

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2024



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**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
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YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Expeditionary Learning School Board of Cooperative Educational Services dba: Rocky Mountain School of Expeditionary Learning (the School), as of and for the year ended June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison for the General Fund, pension information, and other postemployment benefit information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The Auditors' Integrity Report 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 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 GAAS. In our opinion, the Auditors' Integrity Report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 27, 2025

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

The discussion and analysis of the Rocky Mountain School of Expeditionary Learning's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the financial statements and the accompanying footnotes in order to broaden their understanding of the School's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis.

Financial Highlights

- The School's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,603,446 (net position).
- The School has unrestricted net position of (\$3,130,913).
- In comparison to the previous year, the School's net position decreased by \$802,218 or 33.39%.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The basic financial statements, presented on pages 11-50 are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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

The government-wide financial statements consolidate governmental activities that are supported from taxes and intergovernmental revenues. Governmental activities consolidate governmental funds including the general fund and the building fund. The government-wide financial statements can be found on pages 11-12.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Fund Financial Statements

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

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

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

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

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

The governmental fund financial statements can be found on pages 13-16 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 17-48 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the School's budgetary comparisons and pension and other postemployment benefit information. Required supplementary information can be found on pages 50-55 of this report.

Government-Wide Financial Analysis

Government-Wide Net Position

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Government-Wide Financial Analysis (Continued)

Government-Wide Net Position (Continued)

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

Current and noncurrent liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, and unearned revenue. The liquidation of current liabilities is anticipated to be either from current available resources, current assets, or new resources that become available during fiscal year 2024. The decrease in current liabilities is related to a decrease in retainage payable and accounts payable.

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

The assets and deferred outflows of resources of the primary government activities exceed liabilities and deferred inflows of resources by \$1,605,155 with unrestricted net position of (\$3,130,913). The School has net investment in capital assets of \$4,389,207. The School's overall net position decreased by \$802,218 during this fiscal year.

CONDENSED STATEMENTS OF NET POSITION

	June 30,	
	2024	2023
ASSETS		
Current	\$ 3,030,418	\$ 3,308,366
Capital Assets, Net of Depreciation	14,387,441	14,766,719
Total Assets	17,417,859	18,075,085
 DEFERRED OUTFLOW OF RESOURCES		
Deferred Pension and OPEB Outflows of Resources	2,335,169	1,268,652
 LIABILITIES		
Current	875,374	900,462
Long-Term	17,077,667	15,536,623
Total Liabilities	17,953,041	16,437,085
 DEFERRED INFLOW OF RESOURCES		
Deferred Pension and OPEB Inflows of Resources	194,832	499,279
 NET POSITION		
Net Investment in Capital Assets	4,389,207	4,355,664
Restricted	346,861	607,474
Unrestricted	(3,130,913)	(2,555,765)
Total Net Position	\$ 1,605,155	\$ 2,407,373

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Government-Wide Financial Analysis (Continued)

Government-Wide Activities

All of the School's programs and services are reported as governmental activities including instruction, support services, operations and facility maintenance. The School's increase in instructional and support services expenses primarily drove the decrease in net position of the School by \$802,218. The details of this increase are shown in the following schedule:

CONDENSED STATEMENTS OF ACTIVITIES

	Year Ended June 30,	
	2024	2023
REVENUES		
Program Revenue:		
Charges for Service	\$ 626,272	\$ 645,869
Operating Grants and Contributions	66,268	746,612
General Revenue:		
Per Pupil Funding	4,150,039	3,875,102
Other	318,003	292,711
Total Revenue	5,160,582	5,560,294
EXPENSES		
Governmental Activities:		
Instructional	3,620,739	3,203,939
Support Services	1,698,335	1,684,400
Building	222,840	230,294
Debt Service	420,886	486,056
Total Expenses	5,962,800	5,604,689
CHANGE IN NET POSITION	(802,218)	(44,395)
Net Position - Beginning of Year	2,407,373	2,451,768
NET POSITION - END OF YEAR	\$ 1,605,155	\$ 2,407,373

The key element of the decrease in net position for governmental activities is due to the increase in instructional and support services expenses.

Financial Analysis of the School's Governmental Funds

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Financial Analysis of the School's Governmental Funds (Continued)

All of the School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps determine where there are more or fewer financial resources that can be spent in the near future to finance educational programs. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the School's two governmental funds, the general fund and the building fund, reported an ending fund balance of \$1,790,667 and \$751,669, respectively.

Unassigned fund balance for the School at the end of the fiscal year was \$959,145.

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

The general fund is the chief operating fund of the School. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the general fund amounted to \$4,913,051. Unassigned general fund balance represents 20% of expenditures while total general fund balance represents 36% of expenditures.

General Fund Budgetary Highlights

The fund balance for the general fund decreased by \$265,806, resulting in an ending fund balance of \$1,790,667. While the actual expenditures were less than the adopted budgeted expenditures by \$824,116, the actual revenue was higher than budgeted revenue by \$157,533, resulting in a net positive variance of \$981,649 for the year. The positive variance is due to participation in after school programs and fee income, and fewer salaries and benefit expense than expected.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Economic Factors and Next Year's Budgets and Rates

The economic outlook for the 2024-2025 school year is expected to improve even with the continued declining enrollment in the Denver area. As the U.S. economy works through the last mile of inflation, global growth is projected to stay at 3.1% in 2024 and rise to 3.2% in 2025 which is promising. It is unknown what the effects of the recent election will have on the U.S. Department of Education, but at this point with the end of fiscal stimulus and the unwinding of supply-side issues, the economy is moving in a positive direction.

- The year ending June 30, 2024 is the 31st year of operations for the Rocky Mountain School of Expeditionary Learning.
- The School opened at its location at 1700 S. Holly St. in November 2000. The School has a 440-student capacity. We anticipate an enrollment of 381 students for the 2024-2025 school year.
- For the 2024-2025, the School will be receiving \$11,722.09 per pupil (FTE basis), which is an increase of 6.768% over the 2023-2024 funding of \$10,978.94 per pupil.
- The operations of the School are funded primarily by tax revenue received under the State Finance Act by Denver Public Schools. Per pupil revenue for the year ended June 30, 2024 was \$4,150,039 as compared to \$3,875,102 for the year ended June 30, 2023.

Requests for Information

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School. Questions concerning any of the information provided in this report or requests for additional information shall be addressed to:

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

BASIC FINANCIAL STATEMENTS

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

Cash and Investments	\$ 2,197,672
Restricted Cash and Investments	751,669
Inventory	3,005
Other Assets	5,893
Prepaid Expenses	72,179
Capital Assets Not Being Depreciated:	
Construction in Process	20,690
Capital Assets Net of Accumulated Depreciation:	
Furniture and Equipment	231,901
Buildings	11,373,192
Vehicles	151,257
Lease Assets	2,610,401
Total Assets	<u>17,417,859</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to Pension	2,277,280
Related to OPEB	57,889
Total Deferred Outflows of Resources	<u>2,335,169</u>

LIABILITIES

Accounts Payable	47,369
Accrued Interest Payable	159,480
Accrued Salaries and Benefits	209,326
Unearned Revenue	231,387
Noncurrent Liabilities:	
Due Within One Year	227,812
Due in More Than One Year	10,015,750
Net Pension Liability	6,895,420
Net OPEB Liability	166,497
Total Liabilities	<u>17,953,041</u>

DEFERRED INFLOWS OF RESOURCES

Related to Pension	133,232
Related to OPEB	61,600
Total Deferred Inflows of Resources	<u>194,832</u>

NET POSITION

Net Investment in Capital Assets	4,389,207
Restricted for:	
Debt Service	346,861
Unrestricted	<u>(3,130,913)</u>
Total Net Position	<u>\$ 1,605,155</u>

See accompanying Notes to Basic Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position
GOVERNMENTAL ACTIVITIES					
Instructional	\$ 3,620,739	\$ 564,528	\$ 66,268	\$ -	\$ (2,989,943)
Support Services	1,698,335	49,234	-	-	(1,649,101)
Building	222,840	12,510	-	-	(210,330)
Debt Service	420,886	-	-	-	(420,886)
Total Governmental Activities	<u>\$ 5,962,800</u>	<u>\$ 626,272</u>	<u>\$ 66,268</u>	<u>\$ -</u>	<u>(5,270,260)</u>
GENERAL REVENUES					
Per Pupil Revenue					4,150,039
State BOCES Funding					208,768
Net Investment Earnings					92,838
Miscellaneous					16,397
Total General Revenues					<u>4,468,042</u>
CHANGES IN NET POSITION					
Net Position - Beginning of Year					<u>2,407,373</u>
NET POSITION - END OF YEAR					<u>\$ 1,605,155</u>

See accompanying Notes to Basic Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	Building	Total
ASSETS			
Cash and Investments	2,197,672	\$ -	\$ 2,197,672
Restricted Cash and Investments	-	751,669	751,669
Inventory	3,005	-	3,005
Other Assets	5,893	-	5,893
Prepaid Expenditures	72,179	-	72,179
Total Assets	\$ 2,278,749	\$ 751,669	\$ 3,030,418
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 47,369	\$ -	\$ 47,369
Accrued Salaries and Benefits	209,326	-	209,326
Unearned Revenue	231,387	-	231,387
Total Liabilities	488,082	-	488,082
FUND BALANCE			
Nonspendable	75,184	-	75,184
Restricted for:			
Capital Projects	-	245,328	245,328
Debt Service	-	506,341	506,341
Assigned for:			
Fieldwork Fees	253,375	-	253,375
Athletic Program	2,963	-	2,963
Budget Carryover - Bond Issuance			
Debt Service (BEST Grant Match)	500,000	-	500,000
Unassigned	959,145	-	959,145
Total Fund Balance	1,790,667	751,669	2,542,336
Total Liabilities and Fund Balance	\$ 2,278,749	\$ 751,669	\$ 3,030,418

See accompanying Notes to Basic Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Fund Balance - Total Government Funds	\$ 2,542,336
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	14,387,441
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	
Bond Payable	(6,945,000)
Bond Premium	(527,995)
Leases Payable	(2,770,567)
Accrued Interest Payable	(159,480)
Net Pension Liability	(6,895,420)
Net OPEB Liability	(166,497)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to Pension	2,277,280
Related to OPEB	57,889
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to Pension	(133,232)
Related to OPEB	(61,600)
Net Position of Governmental Activities	<u>\$ 1,605,155</u>

See accompanying Notes to Basic Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>General</u>	<u>Building</u>	<u>Total</u>
REVENUES			
Per Pupil Operating Revenue	\$ 4,150,039	\$ -	\$ 4,150,039
State BOCES Funding	208,768	-	208,768
State - Pension	11,520	-	11,520
Fee Income	564,528	-	564,528
Grant Revenue	3,287	-	3,287
Fundraising:			
School Based	35,283	-	35,283
Parent Based	22,323	-	22,323
After School Program	49,234	-	49,234
Facility Use Rental	12,510	-	12,510
Net Investment Earnings	53,306	39,532	92,838
Miscellaneous	16,397	-	16,397
Total Revenue	<u>5,127,195</u>	<u>39,532</u>	<u>5,166,727</u>
EXPENDITURES			
Instructional:			
Payroll and Benefits	2,152,245	-	2,152,245
Fieldwork	300,732	-	300,732
Professional Development	11,004	-	11,004
Special Education Fees	237,869	-	237,869
Other	125,036	-	125,036
Support Services:			
Payroll and Benefits	1,151,473	-	1,151,473
Administrative	244,422	-	244,422
Vehicle Expense	26,149	-	26,149
Technology	32,581	-	32,581
Fundraising Costs	36,604	-	36,604
After School Program	54,412	-	54,412
Building:			
Facility Maintenance	222,840	-	222,840
Capital Outlay	154,832	20,690	175,522
Debt Service:			
Principal	51,363	135,000	186,363
Interest and Fiscal Charge	111,489	344,584	456,073
Total Expenditures	<u>4,913,051</u>	<u>500,274</u>	<u>5,413,325</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	214,144	(460,742)	(246,598)
OTHER FINANCING SOURCES (USES)			
Transfer In	-	479,950	479,950
Transfer Out	(479,950)	-	(479,950)
Total Other Financing Sources (Uses)	<u>(479,950)</u>	<u>479,950</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	(265,806)	19,208	(246,598)
Fund Balance - Beginning of Year	<u>2,056,473</u>	<u>732,461</u>	<u>2,788,934</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,790,667</u>	<u>\$ 751,669</u>	<u>\$ 2,542,336</u>

See accompanying Notes to Basic Financial Statements.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Governmental Funds \$ (246,598)

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

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

Capital Outlay	175,522
Depreciation and Amortization Expense	(554,800)
Total	(379,278)

Repayment of bond and lease principal is an expenditure in the governmental funds, but it reduces long-term debt in the statement of net position.

Bond Principal	135,000
Lease Principal	51,363
Total	186,363

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

Amortization of Premium	32,651
Total	32,651

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

Accrued Interest Payable	2,536
Pension Expense	(429,605)
Other Postemployment Benefits Expense	31,713
Total	(395,356)

Change in Net Position of Governmental Activities \$ (802,218)

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Financial Reporting Entity

Expeditionary Learning School Board of Cooperative Educational Services dba: Rocky Mountain School of Expeditionary Learning (the School), was organized on July 1, 1993 and is governed pursuant to provisions of the Board of Cooperative Services Act. The School is located in Denver, Colorado and was established to improve and expand educational services in the member districts through the opening and operation of a K-12 expeditionary learning school that will draw students from all of the member districts and that will represent a cross-district collaboration among member districts. The member districts for the fiscal year ended June 30, 2024 are Cherry Creek School District No. 5 (Cherry Creek Schools), School District No. 1 in the City and County of Denver (Denver Public Schools), Douglas County School District RE-1 (Douglas County Schools), Arapahoe County District No. 6 (Littleton Public Schools), and Adams-Arapahoe 28-J School District (Aurora Public Schools).

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

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

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

The School reports the following major governmental funds:

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible for accrual are per pupil intergovernmental revenue, contributions and fieldwork fees. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the School.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Investments

Investments are reported at amortized cost.

Inventories

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

Prepaid Items

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

Capital Assets

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

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

Computer Equipment	5 Years
Furnishings and Equipment	5 Years
Vehicles	5 to 10 Years
Modular Building	14 Years
Buildings	Life of Remaining Building Lease

Net Position

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

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

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

Leases

The School determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position.

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

Lease liabilities represent the School's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the School has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Fund Balance

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

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

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

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

Assigned – This classification includes amounts that are subject to a purpose constraint that represents an intended use but does not meet the criteria to be classified as restricted or committed. The purpose of this assignment must be narrower than the purpose of the General Fund. The School has assigned \$253,375 of unspent fieldwork fees and carryover from the previous fiscal year for future trips, \$2,963 for Athletic Programs, and \$500,000 for debt service requirements related to the BEST grant matching funds as of June 30, 2024.

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

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

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

Deferred Inflows and Outflows of Resources

Deferred Outflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 9 and Note 10 for deferred outflows of resources related to pension and other postemployment benefits, respectively.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

Deferred Inflows of Resources – In addition to liabilities, the School's financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. See Note 9 and Note 10 for the deferred inflows of resources related to pension and other postemployment benefits, respectively.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1 of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. HB 22-1029, enacted June 7, 2022, required a restorative payment for the suspended 2020 direct distribution due to HB 20-1379. Upon enactment of HB 22-1029, the State treasurer distributed \$380 million with reductions, as applicable, to future direct distributions scheduled to occur July 1, 2023 and July 1, 2024.

Pensions

The School participates in the School Division Trust Fund (SCHDTF), a cost-sharing, multiemployer 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.

OPEB

The School participates in the Health Care Trust Fund (HCTF), a cost-sharing, multiemployer 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.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 CASH DEPOSITS AND INVESTMENTS

Cash Deposits

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

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

At June 30, 2024, cash deposits amounted to \$2,054,144.

Investments

Credit Risk

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

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk (Continued)

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

Interest Rate Risk

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

As of June 30, 2024, the School had the following investments:

Investments	Maturity	Amount
Local Government Investment Pool (CSAFE)	Less Than 1 Year	<u>\$ 895,197</u>

CSAFE

At June 30, 2024, the School had invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by State statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share value at \$1.00.

At June 30, 2024, cash deposits and investments consisted of the following:

Cash Deposits	\$ 1,302,475
Restricted Cash Deposits	751,669
Investments	895,197
Total	<u>\$ 2,949,341</u>

The amount of \$751,669 of the total cash balance is restricted, per the Series 2019 revenue bond agreement.

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

The School's investment in CSAFE as of June 30, 2024, is measured at amortized cost and is therefore not categorized in a level of the fair value hierarchy.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Construction in Process	\$ -	\$ 20,690	\$ -	\$ 20,690
Capital Assets, Being Depreciated:				
Computer Equipment	37,967	-	-	37,967
Furniture and Equipment	326,014	-	-	326,014
Buildings	13,149,541	-	-	13,149,541
Vehicles	437,284	154,832	100,982	491,134
Lease Assets:				
Copier	52,535	-	-	52,535
Building	2,879,272	-	-	2,879,272
Total Capital Assets, Being Depreciated	16,882,613	154,832	100,982	16,936,463
Less: Accumulated Depreciation and Amortization:				
Computer Equipment	(37,967)	-	-	(37,967)
Furniture and Equipment	(71,022)	(23,091)	-	(94,113)
Buildings	(1,399,272)	(377,077)	-	(1,776,349)
Vehicles	(396,709)	(44,150)	(100,982)	(339,877)
Lease Assets:				
Copier	(10,974)	(10,507)	-	(21,481)
Building	(199,950)	(99,975)	-	(299,925)
Total Accumulated Depreciation and Amortization	(2,115,894)	(554,800)	(100,982)	(2,569,712)
Total Capital Assets, Being Depreciated, Net	14,766,719	(399,968)	-	14,366,751
Total Capital Assets, Net	<u>\$ 14,766,719</u>	<u>\$ (379,278)</u>	<u>\$ -</u>	<u>\$ 14,387,441</u>

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

NOTE 5 ACCRUED SALARIES AND BENEFITS

Salaries of employees of the School are paid monthly in the month subsequent to the month earned. The salaries and benefits earned, but unpaid, at June 30, 2024 are \$209,326. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 INTERFUND TRANSFER

During the year ended June 30, 2024, the General Fund transferred \$479,950 to the Building Fund to meet debt obligations of the Series 2019 Bond.

NOTE 7 LONG-TERM OBLIGATIONS

The changes in long-term debt for the year ended June 30, 2024, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Governmental Activities:					
Revenue Bonds:					
Series 2019 Bonds	\$ 7,080,000	\$ -	\$ 135,000	\$ 6,945,000	\$ 140,000
Bond Premium	560,646	-	32,651	527,995	32,140
Leases:					
Copier	37,061	-	10,073	26,988	10,898
Building	2,784,869	-	41,290	2,743,579	44,774
Total	<u>\$ 10,462,576</u>	<u>\$ -</u>	<u>\$ 219,014</u>	<u>\$ 10,243,562</u>	<u>\$ 227,812</u>

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

The following schedule reflects the debt service requirements to maturity for the School's revenue bonded debt at June 30, 2024:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 140,000	\$ 339,550	\$ 479,550
2026	150,000	333,950	483,950
2027	155,000	327,950	482,950
2028	160,000	321,750	481,750
2029	165,000	315,350	480,350
2030 to 2034	955,000	1,452,750	2,407,750
2035 to 2039	1,220,000	1,189,250	2,409,250
2040 to 2044	1,555,000	852,500	2,407,500
2045 to 2049	1,985,000	422,000	2,407,000
2050	460,000	23,000	483,000
Total	<u>\$ 6,945,000</u>	<u>\$ 5,578,050</u>	<u>\$ 12,523,050</u>

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

The School has a lease agreement for copier equipment with a remaining lease term of five years and a lease agreement with Denver Public Schools for a building with remaining lease term of 29 years. The copier lease agreement includes variable costs of \$0.006 for each print over 46,000 in a month. The variable cost is charged to the School on an annual basis. The School incurred \$-0- in variable costs under this agreement during the year ended June 30, 2024.

The principal and interest requirements to maturity of the leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 55,253	\$ 109,114	\$ 164,367
2026	59,009	106,889	165,898
2027	57,207	104,560	161,767
2028	54,954	102,698	157,652
2029	59,025	100,202	159,227
2030 to 2034	357,994	462,351	820,345
2035 to 2039	481,323	380,868	862,191
2040 to 2044	633,599	272,572	906,171
2045 to 2049	821,666	130,730	952,396
2050 to 2052	190,537	5,695	196,232
Total	<u>\$ 2,770,567</u>	<u>\$ 1,775,679</u>	<u>\$ 4,546,246</u>

NOTE 8 DEFINED BENEFIT PENSION PLAN

General Information About the Pension Plan

Plan Description

Eligible employees of the School are provided with pensions through the SCHDTF – a cost-sharing, multiemployer 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 (IRC). 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.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Benefits Provided as of December 31, 2023 (Continued)

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 highest average salary and cannot exceed the maximum benefit allowed by federal IRC.

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive 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.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Benefits Provided as of December 31, 2023 (Continued)

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, 2024

Eligible employees of the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024.

Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
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 the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were \$526,175 for the year ended June 30, 2024.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Contributions Provisions as of June 30, 2023 (Continued)

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, 2022. The School's proportion of the net pension liability was based on the School'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 June 30, 2024, the School reported a liability of \$6,895,420 for its proportionate share of the net pension liability that reflected an increase/a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the {Entity Name} 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:

School's Proportionate Share of the Net Pension Liability	\$ 6,895,420
State's Proportionate Share of the Net Pension Liability Associated with the School's Total	151,196
	\$ 7,046,616

At December 31, 2023, the School's proportion was 0.0389936975 %, which was an increase of 0.010884277763674 % from its proportion measured as of December 31, 2022.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2024, the School recognized pension expense of \$722,820 and revenue of \$11,520 support from the State as a nonemployer contributing entity. At June 30, 2024, the School 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	\$ 326,973	\$ -
Changes of Assumptions or Other Inputs	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	494,294	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	1,162,798	133,232
Contributions Subsequent to the Measurement Date	293,215	-
Total	\$ 2,277,280	\$ 133,232

\$293,215 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	\$ 530,098
2026	832,207
2027	626,351
2028	(137,823)
2029	-
Thereafter	-
Total	\$ 1,850,833

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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% to 11.00%
Long-Term Investment Rate of Return, Net of Pension	
Plan Investment Expenses, including Price Inflation	7.25%
Discount Rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually
PERA Benefit Structure Hired After December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

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.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the December 31, 2022 valuation was based on the results of the 2020 experience analysis 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 regularly scheduled experience studies prepared 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:

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

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%.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate (Continued)

- 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 the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 9,220,324	\$ 6,895,420	\$ 4,956,732

Pension Plan Fiduciary Net Position

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.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description

Eligible employees of the School are provided with OPEB through the HCTF – a cost-sharing, multiemployer 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.

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (Continued)

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 HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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 HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions

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

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (Continued)

Contributions (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the {Entity Name} is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School were \$26,335 for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of \$166,497 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. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Schools's proportion was 0.0233278122%, which was an increase of 0.0019572709464447% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized OPEB expense of \$17,038. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ -	\$ 34,125
Changes of Assumptions or Other Inputs	1,958	17,654
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5,149	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	36,107	9,821
Contributions Subsequent to the Measurement Date	14,675	-
Total	<u>\$ 57,889</u>	<u>\$ 61,600</u>

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

\$14,675 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (18,939)
2026	(5,670)
2027	2,997
2028	58
2029	2,094
Thereafter	1,074
Total	<u>\$ (18,386)</u>

Actuarial Assumptions

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

	<u>Trust Fund</u>			
	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Price Inflation	2.30%	2.30%	2.30%	2.30%
Real Wage Growth	0.70%	0.70%	0.70%	0.70%
Wage Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases, Including Wage Inflation:				
Members Other Than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%	7.25%	7.25%	7.25%
Discount Rate	7.25%	7.25%	7.25%	7.25%
Health Care Cost Trend Rates:				
Service-Based Premium Subsidy	0.00%	0.00%	0.00%	0.00%
PERACare Medicare Plans	6.50% in 2022, gradually decreasing to 4.50% in 2030	6.50% in 2022, gradually decreasing to 4.50% in 2030	6.50% in 2022, gradually decreasing to 4.50% in 2030	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A Premiums	3.75% for 2022, gradually increasing to 4.50% in 2029	3.75% for 2022, gradually increasing to 4.50% in 2029	3.75% for 2022, gradually increasing to 4.50% in 2029	3.75% for 2022, gradually increasing to 4.50% in 2029

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

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	2.20 %	2.30 %
69	2.80	2.20
70	2.70	1.60
71	3.10	0.50
72	2.30	0.70
73	1.20	0.80
74	0.90	1.50
75-85	0.90	1.30
86 and Older	-	-

Sample Age	MAPD PPO #1 With Medicare Part A		MAPD PPO #2 With Medicare Part A		MAPD HMO (Kaiser) With Medicare Part A	
65	\$ 1,692	\$ 1,406	\$ 579	\$ 481	\$ 1,913	\$ 1,589
70	1,901	1,573	650	538	2,149	1,778
75	2,100	1,653	718	566	2,374	1,869

Sample Age	MAPD PPO #1 Without Medicare Part A		MAPD PPO #2 Without Medicare Part A		MAPD HMO (Kaiser) Without Medicare Part A	
65	\$ 6,469	\$ 5,373	\$ 4,198	\$ 3,487	\$ 6,719	\$ 5,581
70	7,266	6,011	4,715	3,900	7,546	6,243
75	8,026	6,319	5,208	4,101	8,336	6,563

The 2023 Medicare Part A premium is \$506 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.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

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 TOL are summarized in the table below:

<u>Year Ending June 30,</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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 determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

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

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

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

- Per capita health care costs in effect as of the December 31, 2022, 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 2023 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.

The actuarial assumptions used in the December 31, 2022, 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 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.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

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 1-percentage-point lower or 1-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	5.75 %	6.75 %	7.75 %
Ultimate PERACare Medicare Trend Rate	3.50 %	4.50 %	5.50 %
Initial Medicare Part A Trend Rate	2.50 %	3.50 %	4.50 %
Ultimate Medicare Part A Trend Rate	3.50 %	4.50 %	5.50 %
Proportionate Share of the Net OPEB Liability	\$ 161,718	\$ 166,497	\$ 171,695

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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, 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 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.
- 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.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount Rate (Continued)

Based on the above assumptions and methods, the 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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	<u>\$ 196,653</u>	<u>\$ 166,497</u>	<u>\$ 140,697</u>

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 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 RISK MANAGEMENT

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

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

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

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

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

NOTE 12 INTERGOVERNMENTAL AGREEMENT

Effective July 1, 2022, through June 30, 2027, the School entered into an agreement with the member districts for the operation of an expeditionary learning school. According to the agreement, student admissions are up to the following for each district, not to exceed 400: Denver Public Schools – 200 FTE; Cherry Creek Schools – 110 FTE; Douglas County Schools – 50 FTE; Littleton Public Schools – 40 FTE; and Aurora Public Schools – 40 FTE. In the event a district does not fill its allocation, students from another district shall be eligible for admission with the concurrence of their district of residence.

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

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 INTERGOVERNMENTAL AGREEMENT (CONTINUED)

The School has an intergovernmental agreement with the member districts for the operation of an expeditionary learning school. The School and member districts signed a new agreement effective July 1, 2022 through June 30, 2027. This agreement stipulates a member district may withdraw from the agreement by giving written notice by November 1 of any year. A notice to withdraw is effective as of the end of the fiscal year following the year in which the notice is given. For the new agreement effective July 1, 2022, Cherry Creek School District No. 5 and Douglas County School District RE-1 gave their written notice of withdrawal in October 2022. Thus, these two districts are withdrawn from the agreement effective June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Per Pupil Operating Revenue	\$ 4,239,074	\$ 4,154,254	\$ 4,150,039	\$ (4,215)
State BOCES Funding	200,708	208,765	208,768	3
State - Pension	-	-	11,520	11,520
Fee Income	471,120	451,166	564,528	113,362
Grant Revenue	-	-	3,287	3,287
School Based Fundraising	22,050	30,050	35,283	5,233
Parent Based Fundraising	73,800	47,652	22,323	(25,329)
After School Program	-	-	49,234	49,234
Facility Use Rental	12,000	12,000	12,510	510
Net Investment Earnings	20,000	55,000	53,306	(1,694)
Miscellaneous	8,000	10,775	16,397	5,622
Total Revenues	<u>5,046,752</u>	<u>4,969,662</u>	<u>5,127,195</u>	<u>157,533</u>
EXPENDITURES				
Payroll and Benefits:				
Instructional	2,625,744	2,605,834	2,145,278	460,556
Support Services	883,343	866,618	1,146,920	(280,303)
Fieldwork	263,222	252,191	300,732	(48,541)
Professional Development	19,700	20,700	11,004	9,696
Special Education Fees	258,790	253,301	237,869	15,432
Supplies and Materials	220,237	217,567	123,339	94,228
Administrative	360,004	351,316	244,422	106,894
Vehicle Expense	60,212	190,792	26,149	164,643
Technology	32,500	32,500	32,581	(81)
Fundraising Costs	32,800	15,850	36,604	(20,754)
After School Program	-	-	54,412	(54,412)
Building Lease	151,500	151,500	176,069	(24,569)
Facility Maintenance	243,200	264,500	222,840	41,660
Capital Expenditures	513,000	514,499	154,832	359,667
Total Expenditures	<u>5,664,252</u>	<u>5,737,167</u>	<u>4,913,051</u>	<u>824,116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(617,500)	(767,505)	214,144	(666,583)
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	-	(479,950)	(479,950)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(479,950)</u>	<u>(479,950)</u>
NET CHANGES IN FUND BALANCE	<u>\$ (617,500)</u>	<u>\$ (767,505)</u>	(265,806)	<u>\$ 501,699</u>
Fund Balance - Beginning of Year			<u>2,056,473</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,790,667</u>	

See accompanying Notes to Required Supplementary Information.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion (Percentage) of the Collective Net Pension Liability	0.0389936975 %	0.0281094199 %	0.0290253100 %	0.0334108631 %	0.0306491110 %	0.0335415116 %	0.0394411014 %	0.0400684539 %	0.0394925832 %	0.0404203481 %
\$	6,895,420	\$ 5,118,575	\$ 3,377,782	\$ 5,051,049	\$ 4,578,911	\$ 5,939,214	\$ 12,753,850	\$ 11,929,928	\$ 6,040,112	\$ 5,478,315
State's Proportionate Share of the Net Pension Liability	151,196	1,491,604	387,219	-	580,776	812,105	-	-	-	-
Total	\$ 7,046,616	\$ 6,610,179	\$ 3,765,001	\$ 5,051,049	\$ 5,159,687	\$ 6,751,319	\$ 12,753,850	\$ 11,929,928	\$ 6,040,112	\$ 5,478,315
Covered Payroll	\$ 2,577,836	\$ 1,980,545	\$ 1,813,989	\$ 1,788,718	\$ 1,817,182	\$ 1,858,750	\$ 1,819,371	\$ 1,798,344	\$ 1,721,078	\$ 1,693,323
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	267.50 %	258.44 %	186.21 %	282.38 %	251.98 %	319.53 %	701.00 %	663.38 %	350.95 %	323.52 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.70 %	61.80 %	74.86 %	66.99 %	64.50 %	57.01 %	43.96 %	43.13 %	59.16 %	62.80 %

* The amounts presented for each fiscal year were determined as of December 31, based on the measurement date of the Plan.

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

See accompanying Notes to Required Supplementary Information.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions	\$ 526,175	\$ 510,997	\$ 398,390	\$ 343,413	\$ 356,384	\$ 353,031	\$ 346,294	\$ 339,353	\$ 313,050	\$ 286,644
Contributions in Relation to the Statutorily Required Contribution	526,175	510,997	398,390	343,413	356,384	353,031	346,294	339,353	313,050	286,644
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 2,581,820	\$ 2,507,346	\$ 2,003,972	\$ 1,727,429	\$ 1,838,926	\$ 1,845,433	\$ 1,833,060	\$ 1,845,708	\$ 1,764,956	\$ 1,697,858
Contribution as a Percentage of Covered Payroll	20.38 %	20.38 %	19.88 %	19.88 %	19.38 %	19.13 %	18.89 %	18.39 %	17.74 %	16.88 %

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

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

	2024	2023	2022	2021	2020	2019	2018	2017
School's Proportion (Percentage) of the Collective Net OPEB Liability	0.02332781 %	0.0213705412 %	0.0189513276 %	0.0193428089 %	0.0200354053 %	0.0218021637 %	0.0224102735 %	0.0227753907 %
School's Proportionate Share of the Collective OPEB Liability	\$ 166,497	\$ 174,486	\$ 163,418	\$ 183,800	\$ 225,198	\$ 296,628	\$ 291,244	\$ 295,291
Covered Payroll	\$ 2,577,836	\$ 1,980,545	\$ 1,813,989	\$ 1,788,718	\$ 1,817,182	\$ 1,858,750	\$ 1,819,371	\$ 1,798,344
School's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	6.46 %	8.81 %	9.01 %	10.28 %	12.39 %	15.96 %	16.01 %	16.42 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.16 %	38.60 %	39.40 %	32.78 %	24.49 %	17.03 %	17.53 %	16.72 %

The amounts presented for each fiscal year were determined as of December 31, based on the measurement date of the Plan. Information earlier than 2017 was not available.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions	\$ 26,335	\$ 25,575	\$ 20,441	\$ 17,620	\$ 18,757	\$ 18,823	\$ 18,697	\$ 18,826	\$ 18,003	\$ 17,318
Contributions in Relation to the Statutorily Required Contribution	26,335	25,575	20,441	17,620	18,757	18,823	18,697	18,826	18,003	17,318
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,581,820	\$ 2,507,346	\$ 2,003,972	\$ 1,727,429	\$ 1,838,926	\$ 1,845,433	\$ 1,833,060	\$ 1,845,708	\$ 1,764,956	\$ 1,697,858
Contribution as a Percentage of Covered Payroll	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %

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

ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 BASIS OF ACCOUNTING

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

- Management submits to the Board of Cooperative Educational Services a proposed General Fund budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Prior to June 30, the budget is adopted by the Board of Cooperative Educational Services.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Cooperative Educational Services.
- All budgets lapse at fiscal year-end.
- There was no legally adopted budget for the Building Fund for the fiscal year ended June 30, 2024.

NOTE 3 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

**Changes in Assumptions or Other Input Effective for the December 31, 2023
Measurement Period**

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 3 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

Changes in Terms or Assumptions for the December 31, 2022 Measurement Period for Pension Compared to the Prior Year

- None

Changes in Assumptions or Other Input Effective for the December 31, 2021 Measurement Period

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1%, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in Assumptions or Other Input Effective for the December 31, 2020 Measurement Period

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The postretirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health 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.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 3 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

**Changes in Assumptions or Other Input Effective for the December 31, 2020
Measurement Period (Continued)**

- The postretirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

**Changes in Assumptions or Other Input Effective for the December 31, 2019
Measurement Period**

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

**Changes in Assumptions or Other Input Effective for the December 31, 2018
Measurement Period**

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%.

**Changes in Assumptions or Other Input Effective for the December 31, 2017
Measurement Period**

- The discount rate was lowered from 5.26% to 4.72%.

**Changes in Assumptions or Other Input Effective for the December 31, 2016
Measurement Period**

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 3 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

Changes in Assumptions or Other Input Effective for the December 31, 2016 Measurement Period (Continued)

- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

Changes in Terms or Assumptions for the December 31, 2015 Measurement Period for Pension Compared to the Prior Year

- None

Changes in Terms or Assumptions for the December 31, 2014 Measurement Period for Pension Compared to the Prior Year

- None

Changes in Assumptions or Other Input Effective for the December 31, 2013 Measurement Period

- The investment return assumption was lowered from 8.00% to 7.50%.
- The price inflation assumption was lowered from 3.50% to 2.80%.
- The wage inflation assumption was lowered from 4.25% to 3.90%.

NOTE 4 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in Assumptions or Other Input Effective for the December 31, 2023 Measurement Period

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 4 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

**Changes in Assumptions or Other Input Effective for the December 31, 2022
Measurement Period**

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, 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.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

**Changes in Assumptions or Other Input Effective for the December 31, 2021
Measurement Period for OPEB**

- None

**Changes in Assumptions or Other Input Effective for the December 31, 2020
Measurement Period**

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The postretirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health 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.

**ROCKY MOUNTAIN SCHOOL OF EXPEDITIONARY LEARNING
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 4 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

**Changes in Assumptions or Other Input Effective for the December 31, 2020
Measurement Period (Continued)**

- The postretirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The postretirement nondisabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The postretirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to 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.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

**Changes in Assumptions or Other Input Effective for the December 31, 2019
Measurement Period for OPEB**

- None

**Changes in Assumptions or Other Input Effective for the December 31, 2018
Measurement Period for OPEB**

- None

**Changes in Assumptions or Other Input Effective for the December 31, 2017
Measurement Period for OPEB**

- None

SUPPLEMENTARY INFORMATION



Colorado Department of Education
Auditors Integrity Report
 District: 9130 – Expeditionary BOCES
 Fiscal Year 2023–24
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	2,056,477		4,647,243	4,913,052		1,790,668
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	2,056,477		4,647,243	4,913,052		1,790,668
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	0		0	0		0
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	0		0	0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	732,462		519,848	500,640		751,670
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	2,788,938		5,167,091	5,413,692		2,542,338
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	0		0	0		0

FINAL

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



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