

COLORADO HIGH SCHOOL CHARTER

BASIC FINANCIAL STATEMENTS

June 30, 2023

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Directors
Colorado High School Charter
Denver, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of Colorado High School Charter (the "School") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Colorado High School Charter as of June 30, 2023, 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Colorado High School Charter and to meet our 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 the 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.

Auditor's 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 auditor's 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 40-44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luthr & Associates, LLC

October 23, 2023



Colorado High School Charter Management's Discussion and Analysis

As management of Colorado High School Charter, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Colorado High School Charter for the fiscal year ended June 30, 2023.

Financial Highlights

The assets of Colorado High School Charter exceeded its liabilities at the close of the most recent fiscal year by \$6,881,678 (net assets), an increase of \$1,135,159 over the prior year. The School's total assets at the end of the year were \$10,021,627.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Colorado High School Charter's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements to give the reader a more detailed view of the school's financial performance.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Colorado High School Charter's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Colorado High School Charter's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 only result in cash flow changes in future fiscal periods (e.g., items purchased but not paid for). The government-wide financial statements include Colorado High School Charter's instruction and supporting services.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Colorado High School Charter, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of CHSC's funds are governmental funds.

Governmental funds. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School’s near-term financing requirements.

Colorado High School Charter maintains one governmental fund, the General Fund.

Colorado High School Charter adopts an annual appropriated budget for its funds. Budgetary comparison schedules have been provided for the funds to demonstrate compliance with this budget.

Instruction vs. Support Expenses. Under the Colorado Department of Education Chart of Accounts for use by Colorado Public School Districts, Colorado High School Charter is required to identify expenses directly related to *Instruction* vs. *Support*.

Instruction service programs include direct activities between staff and students and can include teaching activities and the assistance of paraprofessionals or classroom assistants. *Support* service programs are those activities which facilitate and enhance instruction and may include student and teacher support resources and activities, administrative functions and centralized operations for the benefit of students, staff and the school community.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the School’s financial position. Current Assets and Current Liabilities did not change materially from the prior year.

Colorado High School Charter’s Net Assets:

	<u>2022-23</u>	<u>2021-22</u>
Assets		
Current Assets	\$5,230,190	\$3,845,065
Capital Assets, net of depreciation	4,791,437	5,052,584
Total Assets	<u>\$10,021,627</u>	<u>8,897,649</u>
Liabilities		
Current Liabilities	(614,886)	(554,054)
Noncurrent Liabilities	(1,418,614)	(1,460,058)
Total Liabilities	<u>(2,033,500)</u>	<u>(2,014,112)</u>
Long-term liabilities and related assets, related to pensions (Note 8)	(1,106,449)	(1,137,018)
Net Assets		
Restricted	1,524,089	349,046
Unrestricted	5,357,589	5,397,473
Total Net Assets	<u>\$ 6,881,678</u>	<u>\$ 5,746,519</u>

Colorado High School Charter's Change in Net Assets:

	<u>2022-23</u>	<u>2021-22</u>
Revenues:		
Operating Grants and Contributions	\$1,028,097	\$1,256,789
Per Pupil Operating Revenue	3,926,456	3,163,293
Mill Levy Override	2,220,314	1,691,747
Capital Construction	121,146	106,438
Investment Earnings	153,315	7,464
Other	169,171	13,513
Total Revenues	<u>7,618,499</u>	<u>6,239,245</u>
Expenses:		
Instructional	2,598,0484	2,133,074
Supporting Services	3,744,035	3,072,518
Interest on Long-term Debt	141,257	62,296
Total Expenses	<u>6,483,340</u>	<u>5,267,888</u>
Increase (Decrease) in Net Assets	1,319,512	971,357
Net Assets, beginning of year, restated	5,746,519	4,775,162
Net Assets, end of year	<u>\$ 6,881,678</u>	<u>\$ 5,746,519</u>

Colorado High School's funded pupil count was 357 in FY21, 335 in FY22 and 390 in FY23.

Financial Analysis of the School's Funds

Governmental funds. Unreserved fund balance is a useful measure of the School's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year Colorado High School Charter's governmental fund had an ending unreserved fund balance of \$894,540, an decrease of \$444,076 compared to the prior year.

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In January, after enrollment stabilizes, adjustments are made to the budget. The Board approves budget amendments as needed throughout the year. Expenditures were under budget for the year in compliance with State statute.

Capital Assets

Colorado High School Charter's investment in capital assets as of June 30, 2023, amounts to \$4,791,437 (net of accumulated depreciation). This investment in capital assets consists of the building space purchased for both of its campuses, school renovations and equipment. The detail of this investment is in Note 4 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of Colorado High School Charter's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Colorado High School Charter, 1175 Osage Street, Suite #101, Denver, Colorado 80204.

BASIC FINANCIAL STATEMENTS

COLORADO HIGH SCHOOL CHARTER

STATEMENT OF NET POSITION

As of June 30, 2023

	Governmental Activities	
	2023	2022
ASSETS		
Cash and Investments	\$ 4,861,868	\$ 3,670,251
Restricted Cash	-	16
Accounts Receivable	361,584	166,164
Deposits	6,738	8,634
Capital Assets, Not Depreciated	-	-
Capital Assets, Depreciated		
Net of Accumulated Depreciation	4,791,437	5,052,584
TOTAL ASSETS	10,021,627	8,897,649
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,206,930	1,006,046
Related to OPEB	53,956	41,303
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,260,886	1,047,349
LIABILITIES		
Accounts Payable	189,310	84,285
Accrued Salaries and Benefits	337,081	376,493
Accrued Interest	4,992	5,127
Noncurrent Liabilities		
Accrued Compensated Absences	42,059	48,327
Loan Payable		
Due in One Year	41,444	39,822
Due in More than One Year	1,418,614	1,460,058
Net Pension Liability	1,779,946	16,727
Net OPEB Liability	30,865	37,788
TOTAL LIABILITIES	3,844,311	2,068,627
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	507,947	2,070,510
Related to OPEB	48,577	59,342
TOTAL DEFERRED INFLOWS OF RESOURCES	556,524	2,129,852
NET POSITION		
Investment in Capital Assets	3,331,379	3,552,704
Restricted for Emergencies	197,000	149,800
Restricted for COVID Expenses	-	795,000
Restricted for Mill Levy	317,441	199,246
Unrestricted	3,035,858	1,049,769
TOTAL NET POSITION	\$ 6,881,678	\$ 5,746,519

The accompanying notes are an integral part of the financial statements.

COLORADO HIGH SCHOOL CHARTER

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2023	2022
PRIMARY GOVERNMENT						
Governmental Activities						
Instructional	\$ 2,598,048	\$ -	\$ 1,028,097	\$ -	\$ (1,569,951)	\$ (924,797)
Supporting Services	3,744,035	-	-	121,146	(3,622,889)	(2,806,956)
Interest on Long-term Debt	141,257	-	-	-	(141,257)	(62,296)
 Total Governmental Activities	 <u>\$ 6,483,340</u>	 <u>\$ -</u>	 <u>\$ 1,028,097</u>	 <u>\$ 121,146</u>	 (5,334,097)	 (3,794,049)
GENERAL REVENUES						
					3,926,456	3,163,293
Per Pupil Revenue					2,220,314	1,746,975
Mill Levy Override					109,883	(144,959)
Unrestricted State Aid					153,315	97
Interest					59,288	-
Miscellaneous						
 TOTAL GENERAL REVENUES					 <u>6,469,256</u>	 <u>4,765,406</u>
 CHANGE IN NET POSITION					 1,135,159	 971,357
 NET POSITION, Beginning, Restated					 <u>5,746,519</u>	 <u>4,775,162</u>
 NET POSITION, Ending					 <u>\$ 6,881,678</u>	 <u>\$ 5,746,519</u>

The accompanying notes are an integral part of the financial statements.

COLORADO HIGH SCHOOL CHARTER

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	TOTAL GOVERNMENTAL FUNDS	
	2023	2022
ASSETS		
Cash and Investments	\$ 4,861,868	\$ 3,670,251
Restricted Cash	-	16
Accounts Receivable	361,584	166,164
Deposits	6,738	8,634
TOTAL ASSETS	<u>\$ 5,230,190</u>	<u>\$ 3,845,065</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 189,310	\$ 84,285
Accrued Salaries and Benefits	337,081	376,493
TOTAL LIABILITIES	<u>526,391</u>	<u>460,778</u>
FUND BALANCES		
Restricted for Emergencies	187,649	149,800
Restricted for Mill Levy Override	317,441	199,246
Restricted for Debt Service	-	27,356
Restricted for COVID Expenditures	-	795,000
Committed Reserves	3,304,169	874,269
Unassigned	894,540	1,338,616
TOTAL FUND BALANCES	<u>4,703,799</u>	<u>3,384,287</u>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,791,437	5,052,584
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. This liability includes loans payable (\$1,460,058), accrued interest payable (\$4,992), accrued compensated absences (\$42,059), net pension liability of (\$1,779,946), net OPEB liability of (\$30,865), deferred outflows related to pensions and OPEB of \$1,260,886, and deferred inflows related to pensions and OPEB of (\$556,524).	<u>(2,613,558)</u>	<u>(2,690,352)</u>
Net Position of governmental funds	<u>\$ 6,881,678</u>	<u>\$ 5,746,519</u>

The accompanying notes are an integral part of the financial statements.

COLORADO HIGH SCHOOL CHARTER

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	TOTAL GOVERNMENTAL FUNDS	
	2023	2022
REVENUES		
Local Sources	\$ 6,535,017	\$ 5,055,689
State and Federal Sources	973,599	1,183,556
	7,508,616	6,239,245
TOTAL REVENUES		
EXPENDITURES		
Current		
Instruction	2,598,048	2,474,393
Supporting Services	3,489,156	2,844,122
Debt Service		
Principal	33,967	100,120
Interest	67,933	62,780
	6,189,104	5,481,415
TOTAL EXPENDITURES		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,319,512	757,830
OTHER FINANCING SOURCES (USES)		
Transfers In	590,451	705,234
Transfers Out	(590,451)	(705,234)
	-	-
TOTAL OTHER FINANCING SOURCES (USES)		
NET CHANGE IN FUND BALANCES	1,319,512	757,830
FUND BALANCES, Beginning	3,384,287	2,626,457
FUND BALANCES, Ending	\$ 4,703,799	\$ 3,384,287

The accompanying notes are an integral part of the financial statements.

COLORADO HIGH SCHOOL CHARTER

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$ 1,319,512
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount that depreciation expense, (\$493,323), exceeded capital outlay, \$232,176, for the year.	(261,147)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include debt payments of \$39,822, and change in accrued interest of \$135 and change in accrued compensated absences of \$6,268.	46,225
Deferred Charges and related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.	<u>30,569</u>
Change in net position of governmental activities	<u><u>\$ 1,135,159</u></u>

The accompanying notes are an integral part of the financial statements.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Colorado High School Charter (the “School”) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Denver Public School District (the “District”) in the State of Colorado. The School began classes in the fall of 2002. Effective July 1 2017, the School operates as a network of two campuses, Colorado High School Osage Campus and Colorado High School GES.

The accounting policies of the School conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Reporting Entity

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

Colorado High School Promise, Inc.

The School includes the Colorado High School Promise, Inc. (“CHSP”) within its reporting entity. The CHSP was formed to support and assist the School to perform its function and to carry out its purpose, specifically to assist in the financing of the School’s facilities. The CHSP is blended into the School’s financial statements as a debt service fund. Separate financial statements are not available for this entity.

GES Building Holding Corporation

The School includes the GES Building Holding Corporation (“GES BHC”) within its reporting entity. The GES BHC was formed to support and assist the School to perform its function and to carry out its purpose, specifically to assist in the financing of the School’s GES facility. The GES BHC is blended into the School’s financial statements as a debt service fund. Separate financial statements are not available for this entity.

The School is a component unit of the Denver Public School District.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Government-Wide and Fund Financial Statements

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

The statement of net position presents information on all of the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the components (assets and deferred outflows of resources, less liabilities and deferred inflows of resource) presented as net position. Net position is reported as one of three categories: net investment in capital assets, restricted, or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted. Over time, increases or decrease in net position may serve as useful indicators of whether the School's financial position is improving or deteriorating.

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

Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

Internally dedicated resources are reported as general revenues rather than as program revenues.

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

The School reports the following major governmental funds:

General Fund— This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

Deferred Outflows/Inflows of Resources

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to the liabilities, the statement of financial position and balance sheets 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 and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Assets, Liabilities and Fund Balance/Net Position

Investments – Investments are reported at fair value.

Receivables – Receivables are reported at their gross value, and, where appropriate, are reduced by the estimated portion that is expected to be uncollectable.

Prepaid Expenses – Payments made to vendors for services that will benefit future periods are recorded as prepaid expense. An expenditure is reported in the year in which the services are consumed.

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: buildings, 35 years, building improvements, 10 years, and vehicles and equipment, 5 years.

Net Position – The government-wide fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted. Investment in capital assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third party limitations on their use.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The School has no nonspendable resources as of June 30, 2023.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The School has classified unspent Mill Levy Override funds as restricted as their use is restricted by DPS. The School also reports amounts restricted for debt service as restricted in the Building Corporation Fund.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School has committed resources for emergencies and capital projects as of June 30, 2023.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The School would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The School does not distinguish between personal days and sick days. The number of personal days is specified in the School's Staff Handbook. At the end of each school year, employees may choose to carry forward up to two years of accumulated time off to the next school year. Employees are compensated for unused personal days that are not carried forward, at the end of each school year, at their hourly pay rate. Personal days are prorated for employees who work part of a year or work part-time.

These compensated absences are recognized when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for accrued compensated absences.

Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School carries commercial coverage for these risks of loss. The School has not experienced losses in excess of insured amounts in the last three years.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the School's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for all funds on a basis consistent with generally accepted accounting principles.

School management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year-end.

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, 2023 consisted of the following:

Petty Cash	\$ 4,404
Deposits	106,607
Investments	<u>4,750,857</u>
Total	<u>\$ 4,861,868</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. 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. At June 30, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. 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. The School has no policy regarding custodial credit risk for deposits.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

At June 30, 2023, the School had deposits with financial institutions with a carrying amount of \$106,607. The bank balances with the financial institutions were \$160,695. All of these balances, were covered by federal depository insurance.

Investments

Interest Rate Risk

The School has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. Government Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The School has a policy for managing credit risk or interest rate risk.

Local Government Investment Pools

The School had invested \$4,750,857 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 3: *CASH AND INVESTMENTS* (Continued)

Investments (Continued)

The custodian’s internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables, and payables.

Fair Value

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

At June 30, 2023, the School does not hold any investments that require fair value categorization.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2023 is summarized below.

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities				
Capital Assets, Being				
Depreciated				
Buildings	\$ 3,469,666	\$ -	\$ -	\$ 3,469,666
Building Improvements	3,432,547	232,176	-	3,664,723
Equipment	<u>261,640</u>	<u>-</u>	<u>-</u>	<u>261,640</u>
Total Capital Assets, Being Depreciated	<u>7,163,853</u>	<u>232,176</u>	<u>-</u>	<u>7,396,029</u>
Accumulated Depreciation				
Buildings	523,579	114,403	-	637,982
Building Improvements	1,396,136	327,985	-	1,724,121
Equipment	<u>191,554</u>	<u>50,935</u>	<u>-</u>	<u>242,489</u>
Total Accumulated Depreciation	<u>2,111,269</u>	<u>493,323</u>	<u>-</u>	<u>2,604,592</u>
Total Capital Assets, Depreciated, Net	<u>5,052,584</u>	<u>(261,147)</u>	<u>-</u>	<u>4,791,437</u>
Net Capital Assets	<u>\$ 5,052,584</u>	<u>\$ (261,147)</u>	<u>\$ -</u>	<u>\$ 4,791,437</u>

Depreciation has been charged to the supporting services program of the School.

NOTE 5: LONG-TERM DEBT

Following is a summary of the School's long-term debt transactions for the year ended June 30, 2023:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due In</u> <u>One Year</u>
Loan Payable – Firstbank	\$ 1,499,880	\$ -	\$ 39,822	\$ 1,460,058	\$ 41,444
Compensated Absences	<u>48,327</u>	<u>-</u>	<u>6,268</u>	<u>42,059</u>	<u>-</u>
Total	<u>\$ 1,548,207</u>	<u>\$ -</u>	<u>\$ 46,090</u>	<u>\$ 1,502,117</u>	<u>\$ 41,444</u>

Compensated absences are expected to be liquidated from the resources in the General Fund.

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE 5: LONG-TERM DEBT (Continued)

Loan Payable – Firstbank

In February 2021, the Colorado High School Building Corporation entered into a loan agreement with Firstbank. Proceeds in the amount of \$1,600,000 were used to refinance the Canvas Credit Union Loans. The School is required to transfer funds to the Building Corporation for the use of the building. The Building Corporation is required to make payments of principal and interest to the bank. Interest accrues at a rate of 4.00% per year. The loan matures in February 2046.

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 41,444	\$ 59,901	\$ 101,345
2025	43,133	58,212	101,345
2026	44,890	56,455	101,345
2027	46,719	54,626	101,345
2028	48,622	52,723	101,345
2029-2033	274,488	232,237	506,725
2034-2038	335,149	171,576	506,725
2039-2043	409,217	97,508	506,725
2044-2046	<u>216,396</u>	<u>16,204</u>	<u>232,600</u>
Totals	<u>\$ 1,460,058</u>	<u>\$ 799,442</u>	<u>\$ 2,259,500</u>

NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of nine months. The salaries and benefits earned, but unpaid, as of June 30, 2023, were \$337,381 in the General Fund.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: **DEFINED BENEFIT PENSION PLAN**

Summary of Significant Accounting Policies

Pensions. The School participates in the Denver Public Schools Division Trust Fund (DPS Division), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the DPS Division 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.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2022. 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 Denver Public Schools (DPS) 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 PERA benefit structure is the greater of the:

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan (Continued)

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement 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 lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of June 30, 2023: Eligible employees of the School and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Employer contribution rate	11.40%	11.40%
Amount of employer contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
PCOP offset as specified in C.R.S. § 24-51-412	(11.72%) ¹	(10.93%)
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total employer contribution rate to the DPS Division	8.66%	9.45%

¹To conform with this presentation of contribution rates, the 2022 annual PCOP offset of 11.47% has been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements.

**Contribution rates for the DPS Division 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 are statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from the School were \$289,421 for the year ended June 30, 2023.

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 a \$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. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA’s negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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 was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The School’s proportion of the net pension liability was based on the School’s contributions to the DPS Division for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the School reported a liability of \$1,779,946 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:

The School’s proportionate share of the net pension liability	\$1,779,946
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	739,959
Total	\$2,519,905

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

At December 31, 2022, the School's proportion was .2051%, which was a decrease of .07501% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the School recognized pension expense of \$399,076 and revenue of \$109,883 for support from the State as a nonemployer contributing entity. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$62,947	N/A
Changes of assumptions or other inputs	62,213	N/A
Net difference between projected and actual earnings on pension plan investments	674,215	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	252,928	507,947
Contributions subsequent to the measurement date	154,627	N/A
Total	\$1,206,930	\$507,947

\$255,642 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	
2024	\$38,814
2025	\$61,149
2026	\$100,719
2027	\$175,124
2028	\$168,550

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The TPL in the December 31, 2021, 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%- 11.50%
Long-term investment rate of return, net of pension plan	7.25%
investment expenses, including price inflation	
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

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

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, 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 at least every five years for PERA. 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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- 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.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- 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.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$3,012,416	\$1,779,946	\$764,014

Pension plan fiduciary net position. Detailed information about the DPS Division’s FNP is available in PERA’s

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. The School participates in the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the 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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan

Plan description. Eligible employees of the School are provided with OPEB through the DPS HCTF—a single-employer defined benefit OPEB plan administered by PERA. The DPS HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and 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 by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated.

All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

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

The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the DPS HCTF or the 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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

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 DPS HCTF. PERA reporting agencies of the DPS Division are required to contribute at a rate of 1.02% of PERA-includable salary into the DPS HCTF.

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from the School were \$31,107 for the year ended June 30, 2023.

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

At June 30, 2023, the School reported a liability of \$30,865 for its proportionate share of the net OPEB liability. The net OPEB liability for the DPS HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The School's proportion of the net OPEB liability was based on The School's contributions to the DPS HCTF for the calendar year 2022 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2022, the School's proportion was .35118%, which was a decrease of .00806% from its proportion measured as of December 31, 2021.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

For the year ended June 30, 2023, the School recognized OPEB expense of \$1,366. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Difference between expected and actual experience	N/A	\$33,092
Changes of assumptions or other inputs	N/A	14,753
Net difference between projected and actual earnings on OPEB plan investments	17,499	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	20,166	732
Contributions subsequent to the measurement date	16,291	N/A
Total	\$53,956	\$48,577

\$16,291 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, 2024. 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 ended:	
2024	(\$753)
2025	\$265
2026	\$212
2027	(\$3,391)
2028	(\$4,458)
Thereafter	(\$2,787)

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Actuarial assumptions. The TOL in the December 31, 2021, 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%-11.50%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022 gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Age-Related Morbidity Assumptions

<u>Participant Age</u>	<u>Annual Increase (Male)</u>	<u>Annual Increase (Female)</u>
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, 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.

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
 (Continued)

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

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for the DPS Division as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the DPS HCTF, but developed on a headcount-weighted basis. Reporting agencies of the DPS Division participate in the DPS HCTF.

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

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

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

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

The following health care costs assumptions were updated and used in the roll-forward calculation for the DPS HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, 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 at least every five years for PERA. 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.

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%	

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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%.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$30,082	\$30,865	\$31,508

¹ For the January 1, 2023, plan year.

Discount rate. The discount rate used to measure the TOL 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, 2022, 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.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

Based on the above assumptions and methods, the DPS HCTF’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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. 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.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$52,234	\$30,865	\$12,660

OPEB plan fiduciary net position. Detailed information about the DPS HCTF’s FNP is available in PERA’s ACFR which can be obtained at www.copera.org/investments/pera-financial-reports

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2023, 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.

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, 2023, the reserve of \$197,000 was recorded as a restriction of fund balance in the General Fund.

NOTE 10: SUBSEQUENT EVENTS

Potential subsequent events were considered through October 23, 2023. It was determined there were no events required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

COLORADO HIGH SCHOOL CHARTER

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2023

	2023			VARIANCE	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 3,375,400	\$ 3,646,789	\$ 3,926,456	\$ 279,667	\$ 3,163,293
Mill Levy Override	2,026,872	2,035,144	2,220,314	185,170	1,746,975
Tuition and Fees	57,473	61,337	-	(61,337)	51,518
Grants and Donations	150,000	185,000	175,644	(9,356)	93,806
Interest	53	90,606	153,315	62,709	97
Other	-	-	59,288	59,288	-
State and Federal Sources					
Grants and Donations	814,311	941,852	973,599	31,747	1,183,556
TOTAL REVENUES	6,424,109	6,960,728	7,508,616	547,888	6,239,245
EXPENDITURES					
Salaries	2,993,316	3,605,304	3,299,370	305,934	3,137,268
Employee Benefits	837,780	1,023,475	897,459	126,016	799,036
Purchased Services	950,495	1,276,307	1,442,759	(166,452)	1,024,388
Supplies and Materials	121,482	485,133	370,848	114,285	357,823
Property	185,073	277,981	-	277,981	-
Other	-	-	76,768	(76,768)	-
Debt Service					
Principal	95,000	101,904	33,967	67,937	100,120
Interest	101,904	14,268	67,933	(53,665)	62,780
TOTAL EXPENDITURES	5,285,050	6,784,372	6,189,104	595,268	5,481,415
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,139,059	176,356	1,319,512	1,143,156	757,830
OTHER FINANCING USES					
Proceeds from Issuance of Debt	-	-	-	-	-
Transfers In	-	-	590,451	590,451	705,234
Transfers Out	-	-	(590,451)	(590,451)	(705,234)
CHANGE IN FUND BALANCES	1,139,059	176,356	1,319,512	1,143,156	757,830
FUND BALANCE, Beginning	3,384,271	3,384,271	3,384,287	16	2,626,457
FUND BALANCE, Ending	<u>\$ 4,523,330</u>	<u>\$ 3,560,627</u>	<u>\$ 4,703,799</u>	<u>\$ 1,143,172</u>	<u>\$ 3,384,287</u>

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER
 SCHEDULE OF THE SCHOOLS PROPORTIONATE SHARE
 DENVER PUBLIC SCHOOLS DIVISION TRUST FUND

Years Ended December 31,
 (School Division Trust Fund Measurement Date)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
School's proportionate share of the Net Pension Liability	0.1269%	0.1255%	0.1258%	0.1514%	0.2511%	0.1942%	0.2243%	0.3465%	0.2801%	0.2051%
School's proportionate share of the Net Pension Liability	\$ 660,075	\$ 783,947	\$ 1,023,562	\$ 1,658,325	\$ 2,251,323	\$ 1,987,328	\$ 1,477,463	\$ 1,558,729	\$ 16,727	\$ 1,799,946
State of Colorado Proportionate Share of the Net Pension Liability associated with the School	-	-	-	-	-	1,029,624	654,788	-	3,796	739,959
Total portion of the Net Pension Liability associated with the School	660,075	783,947	1,023,562	1,658,325	2,251,323	3,016,952	2,132,251	1,558,729	20,523	2,539,905
School's covered payroll	\$ 691,764	\$ 739,744	\$ 822,922	\$ 1,000,420	\$ 1,702,132	\$ 2,129,040	\$ 2,425,907	\$ 2,051,872	\$ 2,492,304	\$ 3,007,812
School's proportionate share of the Net Pension Liability as a percentage of its covered payroll	95.4%	106.0%	124.4%	165.8%	132.3%	93.3%	60.9%	76.0%	0.7%	59.8%
Plan fiduciary net position as a percentage of the total pension liability	86.3%	83.9%	79.3%	74.1%	79.5%	79.5%	84.7%	90.1%	99.9%	81.9%

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
DENVER PUBLIC SCHOOLS DIVISION TRUST FUND

Years Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contributions	\$ 35,855	\$ 24,476	\$ 24,700	\$ 57,751	\$ 77,589	\$ 122,143	\$ 191,282	\$ 153,026	\$ 243,571
Contributions in relation to the Statutorily required contributions	35,855	24,476	24,700	57,751	77,589	122,143	191,282	153,026	243,571
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered payroll	\$ 732,542	\$ 751,082	\$ 822,922	\$ 1,322,546	\$ 1,738,795	\$ 2,274,513	\$ 2,569,947	\$ 2,051,872	\$ 2,929,068
Contributions as a percentage of covered payroll	4.89%	3.26%	3.00%	4.37%	4.46%	5.37%	7.44%	7.46%	8.32%
									9.31%
									\$ 3,108,570

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
 HEALTH CARE TRUST FUND

Years Ended December 31,
 (School Division Trust Fund Measurement Date)

	2016	2017	2018	2019	2020	2021	2022
School's proportionate share of the Net OPEB Liability	0.1514%	0.2505%	0.2932%	0.3236%	0.3465%	0.3592%	0.3512%
School's proportionate share of the Net OPEB Liability	\$ 82,528	\$ 127,629	\$ 132,440	\$ 119,212	\$ 79,313	\$ 37,788	\$ 30,865
School's covered payroll	\$ 1,000,420	\$ 1,702,132	\$ 2,129,040	\$ 2,425,907	\$ 2,051,872	\$ 2,492,304	\$ 3,007,812
School's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	8.2%	7.5%	6.2%	4.9%	3.9%	1.5%	1.0%
Plan fiduciary net position as a percentage of the total OPEB liability	25.2%	30.5%	34.7%	47.0%	65.4%	83.9%	85.6%

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER
SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	2017	2018	2019	2020	2021	2022	2023
Statutorily required contributions	\$ 13,490	\$ 17,736	\$ 23,200	\$ 26,213	\$ 20,923	\$ 29,875	\$ 31,707
Contributions in relation to the Statutorily required contributions	13,490	17,736	23,200	26,213	20,923	29,875	31,707
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered payroll	\$ 1,322,546	\$ 1,738,795	\$ 2,274,513	\$ 2,569,947	\$ 2,051,872	\$ 2,929,068	\$ 3,108,570
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

COLORADO HIGH SCHOOL CHARTER

COMBINING BALANCE SHEET

June 30, 2023

	Osage Campus	GES Campus	Home Office	Building Corporation
ASSETS				
Cash and Investments	\$ 2,869,592	\$ 1,992,276	\$ -	\$ -
Restricted Cash	-	-	-	-
Accounts Receivable	193,692	167,892	-	-
Prepaid Expenses	3,369	3,369	-	-
	<u>3,369</u>	<u>3,369</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 3,066,653</u></u>	<u><u>\$ 2,163,537</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 47,618	\$ 141,692	\$ -	\$ -
Accrued Salaries and Benefits	183,098	153,983	-	-
	<u>183,098</u>	<u>153,983</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>230,716</u>	<u>295,675</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for Emergencies	97,485	90,164	-	-
Restricted for Mill Levy Override	147,435	170,006	-	-
Restricted for Debt Service	-	-	-	-
Restricted for COVID Expenditures	-	-	-	-
Committed for Capital Expenditures	1,348,150	936,850	-	-
Committed for Emergency Reserves	601,310	417,859	-	-
Unassigned	641,557	252,983	-	-
	<u>641,557</u>	<u>252,983</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>2,835,937</u>	<u>1,867,862</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,066,653</u></u>	<u><u>\$ 2,163,537</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are See the accompanying independent auditors' report

TOTAL

<u>2023</u>	<u>2022</u>
\$ 4,861,868	\$ 3,670,251
-	16
361,584	166,164
<u>6,738</u>	<u>8,634</u>
<u>\$ 5,230,190</u>	<u>\$ 3,845,065</u>

\$ 189,310	\$ 84,285
<u>337,081</u>	<u>376,493</u>
<u>526,391</u>	<u>460,778</u>

187,649	149,800
317,441	199,246
-	27,356
-	795,000
2,285,000	-
1,019,169	874,269
<u>894,540</u>	<u>2,096,446</u>
<u>4,703,799</u>	<u>4,142,117</u>
<u>\$ 5,230,190</u>	<u>\$ 4,602,895</u>

COLORADO HIGH SCHOOL CHARTER

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	Osage Campus	GES Campus	Home Office	Building Corporation
REVENUES				
Local Sources	\$ 3,275,049	\$ 3,101,811	\$ 158,157	\$ -
State and Federal Sources	506,077	467,522	-	-
	3,781,126	3,569,333	158,157	-
TOTAL REVENUES	3,781,126	3,569,333	158,157	-
EXPENDITURES				
Current				
Instruction	1,314,917	1,133,699	149,432	-
Supporting Services	1,474,115	1,430,147	584,894	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	11,549	17,663	4,755	-
Interest	23,097	35,325	9,511	-
	2,823,678	2,616,834	748,592	-
TOTAL EXPENDITURES	2,823,678	2,616,834	748,592	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	957,448	952,499	(590,435)	-
OTHER FINANCING USES				
Proceeds from Issuance of Debt	-	-	-	-
Proceeds from Forgivable Loan	-	-	-	-
Transfers In	-	16	590,435	-
Transfers Out	(128,595)	(461,840)	-	(16)
	(128,595)	(461,824)	590,435	(16)
TOTAL OTHER FINANCING SOURCES	(128,595)	(461,824)	590,435	(16)
NET CHANGE IN FUND BALANCES	828,853	490,675	-	(16)
FUND BALANCES, Beginning	2,007,084	1,377,187	-	16
FUND BALANCES, Ending	\$ 2,835,937	\$ 1,867,862	\$ -	\$ -

The accompanying notes are See the accompanying independent auditors' report

TOTAL	
<u>2023</u>	<u>2022</u>
\$ 6,535,017	\$ 5,055,689
973,599	1,183,556
<u>7,508,616</u>	<u>6,239,245</u>
2,598,048	2,474,393
3,489,156	2,844,122
-	-
33,967	100,120
67,933	62,780
<u>6,189,104</u>	<u>5,481,415</u>
<u>1,319,512</u>	<u>757,830</u>
-	-
-	-
590,451	705,234
<u>(590,451)</u>	<u>(705,234)</u>
<u>-</u>	<u>-</u>
1,319,512	757,830
<u>3,384,287</u>	<u>2,626,457</u>
<u>\$ 4,703,799</u>	<u>\$ 3,384,287</u>

COLORADO HIGH SCHOOL CHARTER

OSAGE CAMPUS
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2023

	2023			VARIANCE	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 1,761,763	\$ 1,939,514	\$ 2,017,260	\$ 77,746	\$ 1,769,832
Mill Levy Override	1,018,908	1,080,937	1,162,089	81,152	1,007,939
Tuition and Fees	29,944	32,842	-	(32,842)	31,017
Grants and Donations	75,000	110,000	93,850	(16,150)	35,529
Interest	53	48,930	-	(48,930)	48
Other	-	-	1,850	1,850	-
State and Federal					
Grants and Donations	375,830	450,830	506,077	55,247	701,698
TOTAL REVENUES	3,261,498	3,663,053	3,781,126	118,073	3,546,063
EXPENDITURES					
Salaries	1,533,802	1,699,844	1,533,502	166,342	1,429,176
Employee Benefits	427,825	487,532	432,804	54,728	392,651
Purchased Services	490,919	644,168	518,903	125,265	464,847
Supplies and Materials	85,101	265,570	227,055	38,515	201,195
Property	116,320	140,954	-	140,954	-
Other	-	-	76,768	(76,768)	-
Debt Service					
Principal	40,000	42,284	11,549	30,735	-
Interest	34,644	-	23,097	(23,097)	-
TOTAL EXPENDITURES	2,728,611	3,280,352	2,823,678	456,674	2,487,869
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	532,887	382,701	957,448	574,747	1,058,194
OTHER FINANCING USES					
Transfers Out	-	-	(128,595)	(128,595)	(493,879)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(128,595)	(128,595)	(493,879)
CHANGE IN FUND BALANCES	532,887	382,701	828,853	446,152	564,315
FUND BALANCE, Beginning	2,007,084	2,007,084	2,007,084	-	1,442,769
FUND BALANCE, Ending	<u>\$ 2,539,971</u>	<u>\$ 2,389,785</u>	<u>\$ 2,835,937</u>	<u>\$ 446,152</u>	<u>\$ 2,007,084</u>

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

GES CAMPUS
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2023

	2023			VARIANCE	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 1,613,637	\$ 1,707,275	\$ 1,909,196	\$ 201,921	\$ 1,393,461
Mill Levy Override	1,007,964	954,207	1,058,225	104,018	739,036
Tuition and Fees	27,529	28,495	-	(28,495)	20,501
Grants and Donations	75,000	75,000	80,200	5,200	48,312
Interest	-	40,807	-	(40,807)	2
Other	-	-	54,190	54,190	-
State and Federal					
Grants and Donations	438,481	491,022	467,522	(23,500)	481,858
TOTAL REVENUES	3,162,611	3,296,806	3,569,333	272,527	2,683,170
EXPENDITURES					
Salaries	1,459,514	1,501,325	1,343,680	157,645	1,336,079
Employee Benefits	409,955	431,951	377,039	54,912	318,707
Purchased Services	459,576	540,150	724,530	(184,380)	426,400
Supplies and Materials	36,381	202,376	118,597	83,779	136,191
Property	68,753	120,897	-	120,897	-
Debt Service					
Principal	55,000	59,620	17,663	41,957	-
Interest	52,992	-	35,325	(35,325)	-
Other	-	-	-	-	-
TOTAL EXPENDITURES	2,542,171	2,856,319	2,616,834	239,485	2,217,377
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	620,440	440,487	952,499	512,012	465,793
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	16	16	-
Transfers Out	-	-	(461,840)	(461,840)	(211,355)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(461,824)	(461,824)	(211,355)
CHANGE IN FUND BALANCES	620,440	440,487	490,675	50,188	254,438
FUND BALANCE, Beginning	1,377,187	1,377,187	1,377,187	-	1,122,749
FUND BALANCE, Ending	\$ 1,997,627	\$ 1,817,674	\$ 1,867,862	\$ 50,188	\$ 1,377,187

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

HOME OFFICE
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources				
Grants and Donations		\$ 1,594	\$ 1,594	\$ 9,965
Interest	869	153,315	152,446	47
Other		3,248	3,248	-
TOTAL REVENUES	869	158,157	157,288	10,012
EXPENDITURES				
Salaries	404,135	422,188	(18,053)	372,013
Employee Benefits	103,992	87,616	16,376	87,678
Purchased Services	91,989	199,326	(107,337)	133,141
Supplies and Materials	17,187	25,196	(8,009)	20,437
Property	16,130	-	16,130	-
Debt Service				
Principal	-	4,755	(4,755)	-
Interest	14,268	9,511	4,757	-
TOTAL EXPENDITURES	647,701	748,592	(100,891)	613,269
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(646,832)	(590,435)	56,397	(603,257)
OTHER FINANCING USES				
Transfers In	-	590,435	590,435	603,257
CHANGE IN FUND BALANCES	(646,832)	-	646,832	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ (646,832)	\$ -	\$ 646,832	\$ -

See the accompanying independent auditors' report.