
Total Net Position	$ 8,429,891	$ 5,968,168

The current assets balance is primarily cash and accounts receivable at June 30, 2022 that were due from the State of Colorado. Increases in current assets are the results of expanding the network of schools, contributions of grants to fund that expansion, and the Payroll Protection Program Loan proceeds.

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

Revenues

During this year of the School's operations, the primary source of revenue is Per Pupil Revenue from the State of Colorado, federal funding, private grants, and contributions. These revenues continue to grow as more schools are opening and adding grade levels. The School received a significant amount of additional funding due to the COVID crisis in the current year.

Expenses

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

	Governmental Activities 2022	Governmental Activities 2021
REVENUES		
Per Pupil Revenue and Preschool Funding	$ 17,685,897	$ 16,150,216
Mill Levy Override	4,608,254	5,380,113
Grants and Contributions	9,461,052	6,616,538
All Other Revenue	200,115	3,004,097
Total Revenues	31,955,318	31,150,964
EXPENSES		
Program	21,185,557	21,939,230
Supporting Services	8,051,702	4,929,933
Interest	256,336	256,336
Total Expenses	29,493,595	27,125,499
CHANGES IN NET POSITION	2,461,723	4,025,465
Net Position, Beginning of Year	5,968,168	1,942,703
NET POSITION, END OF YEAR	$ 8,429,891	$ 5,968,168

Fund Financial Analysis

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

Governmental Fund

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

As of the end of the current fiscal year, the School's general fund reported an ending fund balance of $16,952,499.

Capital Assets and Long-Term Debt

The School had capital assets, net of depreciation, of $5,660,669 and related long-term debt of $5,010,654 as of June 30, 2022.

Budgetary Highlights

The School prepares its budget on an activities basis. That is, all expenditures expected to be incurred are accounted for regardless of when they are actually paid. Budgets are managed in accordance with school activities, and therefore revenues and expenses are categorized by accounts and locations aligning with the activities of the schools, which may differ from state and federal categorizations. The analysis below discusses the schools' activities before the allocation of the Network Support Team (NST), which is categorized as a separate location for management purposes and allocated in the financial statements for state reporting purposes.

General Fund Budgetary Highlights

Rocky Mountain Prep's budgeted revenues was $33,118,878 for the year ended June 30, 2022. Actual revenue was $35,009,595. Budgeted expenses were $32,866,395 for the year, and actual expenses were $34,535,928. Revenue exceeded budget primarily to higher grants and contributions and expense exceeded budget primarily due to higher personnel costs.

Lease Asset and Lease Liability

The total lease asset value was deemed not to be material. Management reviewed GASB87 and determined that Rocky Mountain Prep's lease assets and lease liabilities were not material, so they were not included in the financial results.

Economic Factors and Next Year's Budget

The primary factor driving next year's budget is the expenditure of ESSER III federal funding. Rocky Mountain Prep has budgeted the entire $3.9 million allotment for the 22/23 fiscal year.

Contacting the School's Financial Management

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

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION AND GENERAL FUND BALANCE SHEET
JUNE 30, 2022

	General Fund	Adjustments Building Fund	RMP - Denver	RMP - Aurora	Eliminations	Statement of Net Position
ASSETS						
CURRENT ASSETS						
Cash	$13,600,774	$ 999,821	$ -	$ -	$ -	$14,600,595
Cash Held for TABOR	1,036,077	-	-	-	-	1,036,077
Interfund Receivables	397,242	-	-	-	(397,242)	-
Prepaid Items	32,919	-	-	-	-	32,919
Accounts Receivable	2,785,192	-	-	-	-	2,785,192
Total Current Assets	17,852,204	999,821	-	-	(397,242)	18,454,783
NONCURRENT ASSETS						
Capital Assets Not Being Depreciated	-	3,940,000	-	-	-	3,940,000
Capital Assets Being Depreciated, Net	-	1,578,833	141,836	-	-	1,720,669
Total Assets	$17,852,204	6,518,654	141,836	-	(397,242)	24,115,452
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources - OPEB	-	-	125,356	279,961	-	405,317
Deferred Outflows of Resources - Pensions	-	-	3,815,297	3,544,343	-	7,359,640
Total Deferred Outflows of Resources	-	-	3,940,653	3,824,304	-	7,764,957
LIABILITIES AND FUND BALANCE/NET POSITION						
CURRENT LIABILITIES						
Accounts Payable	$ 900,694	68,340	-	-	-	969,034
Interfund Payable	-	397,242	-	-	(397,242)	-
Long-Term Debt - Due Within One Year	-	398,062	-	-	-	398,062
Unearned Revenues	(989)	-	-	-	-	(989)
Total Current Liabilities	899,705	863,644	-	-	(397,242)	1,366,107
NONCURRENT LIABILITIES						
Long-Term Debt - Due After One Year	-	4,612,592	-	-	-	4,612,592
Net OPEB Liabilities	-	-	135,255	304,450	-	439,705
Net Pension Liabilities	-	-	59,872	6,292,849	-	6,352,721
Total Noncurrent Liabilities	-	4,612,592	195,127	6,597,299	-	11,405,018
Total Liabilities	899,705	5,476,236	195,127	6,597,299	(397,242)	12,771,125
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources - OPEB	-	-	178,309	103,689	-	281,998
Deferred Inflows of Resources - Pensions	-	-	7,432,933	2,964,462	-	10,397,395
Total Deferred Inflows of Resources	-	-	7,611,242	3,068,151	-	10,679,393
FUND BALANCE						
Nonspendable	32,919	-	(23,107)	(9,812)		-
Restricted For Emergency Reserve - TABOR	1,036,077	-	(730,963)	(305,114)	-	-
Unassigned	15,883,503	-	(11,052,045)	(4,831,458)	-	-
Total Fund Balance	16,952,499	-	(11,806,115)	(5,146,384)	-	-
Total Liabilities and Fund Balance	$17,852,204					
NET POSITION						
Net Investment in Capital Assets		508,179	141,836	-		650,015
Restricted For Emergency Reserve - TABOR		-	730,963	305,114		1,036,077
Unrestricted		534,239	7,209,436	(999,876)		6,743,799
Total Net Position		$ 1,042,418	$ 8,082,235	$ (694,762)		$ 8,429,891

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2022

	General Fund	Adjustments: Building Fund	Adjustments: RMP - Denver	Adjustments: RMP - Aurora	Eliminations	Statement of Activities
REVENUES						
General Revenues:						
Per Pupil Revenue and Preschool Funding	$17,685,897	$ -	$ -	$ -	$ -	$17,685,897
Mill Levy Override	4,608,254	-	-	-	-	4,608,254
Program Revenues:						
Federal Revenue	4,749,486	-	-	-	-	4,749,486
Other State	3,518,423	-	-	-	-	3,518,423
Private Grants and Contributions	1,193,143	-	-	-	-	1,193,143
Investment Income	15,266	-	-	-	-	15,266
NST Management Fee	3,088,977	-	-	-	(3,088,977)	-
All Other Local Revenues	150,149	309,686	-	-	(274,986)	184,849
Total Revenues	35,009,595	309,686	-	-	(3,363,963)	31,955,318
EXPENDITURES/EXPENSES						
Program	23,095,249	77,804	(1,975,320)	262,810	(274,986)	21,185,557
Supporting Services	11,140,679	-	-	-	(3,088,977)	8,051,702
Debt Service - Principal	300,000	-	(212,097)	(87,903)	-	-
Debt Service - Interest	-	256,336	-	-	-	256,336
Total Expenditures/Expenses	34,535,928	334,140	(2,187,417)	174,907	(3,363,963)	29,493,595
CHANGE IN FUND BALANCE/NET POSITION	473,667	(24,454)	2,187,417	(174,907)	-	2,461,723
Fund Balance/Net Position - July 1, 2021	16,478,832	1,066,872	(5,911,297)	(5,666,239)	-	5,968,168
FUND BALANCE/NET POSITION - JUNE 30, 2022	$16,952,499	$ 1,042,418	$ (3,723,880)	$ (5,841,146)	$ -	$ 8,429,891

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION – PROPRIETARY FUND TYPES
JUNE 30, 2022

	Governmental Activities
	Internal Service Fund - Building Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 999,821
Total Current Assets	999,821
NONCURRENT ASSETS	
Capital Assets Not Being Depreciated	3,940,000
Capital Assets Being Depreciated, Net	1,578,833
Total Assets	$ 6,518,654
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	$ 68,340
Interfund Payable	397,242
Long-Term Debt - Due Within One Year	398,062
Total Current Liabilities	863,644
NONCURRENT LIABILITIES	
Long-Term Debt - Due After One Year	4,612,592
Total Noncurrent Liabilities	4,612,592
Total Liabilities	5,476,236
NET POSITION	
Net Investment in Capital Assets	508,179
Unrestricted	534,239
Total Net Position	$ 1,042,418

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2022

	Governmental Activities Internal Service Fund - Building Fund
OPERATING REVENUES	
Rent	$ 309,686
Total Operating Revenues	309,686
OPERATING EXPENSES	
Interest	257,640
Depreciation	76,500
Total Operating Expenses	334,140
NET LOSS	(24,454)
Net Position - July 1, 2021	1,066,872
NET POSITION - JUNE 30, 2022	$ 1,042,418

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF CASH FLOWS – PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2022

	Governmental Activities
	Internal Service Fund - Building Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Rental Operations	$ 312,876
Net Cash Provided by Operating Activities	312,876
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Repayment of Debt	(39,346)
Interest	(235,690)
Net Cash Used by Financing Activities	(772,722)
NET DECREASE IN CASH	(459,846)
Cash - July 1, 2021	1,459,667
CASH - JUNE 30, 2022	$ 999,821
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (24,454)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	76,500
Interest	257,640
Changes in Assets and Liabilities:	
Accounts Receivable	3,190
Total Adjustments	337,330
Net Cash Provided by Operating Activities	$ 312,876

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Reporting Entity

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

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

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

- The Building Corporation – The purpose of the Corporation is to provide a mechanism to issue and pay debt on behalf of the School and RMP – Denver. The Corporation is considered to be part of the School and RMP – Denver for financial reporting purposes because its resources are entirely for the direct benefit of the School and RMP – Denver and is blended into the School's and RMP – Denver's financial statements as an internal service fund. The Building Corporation does not issue separate financial statements.

Accounting Policies

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

Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Governmental Fund Financial Statements

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

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

Internal Service Fund Financial Statements

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

Cash and Cash Equivalents

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

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

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

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

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items. In the governmental fund balance sheet, there is a nonspendable fund balance equal to the amount of prepaid items, as these amounts are not available for expenditure.

Capital Assets

Capital assets are those purchased or acquired with an original cost of $5,000 or more and are reported at acquisition cost or estimated acquisition cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all capital assets is provided on a straight-line basis over the estimated useful lives of the capital assets. Leasehold improvements are depreciated over 15 years and buildings are depreciated over 40 years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows / Inflows of Resources

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

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

Revenues

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

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

Unearned Revenue

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

Fund Balances

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

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

Net Position

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

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

When an expense is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to $225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the School by the State of Colorado totaled $325,447.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The School determines if an arrangement is a lease at inception.

Lease assets represent the School's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the School's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The School accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the School treats the components as a single lease unit.

At June 30, 2022 there were no lease assets and lease liabilities in the statements of net position.

Budgets and Budgetary Accounting

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

Use of Estimates

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

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

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

The differences are described below:

	RMP - Denver	RMP - Aurora	Total
Fund Balance - June 30, 2022	$ 11,806,115	$ 5,146,384	$ 16,952,499
Capital assets in governmental activities are not financial resources and, therefore, are not reported as assets in the general fund.	141,836	-	141,836
Net Position in Internal Service Funds	1,042,418	-	1,042,418
In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods.	(3,670,589)	756,153	(2,914,436)
Long-term net pension and OPEB liabilities are not due due and payable in the current period and, therefore, are not reported as liabilities in the general fund.	(195,127)	(6,597,299)	(6,792,426)
Net Position - June 30, 2022	$ 9,124,653	$ (694,762)	$ 8,429,891

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

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

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

The differences are described below:

	RMP - Denver	RMP - Aurora	Total
Net Change in Fund Balance - Year Ended June 30, 2022	$ (188,476)	$ 662,143	$ 473,667
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense (depreciation).	(13,737)	-	(13,737)
Repayment of long-term debt is not reported as debt service in governmental funds, but the forgiveness of debt reduces long-term liabilities in the statement of position and is recorded as revenue.	212,097	87,903	300,000
Internal Service Funds Change in Net Position	(24,454)	-	(24,454)
In governmental funds, pension and OPEB costs are recognized when the employer contribution is made, but in the statement of activities, pension costs are recognized on the accrual basis.	1,989,057	(262,810)	1,726,247
Change in Net Position - Year Ended June 30, 2022	$ 1,974,487	$ 487,236	$ 2,461,723

NOTE 4 CASH AND EQUIVALENTS

Reserved Cash

Cash in the amount of $1,036,077 as of June 30, 2022, is reserved to comply with provisions of the TABOR amendment.

Custodial Credit Risk

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

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable primarily consist of funds due from various governmental units. Management believes all of these amounts are collectible, therefore no provisions for uncollectible accounts were recorded. As of June 30, 2022, all amounts are considered collectible within one year.

NOTE 6 CAPITAL ASSETS AND DEPRECIATION

Capital assets and depreciation consisted of the following:

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022
Capital Assets Not Being Depreciated:				
Land	$ 3,940,000	$ -	$ -	$ 3,940,000
Capital Assets Being Depreciated:				
Facilities Improvements	2,147,905	-	-	2,147,905
Less: Accumulated Depreciation	(337,000)	(90,237)	-	(427,237)
Total Capital Assets being Depreciated, Net	1,810,905	(90,237)	-	1,720,668
Total Capital Assets, Net	$ 5,750,905	$ (90,237)	$ -	$ 5,660,668

Depreciation expense was $90,237 for the year ended June 30, 2022. Depreciation expense of $13,737 was program expense in the general fund and $76,500 was program expense in the building fund.

NOTE 7 RISK MANAGEMENT

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

NOTE 8 EMPLOYEE BENEFIT PLANS

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Plan Description

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

Benefits Provided

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Benefits Provided (Continued)

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive postretirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients of the DPS benefit structure, and eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the DPS Division. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Contributions

Eligible employees of the School are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 10% of their PERA-includable salary period of July 1, 2021 through June 30, 2022 are required to contribute to the DPS Division at a rate set by Colorado Statute. The employer contribution requirements are summarized in the table below:

	7/1/21 to 12/31/2021	1/1/22 to 6/30/2022
Employer Contribution Rate[1]	10.90%	10.90%
Amount of Employee Contribution Apportioned to the DPS Health Care Trust Fund as Specified in C.R.S. 24-51-208(1)(f)[1]	(1.02)%	(1.02)%
PCOP Offset as Specified in C.R.S. 24-51-412[1]	(12.09)%	(11.47)%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. 24-51-411[1]	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-4111	5.50%	5.50%
Total Employer Contribution Rate to the DPS[1]	7.79%	8.41%

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

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division for the year ended June 30, 2022 from the NST and Creekside, Southwest, and Berkeley locations were $473,054, $211,513, and $161,644, respectively.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPS Division and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. In addition to the $225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of $380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Contributions

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

	2021
Employer Contribution Rate[1]	10.90%
Amount of Employee Contribution Apportioned to the DPS Health Care Trust Fund as Specified in C.R.S. 24-51-208(1)(f)[1]	(1.02)%
Amount Apportioned	9.88%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. 24-51-411[1]	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. 24-51-411[1]	5.50%
Total Employer Contribution Rate to the School Division[1]	19.88%

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

Employer contributions are recognized by the School Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the School Division from the Fletcher location were $671,842 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the School Division and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the School Division based on the proportionate amount of annual payroll of the School Division, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the $225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of $380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

The net pension liability for the DPS Division and the School Division was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The School proportion of the net pension liability was based on the School contributions to the plans for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the NST and Creekside location reported a total liability of $33,470 for its proportionate share of the net pension liability, the Southwest location reported a total liability of $14,965, the Berkeley location reported a total liability of $11,437, and the Fletcher location reported a total liability of $6,292,849.

At June 30, 2022, the School reported a total liability of $7,091,692 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

	RMP - Denver	RMP - Aurora	Total
School's Proportionate Share of the Net Pension Liability (Assets)	$ 59,872	$ 6,292,849	$ 6,352,721
State's Proportionate Share of the Net Pension Liability (Assets)	17,576	721,395	738,971
Total	$ 77,448	$ 7,014,244	$ 7,091,692

NOTE 8 EMPLOYEE BENEFIT PLANS (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, 2022, the School recognized pension expense for DPS Division and the School Division for support from the State as a nonemployer contributing entity as follows:

	RMP - Denver	RMP - Aurora	Total
Pension Expense	$ (1,498,564)	$ 560,224	$ (938,340)
Revenue from Support Provided by the State	$ 767,283	$ 249,467	$ 1,016,750

At December 31, 2021, the NST and Creekside location's proportion was 0.561% representing a decrease of .117%, the Southwest location's proportion was 0.251% representing a decrease of .087%, the Berkeley location's proportion was 0.192% representing a decrease of .042%, and the Fletcher location's proportion was 0.054% representing a decrease of .005%.

At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	NST and Creekside RMP - Denver		Southwest RMP - Denver		Berkeley RMP - Denver		Fletcher RMP - Aurora	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 285,785	$ -	$ 127,781	$ -	$ 97,653	$ -	$ 240,915	$ -
Changes of Assumptions	348,957	-	156,027	-	119,239	-	480,412	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	3,270,314	-	1,462,231	-	1,117,472	-	2,365,923
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	1,057,111	802,463	667,627	515,953	576,263	225,287	2,538,854	594,678
Contribution Subsequent to the Measurement Date	242,182	-	104,743	-	88,826	-	334,027	-
Total	$ 1,934,035	$ 4,072,777	$ 1,056,178	$ 1,978,184	$ 881,981	$ 1,342,759	$ 3,594,208	$ 2,960,601

$242,182 for the NST and Creekside location, $104,7436 for the Southwest location, $88,826 for the Berkeley location, and $334,027 for the Fletcher location were reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, and will therefore be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

Year Ending June 30,	NST/Creekside RMP - Denver	Southwest RMP - Denver	Berkeley RMP - Denver	Fletcher RMP - Aurora
2023	$ (307,081)	$ (62,185)	$ 134,506	$ 1,379,215
2024	(745,533)	(319,438)	(227,500)	(145,141)
2025	(933,858)	(468,758)	(321,825)	(647,322)
2026	(394,452)	(176,368)	(134,785)	(287,172)
2027	-	-	-	-
Thereafter	-	-	-	-

DPS Division Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following 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	3.80% to 11.50%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (Automatic)	1.00%, compounded annually
PERA Benefit Structure Hired After 12/31/06	Financed by the Annual Increase Reserve

The total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

Postretirement 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.

- 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.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Actuarial Assumptions (Continued)

Postretirement 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 actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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:

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 %	

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Actuarial Assumptions (Continued)

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

School Division Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following 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%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (Automatic)	1.25%, compounded annually
PERA Benefit Structure Hired After 12/31/06 (ad hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

Postretirement 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.
- 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.

Postretirement 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.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Actuarial Assumptions (Continued)

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 actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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:

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 %	

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions for the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- 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.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Discount Rate (Continued)

- 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.

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the DPS Division'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 TPL. The discount rate 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.

School Division Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Discount Rate (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- 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.

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

NOTE 8 EMPLOYEE BENEFIT PLANS (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% for both the DPS Division and School Division, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

NST and Creekside - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability (Asset)	$ 3,227,024	$ 33,470	$ (2,603,369)

Southwest - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability (Asset)	$ 1,442,875	$ 14,965	$ (1,164,025)

Berkeley - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability (Asset)	$ 1,102,680	$ 11,437	$ (889,576)

Fletcher - RMP - Aurora	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability	$ 9,262,560	$ 6,292,849	$ 3,814,737

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at:

www.copera.org/investments/pera-financial-reports.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Other Postemployment Benefits – Health Care Trust Funds

Summary of Significant Accounting Policies

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

General Information About the OPEB Plans

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

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

General Information About the OPEB Plans (Continued)

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

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

PERA Benefit Structure

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

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

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.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

General Information About the OPEB Plans (Continued)

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

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

Employer contributions are recognized by the HCTF and DPS HCTF in the period in which the compensation becomes payable to the member and the RMPS schools is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF and DPS HCTF from RMP – Denver and RMP – Aurora were $110,800 and $39,081, respectively, for the year ended June 30, 2022.

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

At June 30, 2022, RMP – Denver and RMP – Aurora reported liabilities of $135,255 and $304,450, respectively, for its proportionate share of the net OPEB liabilities. The net OPEB liability for the HCTF and DPS HCTF were measured as of December 31, 2021, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liabilities to December 31, 2021. The RMP – Denver and RMP -Aurora proportions of the net OPEB liabilities were based on their contributions to the HCTF and DPS HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF and DPS HCTF.

At December 31, 2021, the RMP – Denver and RMP – Aurora proportions were 1.286% and 0.035%, respectively, which was an increase of 0.038% and 0.010%, respectively, from its proportion measured as of December 31, 2020.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

For the year ended June 30, 2022, RMP – Denver and RMP – Aurora recognized OPEB expense of $(19,532) and $53,328, respectively. At June 30, 2022, RMP – Denver and RMP – Aurora reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	RMP - Aurora	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 464	$ 72,189
Changes of Assumptions	6,303	16,515
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	18,846
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	206,191	-
Contribution Subsequent to the Measurement Date	17,138	-
Total	$ 230,096	$ 107,550

	RMP - Denver	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 122,731
Changes of Assumptions	12	16,432
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	73,240
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	17,124	5,119
Contribution Subsequent to the Measurement Date	51,323	-
Total	$ 68,459	$ 217,522

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

$68,461 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:

Year Ending June 30,	RMP - Aurora
2023	$ 44,552
2024	31,453
2025	15,955
2026	11,678
2027	1,637
Thereafter	133

Year Ending June 30,	RMP - Denver
2022	$ (47,871)
2023	(54,596)
2024	(46,765)
2025	(30,345)
2026	(15,378)
Thereafter	(5,431)

Actuarial assumptions. The total OPEB liabilities in the December 31, 2020 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	3.80% to 11.50%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure:	
Service-Based Premium Subsidy	0.00%
PERACare Medicare Plans	4.50% in 2021, 6% in 2022, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.75%, for 2021, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-Based Premium Subsidy	0.00%
PERACare Medicare Plans	N/A
Medicare Part A Premiums	N/A

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	$ 633	$ 230	$ 591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is $471 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, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Preretirement 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.

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

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

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

Postretirement 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.

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

Postretirement 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.
- 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.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Postretirement 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.

Postretirement 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 following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- 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 2021 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 PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Several factors 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.

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 %	

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

RMP - Denver	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 135,242	$ 135,255	$ 135,281

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

RMP - Aurora	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Decrease (8.25)%
Proportionate Share of the Net Pension Liability	$ 353,587	$ 304,450	$ 262,479

RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Decrease (8.25)%
Proportionate Share of the Net Pension Liability	$ 216,557	$ 135,255	$ 65,924

OPEB plan fiduciary net position. Detailed information about the HCTF's and DPS – HCTF's fiduciary net position are available in PERA's comprehensive annual financial report which can be obtained at:

www.copera.org/investments/pera-financial-reports

Taxable Pension Certificates of Participation (PCOPs)

The District issued Taxable Pension Certificates of Participation (PCOP) on July 17, 1997 to fully fund the unfunded actuarial accrued liability (UAAL) of the plan. Full funding of the UAAL reduced the employer contribution rate from the full funding rate of 15.75% to the normal cost rate of 4.98%. This rate is based upon actuarially determined contribution requirements, the approval and recommendation of the plan's board and approval of the District's Board of Education. DPS – Denver contributed 9.60%, 9.60%, and 9.60% of covered payroll for the fiscal years ended June 30, 2022, 2021, and 2020, respectively, to the District to cover its obligation relating to the PCOP. During the fiscal years ended June 30, 2022, 2021, and 2020, DPS – Denver made contributions totaling $897,772, $813,130, and $704,679 to the District toward its PCOP obligation.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the School has agreed to match employee contributions up to 1 percent of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2022, the School recognized pension expense and a liability of $7,429 and $-0-, respectively, for the Voluntary Investment Program.

NOTE 9 LONG-TERM DEBT

Following is a summary of the School's long-term debt transactions for the year ended June 30, 2022:

CSGF Facility Fund III LLC

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

	Balance July 1, 2021	Additions	Repayments	Balance June 30, 2022	Due Within One Year
Direct Borrowings:					
CSGF Facility Fund III LLC	$ 300,000	$ -	$ -	$ 300,000	$ 300,000
Low Income Investment Fund	4,250,000	-	(39,346)	4,210,654	98,524
Colorado Facility Solutions	500,000	-	-	500,000	-
CSGF Loan	300,000	-	(300,000)	-	-
Total Long Term Debt from Direct Borrowings	$ 5,350,000	$ -	$ (339,346)	$ 5,010,654	$ 398,524

NOTE 9 LONG-TERM DEBT (CONTINUED)

CSGF Facility Fund III LLC (Continued)

If an event of default occurs, CSGF Facility Fund III LLC may, by written notice to the School, declare the note, and any and all other indebtedness of the School to CSGF Facility Fund III LLC, immediately due and payable, whether or not the note or the other indebtedness shall be otherwise due and payable and whether or not CSGF Facility Fund III LLC shall have initiated any other action for the collection of the Note; whereupon the note and such other indebtedness shall become due and payable, as to the principal, interest, and any other amounts payable, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived by the School. In addition, CSGF Facility Fund III LLC may pursue any and all remedies available to it at law or in equity for the collection of the note and enforcement of the provisions in the loan agreement.

Low Income Investment Fund

RMP – Denver obtained (via RMP Berkeley Facility LLC) a loan of $4,250,000 to support the acquisition of a facility project to be occupied by a future charter school. The loan bears an interest rate of 5.24% per annum through February 28, 2022 and 5.99% thereafter. The loan requires monthly interest payments through March 1, 2022, and then amortizes the outstanding principal up to the maturity date of March 1, 2044. If an event of default occurs, lender may, by written notice to School, declare the note and any and all other indebtedness of School to the lender to be immediately due and payable. The lender shall have such other remedies in respect of the collateral as are specified in the mortgage and the assignment of leases and rents.

Colorado Facility Solutions

RMPS obtained (via RMP Berkeley Facility LLC) a loan of $1,000,000 to support the acquisition of a facility project to be occupied by a future charter school. The loan bears an interest rate of 2.75% per annum and requires 2 equal payments of principal and interest on January 1, 2021 and January 1, 2023. If an event of default occurs, Colorado Facility Solutions may, by written notice to the School, declare the note, and any and all other indebtedness of the School to Colorado Facility Solutions, immediately due and payable, whether or not the note or the other indebtedness shall be otherwise due and payable and whether or not Colorado Facility Solutions shall have initiated any other action for the collection of the Note; whereupon the note and such other indebtedness shall become due and payable, as to the principal, interest, and any other amounts payable, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived by the School. In addition, Colorado Facility Solutions may pursue any and all remedies available to it at law or in equity for the collection of the note and enforcement of the provisions in the loan agreement.

NOTE 9 LONG-TERM DEBT (CONTINUED)

Future maturities of long-term debt are as follows:

	Long Term Debt Through Direct Borrowings		
Year Ended June 30,	Principal	Interest	Total
2023	$ 398,524	$ 271,042	$ 1,166,387
2024	604,590	256,725	366,387
2025	111,030	237,036	352,637
2026	117,867	230,200	352,637
2027	125,124	222,943	348,067
Thereafter	3,653,519	2,118,588	5,772,107
Total	$ 5,010,654	$ 3,336,534	$ 8,358,222

NOTE 10 NST MANAGEMENT FEES

The charter schools have adopted and approved the payment of management fees paid to the NST of approximately 12% of estimated revenues. For the year ended June 30, 2022, the NST recorded $3,088,977 in management income received from the schools. The fees are paid to account for the services provided in the areas of operations, finance and accounting, marketing, staff recruitment, human resources, student recruitment and enrollment.

NOTE 11 INTERFUND RECEIVABLES/PAYABLES

Interfund activity has been eliminated in the Government-wide statements. The general fund paid the long-term debt payments of the building fund during the year. The following transactions are reported in the fund financial statements:

Interfund Receivables/Payables	Interfund Receivables	Interfund Payables
Fund		
General Fund	$ 397,242	$ -
Building Fund	-	397,242
Total	$ 397,242	$ 397,242

NOTE 12 COMMITMENT AND CONTINGENCIES

Facilities Use Agreements

The School entered into several facility use agreements with Districts for use of a District school building for the 2021-2022 school year. The District will charge the School per pupil to cover these costs. The cost per student will be recalculated by the District each year. The School paid $1,039,455 under the terms of these agreements for the year ended June 30, 2022.

Federal and State Programs

The School participate in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, The School may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

COVID-19 Pandemic

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to RMPS, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the RMPS is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as this is ongoing and/or still developing.

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2022, the reserve of $1,036,077 was recorded as a restriction of fund balance in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

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

NST AND CREEKSIDE – DPS – DENVER

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School's Proportion of the Net Pension Liability (Assets)	0.561%	0.677%	0.446%	0.374%	0.504%	0.417%	0.353%	0.274%	0.179%
School's Proportionate Share of the Net Pension Liability (Assets)	$ 33,470	$ 3,046,608	$ 2,938,098	$ 3,821,091	$ 4,519,089	$ 4,571,504	$ 2,872,286	$ 1,712,357	$ 929,887
State's Proportionate Share of the Net Pension Liability (Assets)	9,826	-	1,302,103	1,979,693	-	-	-	-	-
Total	$ 43,296	$ 3,046,608	$ 4,240,201	$ 5,800,784	$ 4,519,089	$ 4,571,504	$ 2,872,286	$ 1,712,357	$ 929,887
School's Covered Payroll	$ 6,072,594	$ 5,332,646	$ 4,824,196	$ 4,117,766	$ 3,411,317	$ 2,753,575	$ 1,860,246	$ 1,241,868	$ 975,068
School's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	0.6%	57.1%	60.9%	92.8%	132.5%	166.0%	154.4%	137.9%	95.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.9%	90.1%	84.7%	75.7%	79.5%	74.1%	79.3%	83.9%	86.3%

SOUTHWEST – DPS – DENVER

	2022	2021	2020	2019	2018	2017	2016
School's Proportion of the Net Pension Liability (Assets)	0.251%	0.338%	0.199%	0.142%	0.177%	0.133%	0.108%
School's Proportionate Share of the Net Pension Liability (Assets)	$ 14,965	$ 1,518,561	$ 1,309,482	$ 1,450,765	$ 1,586,893	$ 1,454,345	$ 876,093
State's Proportionate Share of the Net Pension Liability (Assets)	4,393	-	580,334	751,636	-	-	-
Total	$ 19,358	$ 1,518,561	$ 1,889,816	$ 2,202,401	$ 1,586,893	$ 1,454,345	$ 876,093
School's Covered Payroll	$ 2,715,189	$ 2,658,021	$ 2,150,080	$ 1,563,404	$ 1,199,787	$ 877,228	$ 336,928
School's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	0.6%	57.1%	60.9%	92.8%	132.3%	165.8%	260.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.9%	90.1%	84.7%	75.7%	79.5%	74.1%	79.3%

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

See accompanying Notes to Required Supplementary Information.

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

BERKELEY – DPS – DENVER

	2022	2021	2020	2019
School's Proportion of the Net Pension Liability (Assets)	0.192%	0.233%	0.142%	0.106%
School's Proportionate Share of the Net Pension Liability (Assets)	$ 11,437	$ 1,049,348	$ 933,821	$ 1,079,885
State's Proportionate Share of the Net Pension Liability (Assets)	3,357	-	413,851	559,484
Total	$ 14,794	$ 1,049,348	$ 1,347,672	$ 1,639,369
School's Covered Payroll	$ 2,075,036	$ 1,836,732	$ 1,533,283	$ 581,864
School's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	0.6%	57.1%	60.9%	185.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.9%	90.1%	84.7%	75.7%

FLETCHER – DPS – AURORA

	2022	2021	2020	2019	2018
School's Proportion of the Net Pension Liability (Assets)	0.054%	0.059%	0.037%	0.024%	0.014%
School's Proportionate Share of the Net Pension Liability (Assets)	$ 6,292,849	$ 8,862,895	$ 5,545,128	$ 4,232,211	$ 4,430,368
State's Proportionate Share of the Net Pension Liability (Assets)	721,395	-	703,329	578,696	-
Total	$ 7,014,244	$ 8,862,895	$ 6,248,457	$ 4,810,907	$ 4,430,368
School's Covered Payroll	$ 3,379,490	$ 3,133,526	$ 2,177,364	$ 1,313,981	$ 632,004
School's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	186.2%	282.8%	254.7%	322.1%	701.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	39.4%	67.0%	64.5%	57.0%	44.0%

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

See accompanying Notes to Required Supplementary Information.

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

NST AND CREEKSIDE – DPS – DENVER

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	$ 473,054	$ 380,218	$ 278,839	$ 203,829	$ 139,060	$ 71,417	$ 30,046	$ 50,736	$ 60,955
Contributions in Relation to the Contractually Required Contribution	473,054	380,218	278,839	203,829	139,060	71,417	30,046	50,736	60,955
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 6,072,594	$ 5,332,646	$ 4,824,196	$ 4,117,766	$ 3,411,317	$ 2,753,575	$ 1,860,246	$ 1,241,868	$ 975,068
Contributions as a Percentage of Covered-Employee Payroll	7.79%	7.13%	5.78%	4.95%	4.08%	2.59%	1.62%	4.09%	6.25%

SOUTHWEST – DPS – DENVER

	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	$ 211,513	$ 189,517	$ 124,276	$ 77,388	$ 48,831	$ 22,721	$ 21,678
Contributions in Relation to the Contractually Required Contribution	211,513	189,517	124,276	77,388	48,831	22,721	21,678
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 2,715,189	$ 2,658,021	$ 2,150,080	$ 1,563,404	$ 1,199,787	$ 877,228	$ 336,928
Contributions as a Percentage of Covered-Employee Payroll	7.79%	7.13%	5.78%	4.95%	4.07%	2.59%	6.43%

BERKELEY – DPS – DENVER

	2022	2021	2020	2019
Contractually Required Contributions	$ 161,644	$ 130,959	$ 88,623	$ 57,605
Contributions in Relation to the Contractually Required Contribution	161,644	130,959	88,623	57,605
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 2,075,036	$ 1,836,732	$ 1,533,283	$ 581,864
Contributions as a Percentage of Covered-Employee Payroll	7.79%	7.13%	5.78%	9.90%

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

See accompanying Notes to Required Supplementary Information.

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

FLETCHER – DPS – AURORA

	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	$ 671,842	$ 615,467	$ 419,990	$ 241,365	$ 117,742	$ 13,856
Contributions in Relation to the Contractually Required Contribution	671,842	615,467	419,990	241,365	117,742	13,856
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 3,379,490	$ 3,133,526	$ 2,177,364	$ 1,313,981	$ 632,004	$ 76,427
Contributions as a Percentage of Covered-Employee Payroll	19.88%	19.64%	19.29%	18.37%	18.63%	18.13%

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

See accompanying Notes to Required Supplementary Information.

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

RMP - DENVER	2022	2021	2020	2019	2018	2017
Proportion of the Net OPEB Liability	1.286%	1.248%	1.135%	0.943%	0.678%	N/A
Proportionate Share of the Net OPEB Liability	$ 135,255	$ 285,683	$ 418,073	$ 425,798	$ 345,742	$ 105,073
School's Covered Payroll	$ 10,862,819	$ 9,827,399	$ 8,507,559	$ 6,263,035	$ 4,611,104	$ 3,630,803
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.74%	8.72%	14.74%	6.80%	N/A	N/A
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	83.93%	65.43%	46.98%	17.03%	17.53%	16.72%

	2021	2020	2020	2019	2018	2018
Contractually Required Contributions	$ 110,800	$ 100,240	$ 86,777	$ 68,818	$ 47,033	$ 37,034
Contributions in Relation to the Contractually Required Contribution	110,800	100,240	86,777	68,818	47,033	37,034
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 10,862,819	$ 9,827,399	$ 8,507,559	$ 6,263,035	$ 4,611,104	$ 3,630,803
Contributions as a Percentage of Covered-Employee Payroll	1.02%	1.02%	1.02%	1.10%	1.02%	1.02%

RMP - AURORA:	2022	2021	2020	2019	2018	2017
Proportion of the Net OPEB Liability	0.035%	0.034%	0.024%	0.016%	0.008%	0.002%
Proportionate Share of the Net OPEB Liability	$ 304,450	$ 321,986	$ 272,183	$ 211,373	$ 101,171	$ 30,118
School's Covered Payroll	$ 3,379,490	$ 3,133,526	$ 2,177,364	$ 1,313,981	$ 632,004	$ 76,426
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.13%	10.28%	12.50%	16.09%	16.01%	39.41%
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

	2021	2020	2020	2019	2018	2017
Contractually Required Contributions	$ 39,081	$ 31,962	$ 22,209	$ 13,403	$ 6,446	$ 1,871
Contributions in Relation to the Contractually Required Contribution	39,081	31,962	22,209	13,403	6,446	1,871
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 3,379,490	$ 3,133,526	$ 2,177,364	$ 1,313,981	$ 632,004	$ 76,426
Contributions as a Percentage of Covered-Employee Payroll	1.02%	1.02%	1.02%	1.02%	1.00%	2.40%

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

See accompanying Notes to Required Supplementary Information.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – RMPS
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Between Final Budget and Actual
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 19,331,430	$ 21,857,247	$ 17,685,897	$ (4,171,350)
Mill Levy Override	4,608,254	4,608,254	4,608,254	-
Grants and Contributions	1,000,000	1,561,382	9,461,052	7,899,670
All Other Local Revenues	4,860,239	5,091,995	3,254,392	(1,837,603)
Total Revenues	29,799,923	33,118,878	35,009,595	1,890,717
EXPENDITURES				
Payroll	17,357,050	18,943,213	20,029,103	1,085,890
Books, Supplies, and Equipment	2,780,000	2,931,190	3,488,864	557,674
Services and Other Operating Expenses	10,167,222	10,991,992	10,717,961	(274,031)
Debt Service - Principal	-	-	300,000	300,000
Total Expenditures	30,304,272	32,866,395	34,535,928	1,669,533
CHANGE IN FUND BALANCE	$ (504,349)	$ 252,483	473,667	$ 221,184
Fund Balance - July 1, 2021			16,478,832	
FUND BALANCE - JUNE 30, 2022			$ 16,952,499	

See accompanying Notes to Required Supplementary Information.

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

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

NOTE 2 SCHEDULE OF SCHOOL CONTRIBUTIONS

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

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

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

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

A budgetary comparison is presented for the RMPS general fund that has a legally adopted annual budget. This schedule presents the budget as originally adopted, the revised budget as of the fiscal yearend, actual amounts at fiscal year-end in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).The information on these schedules are presented in accordance with the requirements of the state of Colorado. Expenditures may not legally exceed appropriations at the fund level.

SUPPLEMENTARY INFORMATION

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION AND GENERAL FUND BALANCE SHEET – RMP – DENVER
JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	General Fund	Building Fund	Adjustments	Eliminations	Statement of Net Position
ASSETS					
CURRENT ASSETS					
Cash	$ 9,121,831	$ 999,821	$ -	$ -	$ 10,121,652
Cash Held for TABOR	730,963	-	-	-	730,963
Interfund Receivable	397,242	-	-	(397,242)	-
Prepaid Items	23,107	-	-	-	23,107
Accounts Receivable	2,250,024	-	-	-	2,250,024
Total Current Assets	12,523,167	999,821	-	(397,242)	13,125,746
NONCURRENT ASSETS					
Capital Assets Not Being Depreciated	-	3,940,000	-	-	3,940,000
Capital Assets Being Depreciated, Net	-	1,578,833	141,836	-	1,720,669
Total Assets	$ 12,523,167	6,518,654	141,836	(397,242)	18,786,415
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources - OPEB	-	-	125,356	-	125,356
Deferred Outflows of Resources - Pensions	-	-	3,815,297	-	3,815,297
Total Deferred Outflows of Resources	-	-	3,940,653	-	3,940,653
LIABILITIES AND FUND BALANCE/NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	$ 718,624	68,340	-	-	786,964
Interfund Payable	-	397,242	-	(397,242)	-
Long-Term Debt - Due Within One Year	-	398,062	-	-	398,062
Unearned Revenues	(1,572)	-	-	-	(1,572)
Total Current Liabilities	717,052	863,644	-	(397,242)	1,183,454
NONCURRENT LIABILITIES					
Long-Term Debt - Due After One Year	-	4,612,592	-	-	4,612,592
Net OPEB Liabilities	-	-	135,255	-	135,255
Net Pension Liabilities	-	-	59,872	-	59,872
Total Noncurrent Liabilities	-	4,612,592	195,127	-	4,807,719
Total Liabilities	717,052	5,476,236	195,127	(397,242)	5,991,173
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - OPEB	-	-	178,309	-	178,309
Deferred Inflows of Resources - Pensions	-	-	7,432,933	-	7,432,933
Total Deferred Inflows of Resources	-	-	7,611,242	-	7,611,242
FUND BALANCE					
Nonspendable	23,107	-	(23,107)	-	-
Restricted For Emergency Reserve - TABOR	730,963	-	(730,963)	-	-
Unassigned	11,052,045	-	(11,052,045)	-	-
Total Fund Balance	11,806,115	-	(11,806,115)	-	-
Total Liabilities and Fund Balance	$ 12,523,167				
NET POSITION					
Net Investment in Capital Assets		508,179	141,836	-	650,015
Restricted For Emergency Reserve - TABOR		-	730,963	-	730,963
Unrestricted		534,239	7,209,436	-	7,743,675
Total Net Position		$ 1,042,418	$ 8,082,235	$ -	$ 9,124,653

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – RMP – DENVER
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	General Fund	Building Fund	Adjustments	Eliminations	Statement of Activities
REVENUES					
General Revenues:					
Per Pupil Revenue and Preschool Funding	$ 12,422,616	$ -	$ -	$ -	$ 12,422,616
Mill Levy Override	3,177,101	-	-	-	3,177,101
Program Revenues:					
Federal Revenue	3,421,560	-	-	-	3,421,560
Other State	2,080,843	-	-	-	2,080,843
Private Grants and Contributions	842,532	-	-	-	842,532
Investment Income	5,988	-	-	-	5,988
NST Management Fee	2,108,617	-	-	(2,108,617)	-
All Other Local Revenues	117,722	309,686	-	(274,986)	152,422
Total Revenues	24,176,979	309,686	-	(2,383,603)	22,103,062
EXPENDITURES/EXPENSES					
Program	16,701,481	77,804	(1,975,320)	(274,986)	14,528,979
Supporting Services	7,451,877	-	-	(2,108,617)	5,343,260
Debt Service - Principal	212,097	-	(212,097)	-	-
Debt Service - Interest	-	256,336	-	-	256,336
Total Expenditures/Expenses	24,365,455	334,140	(2,187,417)	(2,383,603)	20,128,575
CHANGE IN FUND BALANCE/NET POSITION	(188,476)	(24,454)	2,187,417	-	1,974,487
Fund Balance/Net Position - July 1, 2021	11,994,591	1,066,872	(5,911,297)	-	7,150,166
FUND BALANCE/NET POSITION - JUNE 30, 2022	$ 11,806,115	$ 1,042,418	$ (3,723,880)	$ -	$ 9,124,653

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION – PROPRIETARY FUND TYPES – RMP – DENVER
JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Governmental Activities Internal Service Fund - Building Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 999,821
Accounts Receivable	-
Total Current Assets	999,821
NONCURRENT ASSETS	
Capital Assets Not Being Depreciated	3,940,000
Capital Assets Being Depreciated, Net	1,578,833
Total Assets	$ 6,518,654
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	$ 68,340
Interfund Payable	397,242
Long-Term Debt - Due Within One Year	398,062
Total Current Liabilities	863,644
NONCURRENT LIABILITIES	
Long-Term Debt - Due After One Year	4,612,592
Total Noncurrent Liabilities	4,612,592
Total Liabilities	5,476,236
NET POSITION	
Net Investment in Capital Assets	508,179
Unrestricted	534,239
Total Net Position	$ 1,042,418

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND TYPES – RMP – DENVER
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Governmental Activities Internal Service Fund - Building Fund
OPERATING REVENUES	
Rent	$ 309,686
Total Operating Revenues	309,686
OPERATING EXPENSES	
Interest	257,640
Depreciation	76,500
Total Operating Expenses	334,140
NET LOSS	(24,454)
Net Position - July 1, 2021	1,066,872
NET POSITION - JUNE 30, 2022	$ 1,042,418

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF CASH FLOWS – PROPRIETARY FUND TYPES – RMP – DENVER
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Governmental Activities Internal Service Fund - Building Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Rental Operations	$ 312,876
Net Cash Provided by Operating Activities	312,876
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Repayment of Debt	(39,346)
Interest	(235,690)
Net Cash Used by Financing Activities	(772,722)
NET DECREASE IN CASH	(459,846)
Cash - July 1, 2021	1,459,667
CASH - JUNE 30, 2022	$ 999,821
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (24,454)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	76,500
Interest Expense	257,640
Changes in Assets and Liabilities:	
Accounts Receivable	3,190
Total Adjustments	337,330
Net Cash Provided by Operating Activities	$ 312,876

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION AND GENERAL FUND BALANCE SHEET – RMP – AURORA
JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	General Fund	Adjustments	Statement of Net Position
ASSETS			
CURRENT ASSETS			
Cash	$ 4,478,943	$ -	$ 4,478,943
Cash Held for TABOR	305,114	-	305,114
Prepaid Items	9,812	-	9,812
Accounts Receivable	535,168	-	535,168
Total Current Assets	5,329,037	-	5,329,037
Total Assets	$ 5,329,037	-	5,329,037
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - OPEB	-	279,961	279,961
Deferred Outflows of Resources - Pensions	-	3,544,343	3,544,343
Total Deferred Outflows of Resources	-	3,824,304	3,824,304
LIABILITIES AND FUND BALANCE/NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	$ 182,070	-	182,070
Unearned Revenues	583	-	583
Total Current Liabilities	182,653	-	182,653
NONCURRENT LIABILITIES			
Net OPEB Liabilities	-	304,450	304,450
Net Pension Liabilities	-	6,292,849	6,292,849
Total Noncurrent Liabilities	-	6,597,299	6,597,299
Total Liabilities	182,653	6,597,299	6,779,952
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - OPEB	-	103,689	103,689
Deferred Inflows of Resources - Pensions	-	2,964,462	2,964,462
Total Deferred Inflows of Resources	-	3,068,151	3,068,151
FUND BALANCE			
Nonspendable	9,812	(9,812)	-
Restricted For Emergency Reserve - TABOR	305,114	(305,114)	-
Unassigned	4,831,458	(4,831,458)	-
Total Fund Balance	5,146,384	(5,146,384)	-
Total Liabilities and Fund Balance	$ 5,329,037		
NET POSITION			
Restricted For Emergency Reserve - TABOR		305,114	305,114
Unrestricted		(999,876)	(999,876)
Total Net Position		$ (694,762)	$ (694,762)

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – RMP – AURORA
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	General Fund	Adjustments	Eliminations	Statement of Activities
REVENUES				
General Revenues:				
Per Pupil Revenue and Preschool Funding	$ 5,263,281	$ -	$ -	$ 5,263,281
Mill Levy Override	1,431,153	-	-	1,431,153
Program Revenues:				
Federal Revenue	1,327,926	-	-	1,327,926
Other State	1,437,580	-	-	1,437,580
Private Grants and Contributions	350,611	-	-	350,611
Investment Income	9,278	-	-	9,278
NST Management Fee	980,360	-	(980,360)	-
All Other Local Revenues	32,427	-	-	32,427
Total Revenues	10,832,616	-	(980,360)	9,852,256
EXPENDITURES/EXPENSES				
Program	6,393,768	262,810	-	6,656,578
Supporting Services	3,688,802	-	(980,360)	2,708,442
Debt Service - Principal	87,903	(87,903)	-	-
Total Expenditures/Expenses	10,170,473	174,907	(980,360)	9,365,020
CHANGE IN FUND BALANCE/NET POSITION	662,143	(174,907)	-	487,236
Fund Balance/Net Position - July 1, 2021	4,484,241	(5,666,239)	-	(1,181,998)
FUND BALANCE/NET POSITION - JUNE 30, 2022	$ 5,146,384	$ (5,841,146)	$ -	$ (694,762)

ROCKY MOUNTAIN PREPARATORY SCHOOLS
GENERAL FUND BALANCE SHEET BY LOCATION
JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Rocky Mountain Preparatory Creekside	Rocky Mountain Preparatory Southwest	Rocky Mountain Preparatory Berkeley	Total DPS	Rocky Mountain Preparatory Fletcher (APS)	Total
ASSETS						
CURRENT ASSETS						
Cash	$ 6,877,421	$ 3,026,351	$ (781,941)	$ 9,121,831	$ 4,478,943	$ 13,600,774
Cash Held for TABOR	313,557	235,724	181,682	730,963	305,114	1,036,077
Interfund Receivable	-	-	397,242	397,242	-	397,242
Prepaid Items	10,348	7,443	5,316	23,107	9,812	32,919
Accounts Receivable	1,261,787	518,534	469,703	2,250,024	535,168	2,785,192
Total Current Assets	8,463,113	3,788,052	272,002	12,523,167	5,329,037	17,852,204
Total Assets	$ 8,463,113	$ 3,788,052	$ 272,002	$ 12,523,167	$ 5,329,037	$ 17,852,204
LIABILITIES AND FUND BALANCES						
CURRENT LIABILITIES						
Accounts Payable	$ 246,396	$ 184,239	$ 287,989	$ 718,624	$ 182,070	$ 900,694
Unearned Revenues	(2,358)	444	342	(1,572)	583	(989)
Total Current Liabilities	244,038	184,683	288,331	717,052	182,653	899,705
Total Liabilities	244,038	184,683	288,331	717,052	182,653	899,705
FUND BALANCES						
Nonspendable	10,348	7,443	5,316	23,107	9,812	32,919
Restricted for Emergency Reserve - TABOR	313,557	235,724	181,682	730,963	305,114	1,036,077
Unassigned	7,895,170	3,360,202	(203,327)	11,052,045	4,831,458	15,883,503
Total Fund Balances	8,219,075	3,603,369	(16,329)	11,806,115	5,146,384	16,952,499
Total Liabilities and Fund Balances	$ 8,463,113	$ 3,788,052	$ 272,002	$ 12,523,167	$ 5,329,037	$ 17,852,204

ROCKY MOUNTAIN PREPARATORY SCHOOLS
GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY LOCATION
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Rocky Mountain Preparatory Creekside	Rocky Mountain Preparatory Southwest	Rocky Mountain Preparatory Berkeley	Total DPS	Rocky Mountain Preparatory Fletcher (APS)	Total
REVENUES						
General Revenues:						
Per Pupil Revenue and Preschool Funding	$ 5,462,125	$ 4,037,355	$ 2,923,136	$ 12,422,616	$ 5,263,281	$ 17,685,897
Mill Levy Override	1,425,917	1,127,629	623,555	3,177,101	1,431,153	4,608,254
Program Revenues:						
Federal Revenue	1,491,999	1,274,875	654,686	3,421,560	1,327,926	4,749,486
Other State	1,151,133	567,709	362,001	2,080,843	1,437,580	3,518,423
Private Grants and Contributions	367,902	260,895	213,735	842,532	350,611	1,193,143
Investment Income	2,650	1,885	1,453	5,988	9,278	15,266
NST Management Fee	944,367	704,585	459,665	2,108,617	980,360	3,088,977
All Other Local Revenues	44,980	43,525	29,217	117,722	32,427	150,149
Total Revenues	10,891,073	8,018,458	5,267,448	24,176,979	10,832,616	35,009,595
EXPENDITURES						
Program Expenses	7,190,818	5,291,480	4,219,183	16,701,481	6,393,768	23,095,249
Supporting Services	3,167,209	2,499,223	1,785,445	7,451,877	3,688,802	11,140,679
Debt Service	93,871	66,774	51,452	212,097	87,903	300,000
Total Expenditures	10,451,898	7,857,477	6,056,080	24,365,455	10,170,473	34,535,928
CHANGE IN FUND BALANCE	439,175	160,981	(788,632)	(188,476)	662,143	473,667
Fund Balance July 1, 2021	7,779,900	3,442,388	772,303	11,994,591	4,484,241	16,478,832
FUND BALANCE JUNE 30, 2022	$ 8,219,075	$ 3,603,369	$ (16,329)	$ 11,806,115	$ 5,146,384	$ 16,952,499

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – RMP – DENVER
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 13,810,864	$ 15,521,196	$ 12,422,616	$ (3,098,580)
Mill Levy Override	3,177,101	3,177,101	3,177,101	-
Grants and Contributions	795,003	1,249,956	6,344,935	5,094,979
All Other Local Revenues	3,608,484	3,515,887	2,232,327	(1,283,560)
Total Revenues	21,391,452	23,464,140	24,176,979	712,839
EXPENDITURES				
Payroll	12,421,194	13,445,549	13,994,528	548,979
Books, Supplies, and Equipment	2,066,218	2,071,394	2,484,095	412,701
Services and Other Operating Expenses	7,318,613	7,765,040	7,674,688	(90,352)
Debt Service - Principal	-	-	212,144	212,144
Total Expenditures	21,806,025	23,281,983	24,365,455	1,083,472
CHANGE IN FUND BALANCE	$ (414,573)	$ 182,157	(188,476)	$ (370,633)
Fund Balance - July 1, 2021			11,994,591	
FUND BALANCE - JUNE 30, 2022			$ 11,806,115	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – RMP – AURORA
YEAR ENDED JUNE 30, 2022

(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary	Variance Between Final Budget and
	Original	Final	Basis)	Actual
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 5,520,566	$ 6,336,051	$ 5,263,281	$ (1,072,770)
Mill Levy Override	1,431,153	1,431,153	1,431,153	-
Grants and Contributions	204,997	311,426	3,116,117	2,804,691
All Other Local Revenues	1,251,755	1,576,108	1,022,065	(554,043)
Total Revenues	8,408,471	9,654,738	10,832,616	1,177,878
EXPENDITURES				
Payroll	4,935,856	5,497,664	6,034,575	536,911
Books, Supplies, and Equipment	713,782	859,796	1,004,769	144,973
Services and Other Operating Expenses	2,848,609	3,226,952	3,043,273	(183,679)
Debt Service - Principal	-	-	87,856	87,856
Total Expenditures	8,498,247	9,584,412	10,170,473	586,061
CHANGE IN FUND BALANCE	$ (89,776)	$ 70,326	662,143	$ 591,817
Fund Balance - July 1, 2021			4,484,241	
FUND BALANCE - JUNE 30, 2022			$ 5,146,384	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – NST
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Grants and Contributions	$ 700,000	$ 551,217	$ 1,168,355	$ 617,138
All Other Local Revenues	2,941,415	3,175,860	3,128,036	(47,824)
Total Revenues	3,641,415	3,727,077	4,296,391	569,314
EXPENDITURES				
Payroll	3,127,196	2,700,000	3,426,399	726,399
Books, Supplies, and Equipment	730,000	730,000	421,454	(308,546)
Services and Other Operating Expenses	110,000	110,000	865,715	755,715
Debt Service - Principal	-	-	300,000	300,000
Total Expenditures	3,967,196	3,540,000	5,013,568	1,473,568
CHANGE IN FUND BALANCE	$ (325,781)	$ 187,077	(717,177)	$ (904,254)
Fund Balance - July 1, 2021			9,145,542	
FUND BALANCE - JUNE 30, 2022			$ 8,428,365	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – CREEKSIDE
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 5,969,012	$ 6,811,595	$ 5,462,125	$ (1,349,470)
Mill Levy Override	1,425,917	1,425,917	1,425,917	-
Grants and Contributions	218,915	857,550	3,011,034	2,153,484
All Other Local Revenues	1,596,526	1,393,203	991,997	(401,206)
Total Revenues	9,210,370	10,488,265	10,891,073	402,808
EXPENDITURES				
Payroll	5,317,618	6,041,354	6,035,092	(6,262)
Books, Supplies, and Equipment	778,297	913,428	1,006,698	93,270
Services and Other Operating Expenses	3,185,625	3,439,223	3,316,287	(122,936)
Debt Service - Principal	-	-	93,821	93,821
Total Expenditures	9,281,540	10,394,005	10,451,898	57,893
CHANGE IN FUND BALANCE	$ (71,170)	$ 94,260	439,175	$ 344,915
Fund Balance - July 1, 2021			7,779,900	
FUND BALANCE - JUNE 30, 2022			$ 8,219,075	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – SOUTHWEST
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Between Final Budget and Actual
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 4,409,461	$ 4,772,596	$ 4,037,355	$ (735,241)
Mill Levy Override	1,127,629	1,127,629	1,127,629	-
Grants and Contributions	155,723	222,624	2,103,479	1,880,855
All Other Local Revenues	1,245,809	1,197,263	749,995	(447,268)
Total Revenues	6,938,622	7,320,112	8,018,458	698,346
EXPENDITURES				
Payroll	3,933,385	4,176,208	4,362,885	186,677
Books, Supplies, and Equipment	662,397	653,131	844,324	191,193
Services and Other Operating Expenses	2,409,298	2,442,290	2,583,530	141,240
Debt Service - Principal	-	-	66,738	66,738
Total Expenditures	7,005,080	7,271,629	7,857,477	585,848
CHANGE IN FUND BALANCE	$ (66,458)	$ 48,483	160,981	$ 112,498
Fund Balance - July 1, 2021			3,442,388	
FUND BALANCE - JUNE 30, 2022			$ 3,603,369	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – BERKELEY
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 3,432,391	$ 3,937,005	$ 2,923,136	$ (1,013,869)
Mill Levy Override	623,555	623,555	623,555	-
Grants and Contributions	420,365	169,782	1,230,422	1,060,640
All Other Local Revenues	766,149	925,421	490,335	(435,086)
Total Revenues	5,242,460	5,655,763	5,267,448	(388,315)
EXPENDITURES				
Payroll	3,170,191	3,227,987	3,596,551	368,564
Books, Supplies, and Equipment	625,524	504,835	633,073	128,238
Services and Other Operating Expenses	1,723,690	1,883,527	1,774,871	(108,656)
Debt Service - Principal	-	-	51,585	51,585
Total Expenditures	5,519,405	5,616,349	6,056,080	439,731
CHANGE IN FUND BALANCE	$ (276,945)	$ 39,414	(788,632)	$ (828,046)
Fund Balance - July 1, 2021			772,303	
FUND BALANCE - JUNE 30, 2022			$ (16,329)	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – FLETCHER
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual	Variance Between Final
	Original	Final	(Budgetary Basis)	Budget and Actual
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 5,520,566	$ 6,336,051	$ 5,263,281	(1,072,770)
Mill Levy Override	1,431,153	1,431,153	1,431,153	-
Grants and Contributions	204,997	311,426	3,116,117	2,804,691
All Other Local Revenues	1,251,755	1,576,108	1,022,065	(554,043)
Total Revenues	8,408,471	9,654,738	10,832,616	1,177,878
EXPENDITURES				
Payroll	4,935,856	5,497,664	6,034,575	536,911
Books, Supplies, and Equipment	713,782	859,796	1,004,769	144,973
Services and Other Operating Expenses	2,848,609	3,226,952	3,043,273	(183,679)
Debt Service - Principal	-	-	87,856	87,856
Total Expenditures	8,498,247	9,584,412	10,170,473	586,061
CHANGE IN FUND BALANCE	$ (89,776)	$ 70,326	662,143	$ 591,817
Fund Balance - July 1, 2021			4,484,241	
FUND BALANCE - JUNE 30, 2022			$ 5,146,384	

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

Board of Directors
Rocky Mountain Preparatory Schools
Denver, Colorado

We have audited, in accordance with auditing standard generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Rocky Mountain Preparatory Schools (the School or RMPS) as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated October 30, 2021. We also have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of RMP – Denver (a component unit of School District Number 1 in the City and County of Denver and State of Colorado (Denver Public Schools or DPS), and the governmental activities and major fund of the RMP – Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado (APS), presented as supplementary information in the accompanying individual financial statements as of and for the year ended June 30, 2022.

Report on Internal Control Over Financial Reporting

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

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

Board of Directors
Rocky Mountain Preparatory Schools

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 27, 2022

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022

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

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

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

Global

INDEPENDENT
NETWORK MEMBER