

**CHARTERCHOICE COLLABORATIVE (SFA)**

**BASIC FINANCIAL STATEMENTS**

**June 30, 2024**

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## **FINANCIAL SECTION**



**PROSPECTIVE  
BUSINESS  
SOLUTIONS, LLC**  
Certified Public Accountants

Auditing, Accounting, and Consulting Services for  
Governments and Nonprofit Organizations

Board of Directors  
Charter Choice Collaborative (SFA)  
Littleton, Colorado

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Charter Choice Collaborative (SFA) (the "Collaborative"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Collaborative's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Charter Choice Collaborative (SFA) 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Collaborative, 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 these 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 Collaborative's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Collaborative'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 Collaborative's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information, on pages 14-15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Collaborative's basic financial statements. The Auditor's Integrity Report listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is also 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Auditor's Integrity Report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, on our consideration of the Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Collaborative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Collaborative's internal control over financial reporting and compliance.

*PB Solutions LLC*

Littleton, Colorado  
December 12, 2024

**CharterChoice Collaborative**  
**Management Discussion and Analysis**  
**June 30, 2024**

As management of CharterChoice Collaborative (CCC or the Collaborative), we offer readers of CharterChoice Collaborative's financial statements our narrative overview and analysis of the financial activities of the Collaborative for the fiscal year ended June 30, 2024.

**Financial Highlights**

The year ended June 30, 2024 is the twelfth year of operations for CCC acting as a School Food Authority (SFA) under the National School Lunch Program. As of June 30, 2024, net position increased by \$247,941 to \$925,923. The operations of the Collaborative are funded primarily by state and federal grants. Such revenue for the year was \$7,747,745. At the close of the fiscal year, CharterChoice Collaborative's governmental funds reported an ending fund balance of \$925,932, an increase of \$247,941 from the prior year.

**Overview of Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Collaborative's basic financial statements. The Collaborative's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

***Government-Wide Financial Statements***

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

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

The statement of activities presents information showing how the Collaborative's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected grant expenses and earned but unpaid salary and benefits).

The government-wide statement of activities distinguishes functions/programs of the Collaborative supported primarily by state and federal revenue from participating schools. The governmental activities of the Collaborative include supporting services.

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Collaborative, like other governmental units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The Collaborative has two governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Collaborative’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Collaborative’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Collaborative adopts annually appropriated budgets for both funds. Budgetary comparison schedules for both governmental funds have been provided herein.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information is provided on pages 5-13.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Collaborative’s financial position. In the case of the CharterChoice Collaborative, assets exceeded liabilities resulting in a net position of \$925,923 in FY 2023-2024. Of the Collaborative’s total net position, \$13,100 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. Accordingly, these funds are not available to satisfy the Collaborative’s general operating expenses.

**CharterChoice Collaborative’s Net Position  
Governmental Activities**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
<b>ASSETS</b>		
Cash and Investments	\$ 843,934	\$ 685,433
Accounts Receivable	889,069	1,073,017
<b>Total Assets</b>	<b>1,733,003</b>	<b>1,758,450</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	787,914	1,010,384
Accrued Expenses	19,166	4,435
Unearned Revenue	-	65,649
<b>Total Liabilities</b>	<b>807,080</b>	<b>1,080,468</b>
<b>NET POSITION</b>		
Restricted for Emergencies	13,100	9,200
Unrestricted	912,823	668,782
<b>Total Net Position</b>	<b>\$ 925,923</b>	<b>\$ 677,982</b>

The largest portion of the Collaborative’s assets is in cash and investments, at 89% of total assets in 2024.

**CharterChoice Collaborative’s Change in Net Position  
Governmental Activities**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Program Revenue:		
Charges for Services	\$ 455,779	\$ 733,652
Operating Grants and Contributions	7,747,745	4,894,333
<b>Total Program Revenue</b>	<b>8,203,524</b>	<b>5,627,985</b>
General Revenue:		
Other	203,012	51,034
<b>Total General Revenue</b>	<b>203,012</b>	<b>51,034</b>
<b>Total Revenue</b>	<b>8,406,536</b>	<b>5,679,019</b>
Expenses:		
Supporting Services	8,158,595	5,561,454
<b>Total Expenses</b>	<b>8,158,595</b>	<b>5,561,454</b>
<b>Increase/(Decrease) in Net Position</b>	<b>247,941</b>	<b>117,565</b>
<b>Net Position, Beginning</b>	<b>677,982</b>	<b>560,417</b>
<b>Net Position, Ending</b>	<b>925,923</b>	<b>677,982</b>

The largest portion of the Collaborative’s revenues came from operating grants and contributions – 94% in 2024.

## **Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the Collaborative's General Fund reported an ending fund balance of \$925,923, an increase of \$247,941 from the prior year. The Collaborative's School Food Authority reported an ending fund balance of \$0, a \$0 change from the prior year.

### **General Fund Budgetary Highlights**

The Collaborative approves a budget annually based on projections for the school year. Budget amendments may occur during the year based on the number of schools participating in the National School Lunch Program through the Collaborative or based on grants received to expand programs. At year-end, the Collaborative had some variances between its final budgeted and actual activities. The Collaborative recognized \$10 less revenue than expected and spent \$17,151 less than planned, when compared to the final General Fund budget. The Collaborative recognized \$454 less revenue than expected and spent \$454 less than planned, when compared to the final School Food Authority budget.

### **Capital Assets & Long-Term Debt**

The Collaborative has no capital assets or long-term debt.

### **Economic Factors and Next Year's Budget**

The primary factors driving the budget for the CharterChoice Collaborative are the number of school participants, student participation in school food programs, and operating grants. For the next school year there are no significant changes to the budget.

### **Requests for Information**

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

CharterChoice Collaborative  
4155 E. Jewell Ave. #903  
Denver, CO 80222

## **BASIC FINANCIAL STATEMENTS**

CHARTERCHOICE COLLABORATIVE (SFA)

STATEMENT OF NET POSITION

As of June 30, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 843,934
Accounts Receivable	<u>889,069</u>
TOTAL ASSETS	<u>1,733,003</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	787,914
Accrued Expenses	<u>19,166</u>
TOTAL LIABILITIES	<u>807,080</u>
NET POSITION	
Restricted for Emergencies	13,100
Unrestricted	<u>912,823</u>
TOTAL NET POSITION	<u><u>\$ 925,923</u></u>

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

CHARTERCHOICE COLLABORATIVE (SFA)

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT					GOVERNMENTAL ACTIVITIES
<b>Governmental Activities</b>					
Instructional	\$ -	\$ -	\$ -	\$ -	\$ -
Supporting Services	8,158,595	455,779	7,747,745	-	44,929
<b>Total Governmental Activities</b>	<b>\$ 8,158,595</b>	<b>\$ 455,779</b>	<b>\$ 7,747,745</b>	<b>\$ -</b>	<b>44,929</b>
			GENERAL REVENUES		
			Other		203,012
			TOTAL GENERAL REVENUES		203,012
			CHANGE IN NET POSITION		247,941
			NET POSITION, Beginning		677,982
			NET POSITION, Ending		<u>\$ 925,923</u>

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

CHARTERCHOICE COLLABORATIVE (SFA)

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2024

	GENERAL FUND	SCHOOL FOOD AUTHORITY	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Investments	\$ 843,934	\$ -	\$ 843,934
Accounts Receivable	106,484	782,585	889,069
<b>TOTAL ASSETS</b>	<b>\$ 950,418</b>	<b>\$ 782,585</b>	<b>\$ 1,733,003</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 5,329	\$ 782,585	\$ 787,914
Accrued Expenses	19,166	-	19,166
<b>TOTAL LIABILITIES</b>	<b>24,495</b>	<b>782,585</b>	<b>807,080</b>
<b>FUND BALANCES</b>			
Restricted for Emergencies	13,100	-	13,100
Unassigned	912,823	-	912,823
<b>TOTAL FUND BALANCES</b>	<b>925,923</b>	<b>-</b>	<b>925,923</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 950,418</b>	<b>\$ 782,585</b>	<b>\$ 1,733,003</b>

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

CHARTERCHOICE COLLABORATIVE (SFA)

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2024

	GENERAL FUND	SCHOOL FOOD AUTHORITY	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Local Sources	\$ 436,193	\$ 222,598	\$ 658,791
State Sources	40,147	2,510,131	2,550,278
Federal Sources	450	5,197,017	5,197,467
	<u>476,790</u>	<u>7,929,746</u>	<u>8,406,536</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Supporting Services	228,849	7,929,746	8,158,595
	<u>228,849</u>	<u>7,929,746</u>	<u>8,158,595</u>
TOTAL EXPENDITURES			
NET CHANGE IN FUND BALANCES	247,941	-	247,941
FUND BALANCES, Beginning	677,982	-	677,982
FUND BALANCES, Ending	<u>\$ 925,923</u>	<u>\$ -</u>	<u>\$ 925,923</u>

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

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The CharterChoice Collaborative (the “Collaborative”) is a Colorado nonprofit corporation organized in July 2009. The Collaborative’s mission is to provide its members administrative functions relating to the provision of food service under the National School Lunch Program. The Collaborative assists its members to comply with the National School Lunch Act, 42 U.S.C. §1751, and to engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

The accounting policies of the Collaborative conform with generally accepted accounting principles as applicable to governmental entities. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. Following is a summary of the more significant policies:

**Reporting Entity**

The definition of the reporting entity is based primarily on financial accountability. The financial reporting entity consists of the Collaborative and organizations for which the Collaborative is financially accountable. It is also financially accountable for legally separate organizations if the Collaborative’s officials appoint a voting majority for the organization’s governing body and either it is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Collaborative. The Collaborative may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of this criteria, the Collaborative includes the following organization within its reporting entity:

**School Food Authority**

The Collaborative has entered into an agreement with the Colorado Department of Education (CDE) to act as a School Food Authority (SFA) for several charter schools. Federal funds were dispersed to the Authority based upon meals served at each school and counts submitted to CDE. The Collaborative is the reporting vehicle so that charter schools could participate in the Child Nutrition Programs. Participating charter schools maintain revenues and expenses at their sites, on behalf of the SFA. The activities of the SFA are reported as a special revenue fund in the Collaborative’s financial statements. Separate financial statements are not available.

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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

**Government-Wide and Fund Financial Statements**

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

The statement of net position reports all financial, capital and debt resources of the Collaborative. The difference between the assets plus deferred outflows of resources and liabilities and deferred inflows of resources of the Collaborative is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenue and other items not properly included among program revenues are reported instead as general revenues.

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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

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

enough thereafter to pay liabilities of the current period. For this purpose, the Collaborative considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

In the fund financial statements, the Collaborative reports the following major governmental funds:

The *General Fund* is the Collaborative's primary operating fund. It accounts for all financial resources of the Collaborative, except those required to be accounted for in another fund.

The *School Food Authority (SFA)* accounts for the activities associated with the Collaborative's SFA.

**Assets, Liabilities, and Fund Balance/Net Position**

**Deposits and Investments** – For purposes of the statement of cash flows, the Collaborative considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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

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

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

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Compensated Absences – The Collaborative’s policy allows employees to earn and accumulated leave of absence during the year. Employees who resign or terminate employment are entitled to payment for their unused personal leave of absence days. At June 30, 2024, no material amounts of unused paid leave of absence time were accrued. Therefore, no liability is recorded in the Collaborative’s government-wide statement of net position.

Net Position– The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. For the year ended June 30, 2024, the Collaborative does not report any investments in capital assets.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While Collaborative management may have categorized and segmented portion for various purposes, the Collaborative Board has the unrestricted right to revisit or alter these managerial decisions.

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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

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

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Collaborative 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 Collaborative does not report any nonspendable fund balances at June 30, 2024.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Collaborative has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Collaborative did not have any committed resources as of June 30, 2024.
- Assigned – This classification includes spendable fund balance amounts that are intended to be used for a specific purpose that are neither considered restricted nor committed. The Collaborative did not have any assigned resources as of June 30, 2024.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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

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

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

**Concentration of Risk**

The Collaborative receives a substantial amount of its support from its participating charter school members and from the U.S. Department of Agriculture. Should a significant reduction in the level of support occur, this may have an effect on the Collaborative's programs and activities.

**Risk Management**

The Collaborative is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees, and natural disasters. The Collaborative purchases commercial insurance for these risks of loss. Settled claims have not exceeded this coverage in the last three years.

**Income Taxes**

The Collaborative is a tax-exempt entity under section 501 (c) 3 of the US Internal Revenue Code. The Collaborative's tax filings are subject to audit by various taxing authorities. The Collaborative believes it has no significant uncertain tax provisions for the year ended June 30, 2024.

**Subsequent Events**

The Collaborative has evaluated events subsequent to the year ended June 30, 2024 through December 12, 2024, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

A budget is adopted for the General Fund and Food Service Authority (SFA) on a basis consistent with generally accepted accounting principles.

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

**NOTE 3: CASH AND INVESTMENTS**

**Deposits**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2024 State regulatory commissioners have indicated that all financial institutions holding deposits for the Collaborative are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At June 30, 2024, the Collaborative had deposits with financial institutions with a carrying amount of \$843,934. The bank balances with the financial institutions were \$938,968 of which \$250,000 were covered by federal depository insurance and \$688,968 were covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

**NOTE 3:** **CASH AND INVESTMENTS** (Continued)

**Investments**

Interest Rate Risk

The Collaborative does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

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

The Collaborative does not have a formal investment policy to limit credit risk. However, the Collaborative follows state statutes regarding investments.

The Collaborative reports no investments as of June 30, 2024.

**NOTE 4:** **COMMITMENTS AND CONTINGENCIES**

**Claims and Judgments**

The Collaborative participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Collaborative may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited but the Collaborative believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Collaborative.

CHARTERCHOICE COLLABORATIVE (SFA)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

**NOTE 4:**     **COMMITMENTS AND CONTINGENCIES** (Continued)

**Tabor Amendment**

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Tabor Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The Collaborative believes it has complied with the Amendment.

The Collaborative has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2024, the emergency reserve of \$13,100 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION**

CHARTERCHOICE COLLABORATIVE (SFA)

BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
<b>REVENUES</b>					
Local Sources					
Charges for Services	\$ 375,000	\$ 436,300	\$ 436,193	\$ (107)	\$ 305,768
Miscellaneous		-	-	-	20
State Sources					
Grants and Contributions	45,000	40,100	40,147	47	42,262
Federal Sources					
Grants and Contributions	19,500	400	450	50	9,919
<b>TOTAL REVENUES</b>	<b>439,500</b>	<b>476,800</b>	<b>476,790</b>	<b>(10)</b>	<b>357,969</b>
<b>EXPENDITURES</b>					
Current					
Salaries	300,000	139,000	138,193	807	153,551
Employee Benefits	15,000	12,000	11,989	11	12,527
Purchased Services	107,050	80,000	70,086	9,914	68,392
Supplies and Materials	2,000	9,000	8,454	546	5,934
Other	500	6,000	127	5,873	-
<b>TOTAL EXPENDITURES</b>	<b>424,550</b>	<b>246,000</b>	<b>228,849</b>	<b>17,151</b>	<b>240,404</b>
<b>CHANGE IN FUND BALANCE</b>	<b>14,950</b>	<b>230,800</b>	<b>247,941</b>	<b>17,141</b>	<b>117,565</b>
FUND BALANCE, Beginning	-	-	677,982	677,982	560,417
FUND BALANCE, Ending	\$ 14,950	\$ 230,800	\$ 925,923	\$ 695,123	\$ 677,982

See the accompanying independent auditor's report

CHARTERCHOICE COLLABORATIVE (SFA)

BUDGETARY COMPARISON SCHEDULE  
 SCHOOL FOOD AUTHORITY  
 Year Ended June 30, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES				
Local Sources				
Charges for Services	\$ 20,300	\$ 19,586	\$ (714)	\$ 427,884
Miscellaneous	203,000	203,012	12	51,014
State Sources				
Grants and Donations	2,510,000	2,510,131	131	57,888
Federal Sources				
Grants and Donations	5,196,900	5,197,017	117	4,784,264
TOTAL REVENUES	<u>7,930,200</u>	<u>7,929,746</u>	<u>(454)</u>	<u>5,321,050</u>
EXPENDITURES				
Current				
Salaries	775,100	775,091	9	646,921
Employee Benefits	71,600	71,511	89	47,153
Purchased Services	315,800	315,714	86	368,704
Supplies and Materials	6,481,700	6,482,709	(1,009)	3,926,651
Property	50,000	49,238	762	99,796
Other	236,000	235,483	517	231,825
TOTAL EXPENDITURES	<u>7,930,200</u>	<u>7,929,746</u>	<u>454</u>	<u>5,321,050</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditor's report.

**AUDITOR'S INTEGRITY REPORT**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 8042 – Charter Choice Collaborative  
 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
<b>Governmental</b>						
10 General Fund	677,982		476,790	228,849		925,922
18 Risk Mgmt-Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub-Total</b>	<b>677,982</b>		<b>476,790</b>	<b>228,849</b>		<b>925,922</b>
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		7,929,746	7,929,746		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	0		0	0		0
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>677,982</b>		<b>8,406,536</b>	<b>8,198,595</b>		<b>925,922</b>
<b>Proprietary</b>						
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
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
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
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>FINAL</b>						<b>0</b>

## **COMPLIANCE**



**PROSPECTIVE  
BUSINESS  
SOLUTIONS, LLC**  
Certified Public Accountants

Auditing, Accounting, and Consulting Services for  
Governments and Nonprofit Organizations

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

Board of Directors  
Charter Choice Collaborative (SFA)  
Denver, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Charter Choice Collaborative (SFA) ( the “Collaborative”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Collaborative’s basic financial statements, and have issued our report thereon dated December 12, 2024.

### **Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

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

*PB Solutions LLC*

Littleton, Colorado  
December 12, 2024



**PROSPECTIVE  
BUSINESS  
SOLUTIONS, LLC**  
Certified Public Accountants

Auditing, Accounting, and Consulting Services for  
Governments and Nonprofit Organizations

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Charter Choice Collaborative (SFA)  
Littleton, Colorado

### Report on Compliance for Each Major Federal Program

#### ***Opinion on Each Major Federal Program***

We have audited the Charter Choice Collaborative (SFA) (the "Collaborative") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Collaborative's major federal programs for the year ended June 30, 2024. The Collaborative's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Collaborative complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Collaborative and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Collaborative's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Collaborative's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Collaborative's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Collaborative's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Collaborative's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Collaborative's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Collaborative's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PB Solutions LLC*

Littleton, Colorado  
December 12, 2024

CHARTERCHOICE COLLABORATIVE (SFA)  
Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title		Federal ALN	Pass-Through Entity's Identification Number	Total Federal Expenditures
<u>U. S. Department of Agriculture</u>				
<i>Passed-Through the Colorado Department of Education</i>				
National School Breakfast Program	(1)	10.553	4553	\$ 1,033,077
National School Lunch Program	(1)	10.555	4555	3,134,432
National School Lunch Program	(1)	10.555	4554	403,738
National School Lunch Program - COVID 19	(1)	10.555	6555	315,714
Summer Food Service Program	(1)	10.559	4559	6,256
Child Nutrition Discretionary Grants Limited Availability		10.579	5579	5,607
<i>Passed-Through the Colorado Department for Public Health and Environment</i>				
Federal Fresh Fruit and Vegetable Program	(1)	10.582	4582	13,160
Child and Adult Care Food Program		10.558	4558	56,944
<i>Passed-Through the Colorado Department of Human Services Food Distribution</i>				
Commodity Supplemental Food Program	(1)	10.555	none	<u>228,539</u>
Total U.S. Department of Agriculture				<u>5,197,467</u>
<b>Total Expenditures of Federal Awards</b>				<b><u>\$ 5,197,467</u></b>
(1) Part of the Child Nutrition Cluster, total Cluster expenditures		\$ 5,134,916		

CHARTERCHOICE COLLABORATIVE (SFA)  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

1. The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Collaborative. The Schedule includes federally funded amounts of pass-through awards received by the Collaborative through the State of Colorado. The information this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule represents only a selected portion of the operations of the Collaborative, it is not intended to and does not present the financial position, changes in position or cash flows of the Collaborative.
2. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met. Such expenditures are recognized following, as applicable, either the cost principal contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* wherein certain types of expenditures are not allowable or are limited as to reimbursements. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of, the basic financial statements or reports to federal agencies and pass through grantors. The Collaborative has elected not to use the de minimis 10 percent indirect cost rate allowed under the Uniform Guidance.
3. During the year ended June 30, 2024, the Collaborative did not pass through any federal funds to subrecipients.
4. For federal awards expended by the Collaborative as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor.
5. Commodities donated to the Organization by the U.S. Department of Agriculture (USDA) are valued based on the USDA’s Donated Commodity Price List. The commodities are recognized as revenue when received. The commodities are reported under the National School Lunch Program (CFDA 10.555) on the Schedule. The Organization recognized noncash awards of \$228,539 for the year ended June 30, 2024.



CHARTERCHOICE COLLABORATIVE (SFA)  
Schedule Findings and Questioned Costs

For the year ended June 30, 2024

**Section II – Financial Statement Findings**

No findings noted.

**Section III – Federal Award Findings**

No findings noted.