Alta Vista Charter School,

a component unit of Lamar School District RE-2

Auditor's Report and Financial Statements

June 30, 2024

Alta Vista Charter School
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Independent Auditor's Report

Board of Directors
Alta Vista Charter School

Opinions

We have audited the financial statements of the governmental activities and each major fund of Alta Vista Charter School (the "AVCS"), a component unit of Lamar School District RE-2, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise AVCS's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of AVCS as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 AVCS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AVCS'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.

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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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AVCS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AVCS'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 on pages ii – iii, and the required supplementary information on pages 33 through 37 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 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 required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise AVCS's basic financial statements. The accompanying supplementary information on page 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

rfarmer, llc

December 6, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS

This section of Alta Vista Charter School's, a component unit of Lamar School District Re-2, annual financial report presents management's discussion and analysis of the school's financial performance during the fiscal year ended on June 30, 2024.

Fund Financial Statements

Financial statements are Governmental type activities. These activities are financed through taxes, intergovernmental revenues, and other non-trade revenues. Each fund is accounted for in the financial statements with a separate set of self-balancing accounts which reflect assets, liabilities, fund equity, revenues, and expenditures. GASB Statement #34 requires two financial statements (Statement of Net Position-page 3, and Statement of Activities-page 4) combining a broad range of school activities into single financial statements. While these give a look at the big picture of the school's financial status, they are difficult to digest for operational details of the School.

As reflected in the June 30, 2024 Statement of Net Position, total net position decreased from $5,467,930 in 2023 to $5,292,199 in the current year. The school's current net pension liability is $1,369,828 compared to $1,304,983 in 2023. Capital assets, net of related debt, decreased from $5,269,188 to $5,128,985. Restricted assets, which are composed of the required TABOR reserve and BEST Capital Renewal Reserve, increased from $164,650 to $181,390 due to the requirement of BEST Capital Renewal. The unrestricted, or undesignated, fund balance decreased from $34,092 in 2023 to ($18,176) in 2024. Total liabilities increased from $1,304,983 to $1,565,869 due to an increase in Net Pension and OPEB liabilities.

In the revenue realm, total revenues in Governmental Funds from state and local sources increased from $1,388,502 in 2023 to 1,588,265 in 2024 due to consistent enrollment and increase per pupil revenue. In the area of expenditures, total expenses in governmental funds were $1,239,107 in 2023 and $1,315,923 in 2024. The increase was minimal and due mainly to increased wages.

In the current financial report (2024) expenses were less than revenues by $272,342 due to a conscientious monitoring of expenditures, a slight increase of revenue from the state and consistent enrollment. The result was a change of an ending fund balance in Total Governmental Funds from $1,035,259 in 2023 to 1,307,601 in 2024, a gain of $272,342.

Analysis of Original, Final, and Actual Budget Results for the General Fund

The school receives revenues of four separate types. The bulk of the operating funds are obtained through transfer from the District of the Per Pupil Funding generated by students enrolled in the school. Other types of revenue include investment earnings, miscellaneous revenues, and grant revenues. It is somewhat useful to compare budgeted versus actual revenue and expenditures. Revenue projections were $1,601,935 and actual revenues were $1,588,265, a difference of ($13,670).

On the expenditure side of the General Fund, actual expenditures $1,315,923 was lower than budgeted expenditures $2,295,928. Restraint in spending across the board accounts for this difference.

Summary Comments

As reviewed earlier, the financial standing of Alta Vista Charter School appears sound. Restraint in spending has allowed the school to build up some reserves.

The school employs a somewhat aggressive enrollment process during the spring semester to arrive at a good estimate of enrollment prior to development of the budget. However, continued difficulties with the state and national economy and a declining enrollment in the district could dramatically affect the financial situation of the school. Therefore, fiscal prudence is advised in planning for future budgets.

If additional information is required please contact Alta Vista Charter School at (719)-336-2154 or 8785 County RD. LL, Lamar, CO 81052.

Basic Financial Statements

Alta Vista Charter School
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Cash and Equivalents	$ 1,499,369
Receivables	4,273
Buildings	6,573,910
Equipment and Furniture	283,435
Less: Accumulated Depreciation	(1,728,360)
Total Capital Assets	5,128,985
DEFERRED OUTFLOWS OF RESOURCES	
Pension	548,126
OPEB	8,801
Total Assets	7,189,554
LIABILITIES	
Accounts payable and accrued expenses	156,812
Unearned Revenues	39,229
Long-term liabilities	
Due in more than one year	
Net Pension and OPEB Liabilities	1,369,828
Total liabilities	1,565,869
DEFERRED INFLOWS OF RESOURCES	
Pension	314,217
OPEB	17,269
NET POSITION	
Net investment in capital assets	5,128,985
Restricted for:	
BEST Capital Renewal Reserve	142,000
TABOR	39,390
Unrestricted	(18,176)
Total net position	$ 5,292,199

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

Alta Vista Charter School
Statement of Activities
For the Year Ended June 30, 2024

		Program Revenue	Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Operating Grants and Contributions**	**Governmental Activities**
Primary government			
Governmental Activities			
Instructional:			
Charter School	$ 1,763,996	$ 45,246	$ (1,718,750)
Total Instructional	1,763,996	45,246	(1,718,750)
Total governmental activities	1,763,996	45,246	(1,718,750)
Total government	1,763,996	45,246	(1,718,750)
	General revenues:		
	Unrestricted investment earnings		14,073
	Miscellaneous		5,955
	Per pupil revenue		1,522,991
	Total general revenues, special items, and transfers		1,543,019
	Change in Net Position		(175,731)
	Net position - beginning		5,467,930
	Net position - ending		$ 5,292,199

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

Alta Vista Charter School
Balance Sheet
Governmental Fund
June 30, 2024

	General
ASSETS	
Cash and cash equivalents	$ 1,499,370
Other receivables	4,273
Total assets	1,503,643
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	299
Unearned revenue	39,229
Accrued Salaries	156,514
Total liabilities	196,042
Fund balances:	
Restricted for :	
BEST capital renewal reserve	142,000
TABOR	39,390
Unassigned	1,126,211
Total fund balances	1,307,601
Total liabilities and fund balances	$ 1,503,643

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

Alta Vista Charter School
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total fund balance, governmental funds	$	1,307,601
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		5,128,985
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		556,927
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(1,701,314)
Net Position of Governmental Activities in the Statement of Net Position	$	5,292,199

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

Alta Vista Charter School
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Year Ended June 30, 2024

	General
REVENUES	
Per pupil revenue	$ 1,522,991
Intergovernmental	45,246
Investment earnings	14,073
Miscellaneous	5,955
Total revenues	1,588,265
EXPENDITURES	
Charter School	1,315,923
Total Instructional	1,315,923
Total Expenditures	1,315,923
Excess (deficiency) of revenues over expenditures	272,342
Net change in fund balance	272,342
Fund balance - beginning	1,035,259
Fund balance - ending	$ 1,307,601

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

Alta Vista Charter School

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds:	$	272,342
This is the amount by which capital outlay of $0 was less than depreciation of $140,203 in the current period.		(140,203)
Net difference between PERA and OPEB pension and actual expense contributions		(307,870)
Change in net assets of governmental activities	$	(175,731)

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

Note 1 **Reporting Entity**

The Alta Vista Charter School (AVCS) is organized as a charter school under the Colorado Revised Statutes and operates as a component unit of Lamar School District RE-2. AVCS operates grades K through 6. The reporting entity for AVCS consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature of significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

Note 2 **Summary of Significant Accounting Policies**

The accounting policies of AVCS conform to generally accepted accounting principles as applicable to governmental units.

Financial Statement Presentation

The financial statements are presented in conformity with standards as prescribed by the Governmental Accounting Standards Board.

School-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, inter-governmental revenues and other non-exchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. AVCS does not allocate indirect expenses to functions in the Statement of Activities. Program revenues included (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category.

Governmental Activities

Governmental funds are identified as general, special revenue, debt service or capital projects funds based upon the following guidelines.

General Fund – The General Fund is the general operating fund of AVCS and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Funds

AVCS reports the General Fund as a major governmental fund.

Basis of Accounting

The school-wide Statement of Net Position and Statement of Activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

State general and categorical aids and other entitlements are recognized as revenue in the period AVCS is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to AVCS which are not available are recorded as receivables and deferred revenue. Amounts received prior to the entitlement period are also recorded as deferred revenue.

Revenues susceptible to accrual include miscellaneous taxes, expenditure-driven grant programs and investment income.

For governmental fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before AVCS has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when AVCS has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus

On the school-wide Statement of Net Position and Statement of Activities governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements, are reflected in operations. Resources are not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are included as liabilities in the school-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

Capital Assets

School-Wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Prior to July 2002, governmental funds' capital assets were accounted for in the general fixed asset account group and were not recorded directly as a part of any individual fund's financial statements. Upon implementing GASB 34 governmental units are required to account for all capital assets including infrastructure in the school-wide statements. AVCS does not have any infrastructure assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net

Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation for all fixed assets that cost $5,000 or more. The range of estimated useful lives by type of asset is as follows:

Site Improvement	10-20 years
Buildings	50 years
Building Improvements	20 years
Furniture and Equipment	5-15 years
Computer and Related Technology	5 years
Library Books	7 years

Interest incurred or earned during the construction of capital assets is capitalized. There was not any capitalized interest during the year.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized, and related depreciation is not reported in the fund financial statements.

Budgets

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund.

Annual budgets are adopted as required by Colorado Statutes. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons in this report are presented on the GAAP basis.

The Board of Education shall each year cause to be prepared a proposed budget for the ensuing fiscal year. A statement shall be submitted with the proposed budget describing the major objectives of the educational program to be undertaken by AVCS during the ensuing fiscal year and the manner in which the budget proposes to fulfill such objectives. The proposed budget shall be submitted to the Board by May 31. The final adoption of the AVCS budget and appropriation resolution must be made by the last day of June. Any changes to the budget and appropriation resolution must be made within the appropriate deadline.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided unanticipated resources offset them.

Appropriations are adopted by resolution for each fund in total. Over expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

The budget for AVCS is adopted and approved by the Lamar School District RE-2 board in addition to AVCS's own board.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the school-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year-end.

Equity Classifications

School-Wide Statements

Equity is classified as net position and displayed in three components:

1. *Net investment in capital assets* – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt.

2. *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

3. *Unrestricted net position* – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as non-spendable, restricted, committed, assigned and unassigned.

1. *Non-spendable* – These are amounts that cannot be spent because they either are not spendable in form (i.e., inventories, prepaids, long-term receivables) or they are legally or contractually required to be maintained intact (i.e., principal of an endowment fund).

2. *Restricted* – These are amounts that can be spent only for purposes stipulated by the constitution or externally imposed by creditors (i.e., debt covenants), grantors, or enabling legislation (i.e., TABOR).

3. *Committed* – These are amounts that can be used only for purposes determined by a formal action (i.e., resolution or ordinance) of the government's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action. The formal action of the government's highest level of authority that commits the amounts to a specific purpose should occur prior to the

end of the reporting period, but the dollar amount committed may be determined in the subsequent period. It is important to note that if the appropriate action was not taken prior to the end of the reporting year the amounts cannot be reported as committed.

4. *Assigned* – These amounts are set aside for planned or intended purposes but are neither restricted nor committed. The intended use may be expressed by the government's highest level of authority to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

5. *Unassigned* – This represents the residual classification. Unassigned amounts will be reported only in the general fund, unless it is another governmental fund type that has a deficit fund balance.

When both restricted and unrestricted fund balances are available for use, it is AVCS's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

Note 3 Cash and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool 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.

At June 30, 2024, AVCS's cash deposits had a balance of $1,499,370 and were covered by FDIC insurance and/or the Public Depository Protection Act.

AVCS's cash includes certificates of deposits and other short-term investments in local area banks.

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

- Repurchase agreements,
- Obligations of the United States or obligations unconditionally guaranteed by the United States,
- Obligations of the State of Colorado and most general obligations of units of local governments,
- Federally insured mortgages and student loans,
- Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. (One such trust formed under the statute is "ColoTrust").
- AVCS does not have any investments in ColoTrust.

Note 4 **Capital Assets**

Assets that cost more than $5,000 are capitalized.

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated				
Buildings	$ 6,573,910	$ -	$ -	$ 6,573,910
Equipment and Furniture	283,435	-	-	283,435
Total capital assets	6,857,345	-	-	6,857,345
Less: Accumulated Depreciation	(1,588,157)	(140,203)	-	(1,728,360)
Net Capital Assets	$ 5,269,188	$ (140,203)	$ -	$ 5,128,985

Note 5 **Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

Benefits provided as of December 31, 2023. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

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

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.

In all cases the service retirement benefit is limited to 100% of the highest average salary and cannot exceed the maximum benefit allowed by the 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 under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure 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 SCHDTF. 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 December 31, 2023: Eligible employees of AVCS and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of January 1, 2023 through December 31, 2023. Employer contribution requirements are summarized in the table below:

	January 1, 2023 Through December 31,2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and AVCS is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from AVCS were $1,733,166 for the year ended December 31, 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 SCHDTF 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 direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of $14.561 million for 2023 only.

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

The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. AVCS's proportion of the net pension liability was based on AVCS's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2023, AVCS reported a liability of $1,325,844 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by AVCS 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 AVCS were as follows:

AVCS's proportionate share of the net pension liability	$ 1,325,844
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with AVCS	386,364
Total	$ 1,712,208

At December 31, 2023, AVCS's proportion was 0.0096825%, which was an immaterial increase from its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, AVCS recognized pension expense of $38,004 and revenue of $38,004 for support from the State as a nonemployer contributing entity. At December 31, 2023, AVCS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 81,191	$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	413,304	314,217
Contributions subsequent to the measurement date	53,631	N/A
Total	$ 548,126	$ 314,217

$53,631 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 December 31, 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:

For the Plan Year Ended December 31:	
2024	$ 37,304
2025	86,213
2026	114,636
2027	(34,223)
2028	-
Thereafter	$ -

Actuarial assumptions. The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 And DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by 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.

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, 2022, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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

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

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.
- 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.

- 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.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023 measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% 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 AVCS'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 liability	$1,772,874	$1,325,844	$953,075

Pension Plan FNP. Detailed information about the SCHDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial reports.

Note 6 Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description. Employees of AVCS that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA.

Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description. Employees of AVCS may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. Members are immediately vested in their own contributions, employer contributions and investment earnings.

Note 7 Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of AVCS are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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 HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

Enrollment in the PERACare 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. 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 by assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and AVCS is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from AVCS were $86,742 for the year ended December 31, 2023.

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

On December 31, 2023, AVCS reported a liability of $43,984 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. AVCS's proportion of the net OPEB liability was based on AVCS's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

On December 31, 2023, AVCS's proportion was 0.005387%, which was approximately the same as its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, AVCS recognized OPEB income of $7,500. On December 31, 2023, AVCS reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 6	$ 10,636
Changes of assumptions or other inputs	707	4,854
Net difference between projected and actual earnings on pension plan investments	4,824	1,779
Contributions subsequent to the measurement date	3,264	N/A
Total	$ 8,801	$ 17,269

$3,264 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 December 31, 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:

For the Plan Year Ended December 31:	
2024	$ (4,381)
2025	(4,114)
2026	(1,910)
2027	(286)
2028	(1,139)
Thereafter	$ (259)

Actuarial assumptions. The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	2.80%-11.30%	3.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
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			7.00% in 2023 Gradually decreasing to 4.50% in 2033	
Medicare Part A premiums			3.50% in 2023	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

Each year the per capita health care costs are developed by plan option; currently based on 2023 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.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse Male	Female	MAPD PPO #2 with Medicare Part A Retiree/Spouse Male	Female
65	$ 1,692	$ 1,406	$ 6,469	$ 5,373
70	$ 1,901	$ 1,573	$ 7,266	$ 6,011
75	$ 2,100	$ 1,653	$ 8,026	$ 6,319

Sample Age	MAPD PPO #1 without Medicare Part A Retiree/Spouse Male	Female	MAPD PPO #2 without Medicare Part A Retiree/Spouse Male	Female
65	$ 579	$ 481	$ 4,198	$ 3,487
70	$ 650	$ 538	$ 4,715	$ 3,900
75	$ 718	$ 566	$ 5,208	$ 4,101

Sample Age	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse Male	Female	MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse Male	Female
65	$ 1,913	$ 1,589	$ 6,719	$ 5,581
70	$ 2,149	$ 1,778	$ 7,546	$ 6,243
75	$ 2,374	$ 1,869	$ 8,336	$ 6,563

The 2023 Medicare Part A premium is $506 (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, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2022, valuation for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of these four Division Trust Funds participate in the HCTF.

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

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

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

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

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

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

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

Post-retirement non-disabled mortality assumptions for the School Division were based upon the Pub T-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.

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

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

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

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

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

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to 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. 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%.

Sensitivity of AVCS's proportionate share of the OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability or net OPEB asset 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]	5.75%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.50%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB liability (asset)	$ 42,739	$ 43,984	$ 45,339

[1]For January 1, 2024, Plan Year

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2022, and the financial status of each of the Health Care Trust Funds as of the current measurement date (December 31, 2023). 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, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the Health Care Trust Funds representing a portion of purchased 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.

Sensitivity of AVCS's proportionate share of Net OPEB liability to changes in the discount rate. The following presents the collective net OPES liability or net OPES asset for each of the Health Care Trust Funds calculated using the discount rate of 7.25% as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% increase (8.25%)
Proportionate share of the net OPEB liability	$ 50,991	$ 43,984	$ 37,991

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

Note 8 Risk Management

AVCS is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

AVCS, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which AVCS would be financially responsible.

Note 9 **Accrued Salaries**

AVCS is recognizing the liability for all employees' salaries at year-end, which are due to nine- or ten-months services rendered, paid over twelve months. In effect, the entire wage has been earned, but only a portion paid. Total accrued salaries were $156,514, at year end.

Note 10 **Tax Spending and Debt Limitation**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. AVCS believes it is in compliance with the requirements of the amendment. However, AVCS has made certain interpretations of the amendment's language in order to determine its compliance. In 1997 the taxpayers of AVCS voted to retain revenues and not be subject to the fiscal year spending limitation of Article X Section 20 of the Colorado State Constitution provided that no local tax rate or mill levy shall be increased without further voter approval.

Note 11 **Lease and Sublease**

During 2010-11 AVCS applied for and received a Building Excellent Schools Today (BEST) grant. The grant was for approximately $5,515,967. The grant, through a sublease agreement, is administered by the State of Colorado Department of Education. Upon completion of the project, the Colorado Department of Education released the property from the financing bank and the Colorado Department of Education subleasing the property to AVCS. AVCS is not obligated to make any lease payments. At the end of 20 years, the building will revert to the Lamar School District, RE-2.

Required Supplementary Information

Alta Vista Charter School
Budget and Actual
General
For the year ended June 30, 2024

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Per pupil revenue	$ 1,510,656	$ 1,510,656	$ 1,522,991
Intergovernmental	14,718	78,219	45,246
Investment earnings	1,810	1,810	14,073
Miscellaneous	11,250	11,250	5,955
Total revenues	1,538,434	1,601,935	1,588,265
EXPENDITURES			
Instructional:			
Charter School	2,149,131	2,295,928	1,315,923
Total Expenditures	2,149,131	2,295,928	1,315,923
Excess (deficiency) of revenues over expenditures	(610,697)	(693,993)	272,342
Net change in fund balances	(610,697)	(693,993)	272,342
Fund balances - beginning	885,864	1,035,259	1,035,259
Fund balances - ending	$ 275,167	$ 341,266	$ 1,307,601

Alta Vista Charter School
Schedule of the AVCS's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2024

	for the years ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School's proportion (percentage) of the collective net pension liability	0.00005675100	0.00005675100	0.00008633200	0.00001002028	0.00091363000	0.000011280	0.00001113	0.00001111	0.0000114000	0.0000114000
School's proportionate share of the collective pension liability	$ 1,325,844	$ 1,056,335	$ 901,356	$ 1,514,863	$ 1,371,368	$3,637,324	$3,082,852	$1,699,580	$1,545,789	$1,495,331
Covered payroll	$ 732,852	$ 575,900	$ 539,552	$ 535,893	$ 501,495	$572,575	$537,751	$523,916	$463,798	$472,612
School's proportionate share of the net pension liability as a percentage of its covered payroll	181%	183%	167%	283%	273%	635%	573%	324%	333%	316%
Plan fiduciary net pension as a percentage of the total pension liability	4.35%	4.33%	5.24%	4.69%	4.20%	4.36%	4.36%	4.40%	3.85%	4.09%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, AVCS will present information for those years for which information is available.

Alta Vista Charter School
Schedule of the AVCS's Proportionate Share of the Net OPEB Liability
For the Year Ended June 30, 2024

	for the years ended December 31,					
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
District's proportion (percentage) of the collective net pension liability	0.000056752	0.000052752	0.00005636870	0.00005795034	0.00009136380	0.00008748043
District's proportionate share of the collective pension liability	$ 46,336	$ 46,336	$ 48,776	$ 55,065	$ 66,859	$ 63,552
Payroll	$ 732,852	$ 575,900	$ 539,552	$ 535,893	$ 501,495	$ 572,575
District's proportionate share of the net pension liability as a percentage of its payroll	6%	8%	9%	10%	13%	11%
Plan fiduciary net pension as a percentage of the total pension liability	2.70%	2.76%	2.76%	2.29%	1.71%	1.61%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Alta Vista Charter School
Schedule of Contributions and Related Ratios
For the Year Ended June 30, 2024

for the years ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutory required contributions	$ 130,453	$ 107,263	$ 107,263	$ 105,197	$ 96,085	$ 96,666	$ 90,595	$ 90,955	$ 86,087	$ 80,740
Contributions in relation to the statutorily required contribution	130,453	107,263	107,263	105,197	$ 96,085	$ 96,666	$ 90,595	$ 90,955	$ 86,087	$ 80,740
Contribution deficiency (excess)	$ 0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 732,852	$ 575,900	$ 539,552	$ 535,893	$ 501,495	$ 499,695	$ 537,751	$ 523,916	$ 480,956	$ 474,975
Contribution as a percentage of covered payroll	17.80%	18.63%	19.88%	19.63%	19.16%	19.35%	16.85%	17.36%	17.90%	17.00%

Alta Vista Charter School
Schedule of Contributions and Related Ratios OPEB
For the Year Ended June 30, 2024

	for the years ended December 31,					
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Statutory required contributions	$ 7,500	$ 5,874	$ 5,505	$ 5,467	$ 5,115	$ 5,096
Contributions in relation to the statutorily required contribution	7,500	5,874	5,505	5,467	5,115	5,096
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Payroll	$ 732,852	$ 575,900	$ 539,552	$ 535,893	$ 501,495	$ 499,695
Contribution as a percentage of payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Supplementary Information

Colorado Department of Education

Charter School Auditor's Integrity Report
Colorado School District/BOCES
District: 2660 - Lamar Re-2
Fiscal Year 2023-24

Revenues, Expenditures, & Fund Balance by Location and Fund

Location (900- 969): 900

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001 - 0999 Total Expenditures & Other Uses -	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance =
	Governmental				
10	General Fund	1,544,970	-1,471,088	73,882	0
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	0	0	0
	Sub- Total	**1,544,970**	**-1,471,088**	**73,882**	**0**
11	Charter School Fund	1,035,259	1,588,265	1,315,923	1,307,601
20,26-29	Special Revenue Fund	0	0	0	0
06	Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21	Food Service Spec Revenue Fund	0	0	0	0
22	Govt Designated-Purpose Grants Fund	44,093	0	44,093	0
23	Pupil Activity Special Revenue Fund	0	0	0	0
24	Full Day Kindergarten Mill Levy Override	0	0	0	0
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	0	0	0	0
41	Building Fund	0	0	0	0
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	0	0	0	0
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
39 Fund	Certificate of Participation (COP) Debt Service	0	0	0	0
Totals		2,624,322	117,177	1,433,898	1,307,601
	Proprietary				
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	0	0	0	0
Totals		0	0	0	0
	Fiduciary				
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		0	0	0	0

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.