

COLORADO HIGH SCHOOL CHARTER

BASIC FINANCIAL STATEMENTS

June 30, 2020

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Directors
Colorado High School Charter
Denver, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Colorado High School Charter (the "School"), component unit of the Denver Public School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the School, as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Colorado High School Charter School as of June 30, 2020, and the respective changes in financial position, and, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, schedules of the school's proportionate share, and schedules of the school's contributions on pages 42-46 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 Corporation's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 combining and individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

John Luthr & Associates, LLC

October 21, 2020



Colorado High School Charter Management's Discussion and Analysis

As management of Colorado High School Charter, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Colorado High School Charter for the fiscal year ended June 30, 2020.

Financial Highlights

The assets of Colorado High School Charter exceeded its liabilities at the close of the most recent fiscal year by \$4,382,990 (net assets), an increase of \$827,997 over the prior year. The School's total assets at the end of the year were \$9,418,658.

In FY20, the School refinanced all of its mortgage debt to take advantage of low interest rates of 4%. See Note 5 for details.

COVID-19 did not materially impact our FY20 financial results. However, it will impact FY21 and beyond as State funding will be lower than anticipated before COVID-19, due to the economic downturn. In light of that, the Board of Directors has set aside \$710,000 of unreserved fund balance to help with future COVID-related revenue shortfalls.

Overview of the Financial Statements

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

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

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

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

periods (e.g., items purchased but not paid for). The government-wide financial statements include Colorado High School Charter’s instruction and supporting services.

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

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

Colorado High School Charter maintains two governmental funds, the General Fund and the Building Corporation Fund. The Building Corporation Fund was established to account for the two 501(c)2 organizations that hold title to the buildings occupied by the Schools and the related mortgages.

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

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

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the School’s financial position. Current Assets and Current Liabilities did not change materially from the prior year. Capital Assets increased \$2.4M due to the renovation of the GES building and the purchase of additional office space at the Osage location.

Colorado High School Charter’s Net Assets:

	<u>2019-20</u>	<u>2018-19</u>
Assets		
Current Assets	\$3,389,049	\$1,659,488
Capital Assets, net of depreciation	6,029,609	6,296,390
Total Assets	9,418,658	7,955,878
Liabilities		
Current Liabilities	(792,836)	(347,502)
Noncurrent Liabilities	(2,865,327)	(2,803,170)
Total Liabilities	(3,658,163)	(3,150,672)

Long-term liabilities and related assets, related to pensions (Note 8)	(1,377,505)	(1,250,213)
Net Assets		
Restricted	319,677	304,355
Unrestricted	4,063,313	3,250,638
Total Net Assets	<u>\$ 4,382,990</u>	<u>\$ 3,554,993</u>

Colorado High School Charter's Change in Net Assets:

	<u>2019-20</u>	<u>2018-19</u>
Revenues:		
Operating Grants and Contributions	\$ 637,106	\$ 1,180,982
Per Pupil Operating Revenue	3,822,778	3,573,370
Mill Levy Override	1,939,124	1,467,849
Capital Construction	126,543	126,543
Investment Earnings	26,396	31,935
Other	57,546	32,096
Total Revenues	<u>6,609,493</u>	<u>6,412,775</u>
Expenses:		
Instructional	2,324,834	2,025,676
Supporting Services	3,310,669	2,720,101
Interest on Long-term Debt	145,993	117,590
Total Expenses	<u>5,781,496</u>	<u>4,863,367</u>
Increase (Decrease) in Net Assets	827,997	1,549,408
Net Assets, beginning of year, restated	3,554,993	2,005,585
Net Assets, end of year	<u>\$ 4,382,990</u>	<u>\$ 3,554,993</u>

Colorado High School's funded pupil count was 380 in FY18, 422 in FY19 and 432 in FY20.

Financial Analysis of the School's Funds

Governmental funds. Unreserved fund balance is a useful measure of the School's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year Colorado High School Charter's governmental fund had an ending unreserved fund balance of \$699,988, a decrease of \$333,073 compared to the prior year. At the end of the year, the School's Board set aside \$710,000 for future COVID contingencies. Without this special reserve, the unreserved fund balance would have increased by \$376,927.

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In January, after enrollment stabilizes, adjustments are made to the budget. The Board approves budget

amendments as needed throughout the year. Expenditures were under budget for the year in compliance with State statute.

Capital Assets

Colorado High School Charter’s investment in capital assets as of June 30, 2020, amounts to \$6,029,609 (net of accumulated depreciation). This investment in capital assets consists of the building space purchased for both of its campuses, school renovations and equipment. The detail of this investment is in Note 4 to the financial statements.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

COLORADO HIGH SCHOOL CHARTER

STATEMENT OF NET POSITION

As of June 30, 2020

	Governmental Activities	
	2020	2019
ASSETS		
Cash and Investments	\$ 3,284,945	\$ 1,460,913
Restricted Cash	27,356	20,398
Accounts Receivable	76,748	178,177
Capital Assets, Depreciated		
Net of Accumulated Depreciation	6,029,609	6,296,390
TOTAL ASSETS	<u>9,418,658</u>	<u>7,955,878</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,017,023	1,268,448
Related to OPEB	58,497	62,960
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,075,520</u>	<u>1,331,408</u>
LIABILITIES		
Accounts Payable	50,451	31,002
Accrued Salaries and Benefits	280,551	251,818
Accrued Interest	9,879	4,510
Noncurrent Liabilities		
Accrued Compensated Absences	48,327	44,952
Loan Payable		
Due in One Year	255,537	60,172
Due in More than One Year	3,013,418	2,758,218
Net Pension Liability	1,477,463	1,987,328
Net OPEB Liability	119,212	132,440
TOTAL LIABILITIES	<u>5,254,838</u>	<u>5,270,440</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	831,023	446,483
Related to OPEB	25,327	15,370
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>856,350</u>	<u>461,853</u>
NET POSITION		
Restricted for Emergencies	177,697	156,116
Restricted for Mill Levy	141,980	167,093
Unrestricted	4,063,313	3,231,784
TOTAL NET POSITION	<u>\$ 4,382,990</u>	<u>\$ 3,554,993</u>

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

COLORADO HIGH SCHOOL CHARTER

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2020	2019
PRIMARY GOVERNMENT						
Governmental Activities						
Instructional	\$ 2,324,834	\$ -	\$ 643,046	\$ -	\$ (1,681,788)	\$ (833,803)
Supporting Services	3,310,669	-	-	120,603	(3,190,066)	(2,593,558)
Interest on Long-term Debt	145,993	-	-	-	(145,993)	(117,590)
 Total Governmental Activities	 \$ 5,781,496	 \$ -	 \$ 643,046	 \$ 120,603	 (5,017,847)	 (3,544,951)
 GENERAL REVENUES						
Per Pupil Revenue					3,822,778	3,573,370
Mill Levy Override					1,939,124	1,577,862
Unrestricted State Aid					51,409	(110,013)
Interest					26,396	31,935
Miscellaneous					6,137	21,205
 TOTAL GENERAL REVENUES					 5,845,844	 5,094,359
 CHANGE IN NET POSITION					 827,997	 1,549,408
 NET POSITION, Beginning, Restated					 3,554,993	 2,005,585
 NET POSITION, Ending					 \$ 4,382,990	 \$ 3,554,993

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

COLORADO HIGH SCHOOL CHARTER

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	TOTAL GOVERNMENTAL FUNDS	
	2020	2019
ASSETS		
Cash and Investments	\$ 3,284,945	\$ 1,460,913
Restricted Cash	27,356	20,398
Accounts Receivable	76,748	178,177
TOTAL ASSETS	\$ 3,389,049	\$ 1,659,488
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 50,451	\$ 31,002
Accrued Salaries and Benefits	280,551	251,818
TOTAL LIABILITIES	331,002	282,820
FUND BALANCES		
Restricted for Emergencies	177,697	156,116
Restricted for Mill Levy Override	141,980	167,093
Restricted for Debt Service	27,356	20,398
Restricted for PPP Expenditures	451,955	-
Committed Reserves	1,559,071	-
Unassigned	699,988	1,033,061
TOTAL FUND BALANCES	3,058,047	1,376,668
TOTAL LIABILITIES AND FUND BALANCES		
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,029,609	6,296,390
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. This liability includes loans payable (\$3,268,955), accrued interest payable (\$9,879), accrued compensated absences (\$48,327), net pension liability of (\$1,477,463), net OPEB liability of (\$119,212), deferred outflows related to pensions and OPEB of \$1,075,520 and deferred inflows related to pensions and OPEB of (\$856,350).	(4,449,129)	(4,118,065)
Net Position of governmental funds	\$ 4,638,527	\$ 3,554,993

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

COLORADO HIGH SCHOOL CHARTER

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	TOTAL GOVERNMENTAL FUNDS	
	2020	2019
REVENUES		
Local Sources	\$ 5,937,223	\$ 6,150,294
State and Federal Sources	620,861	427,418
TOTAL REVENUES	<u>6,558,084</u>	<u>6,577,712</u>
EXPENDITURES		
Current		
Instruction	2,242,836	2,204,196
Supporting Services	2,677,258	2,679,887
Capital Outlay	266,552	2,260,647
Debt Service		
Principal	2,815,799	982,327
Interest	133,750	121,648
TOTAL EXPENDITURES	<u>8,136,195</u>	<u>8,248,705</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,578,111)</u>	<u>(1,670,993)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Debt	2,807,535	1,870,000
Proceeds from Forgivable Loan	451,955	-
Transfers In	798,191	1,969,897
Transfers Out	(798,191)	(1,969,897)
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,259,490</u>	<u>1,870,000</u>
NET CHANGE IN FUND BALANCES	1,681,379	199,007
FUND BALANCES, Beginning	<u>1,376,668</u>	<u>1,177,661</u>
FUND BALANCES, Ending	<u>\$ 3,058,047</u>	<u>\$ 1,376,668</u>

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

COLORADO HIGH SCHOOL CHARTER

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds	\$ 1,681,379
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This amount is that depreciation (\$490,338), exceeded capital outlay (\$223,557), for the year.	(266,781)
Loan proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities.	(3,259,490)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include debt payments of \$2,815,799, change in accrued interest of (\$12,243), and change in accrued compensated absences of (\$3,375).	2,800,181
Deferred Charges and related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.	<u>(127,292)</u>
Change in net position of governmental activities	<u>\$ 827,997</u>

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Colorado High School Promise, Inc.

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

GES Building Holding Corporation

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

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

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

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The School reports the following major governmental funds:

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

Deferred Outflows/Inflows of Resources

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

Assets, Liabilities and Fund Balance/Net Position

Investments – Investments are reported at fair value.

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

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

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

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

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The School has no nonspendable resources as of June 30, 2020.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The School has classified unspent Mill Levy Override funds as restricted as their use is restricted by DPS. The School also reports amounts restricted for debt service as restricted in the Building Corporation Fund.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School has committed resources for COVID contingencies and Emergencies as of June 30, 2020.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

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

Risk Management

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

Comparative Data

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

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

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, 2020 consisted of the following:

Petty Cash	\$	550
Deposits		180,932
Investments		<u>3,130,818</u>
Total		<u><u>\$ 3,312,301</u></u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2020, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

The market value of the collateral must be at least equal to 102% of the uninsured deposits. The School has no policy regarding custodial credit risk for deposits.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

At June 30, 2020, the School had deposits with financial institutions with a carrying amount of \$180,932. The bank balances with the financial institutions were \$186,863. All of this amount was covered by federal depository insurance.

Investments

Interest Rate Risk

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

Credit Risk

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

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

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

Local Government Investment Pools

The School had invested \$3,130,818 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

Investments (Continued)

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

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

Fair Value

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

At June 30, 2020, the School does not hold any investments that require fair value categorization.

Restricted Cash and Investments

Cash in the amount of \$27,356 is restricted in the CHS Building Corporation for future debt service on the School’s facilities.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2020 is summarized below.

	Balance <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2020</u>
Governmental Activities				
Capital Assets, Being				
Depreciated				
Buildings	\$ 3,469,666	\$ -	-	3,469,666
Building Improvements	3,279,853	152,694	-	3,432,547
Equipment	<u>184,946</u>	<u>70,863</u>	-	<u>255,809</u>
Total Capital Assets,				
Being Depreciated	<u>6,934,465</u>	<u>223,557</u>	-	<u>7,158,022</u>
Accumulated Depreciation				
Buildings	226,179	99,133	-	325,312
Building Improvements	366,372	343,255	-	709,627
Equipment	<u>45,524</u>	<u>47,950</u>	-	<u>93,474</u>
Total Accumulated				
Depreciation	<u>638,075</u>	<u>490,338</u>	-	<u>1,128,413</u>
Total Capital Assets, Depreciated, Net	<u>6,296,390</u>	<u>(266,781)</u>	-	<u>6,029,609</u>
Net Capital Assets	<u>\$ 6,296,390</u>	<u>\$ (266,781)</u>	<u>\$ -</u>	<u>\$ 6,029,609</u>

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

NOTE 5: LONG-TERM DEBT

Following is a summary of the School's long-term debt transactions for the year ended June 30, 2020:

	Balance <u>June 30, 2019</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>June 30, 2020</u>	Due In <u>One Year</u>
Loan Payable – CCU	\$ 975,029	\$ -	\$ 975,029	\$ -	\$ -
Loan Payable – CCU Refi	1,443,361	-	1,443,361	-	-
Loan Payable – Canvas CU	400,000	-	400,000	-	-
Loan Payable – Canvas CU	-	2,817,000	-	2,817,000	66,112
Loan Payable – PPP Loan	-	451,955	-	451,955	189,425
Compensated Absences	<u>44,952</u>	<u>48,327</u>	<u>44,952</u>	<u>48,327</u>	-
Total	<u>\$ 2,863,342</u>	<u>\$ 3,317,282</u>	<u>\$ 2,863,342</u>	<u>\$ 3,317,282</u>	<u>\$ 255,537</u>

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 5: **LONG-TERM DEBT** (Continued)

Loan Payable – Canvas Credit Union

In May 2017, the Colorado High School Building Corporation entered into a loan agreement with Canvas Credit Union. Proceeds in the amount of \$1,019,000 were used to purchase the School's GES Campus building. The School is required to transfer funds to the Building Corporation for the use of the building. The Building Corporation is required to make payments of principal and interest to the bank. Interest accrues at a rate of 4.50% per year. The loan matures in June 2027. This loan was paid off with the 2020 refinancing.

Loan Payable – Canvas Credit Union Refinancing

In July 2018, the Colorado High School Building Corporation entered into a loan agreement with Canvas Credit Union. Proceeds in the amount of \$1,470,000 were used to purchase the School's outstanding loan with New Resource Bank and to pay for improvements to the School's facilities. The School is required to transfer funds to the Building Corporation for the use of the building. The Building Corporation is required to make payments of principal and interest to the bank. Interest accrues at a rate of 5.25% per year. This loan was paid off with the 2020 refinancing.

Loan Payable – Canvas Credit Union

In June 2019, the Colorado High School Building Corporation entered into a loan agreement with Canvas Credit Union. Proceeds in the amount of \$400,000 were used to purchase the additional property in the School's Osage Campus building. The School is required to transfer funds to the Building Corporation for the use of the building. The Building Corporation is required to make payments of principal and interest to the bank. Interest accrues at a rate of 5.50% per year. The loan matures in July 2029. This loan was paid off with the 2020 refinancing.

Loans Payable – Canvas Credit Union

In May 2020, the Colorado High School Building Corporation entered into a loan agreement with Canvas Credit Union. Proceeds in the amount of \$975,000 were used to refinance the GES campus school building. The School is required to transfer funds to the Building Corporation for the use of the building. The Building Corporation is required to make payments of principal and interest to the bank. Interest accrues at a rate of 4.00% per year. The loan matures in June 2030.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 5: LONG-TERM DEBT (Continued)

In May 2020, the Colorado High School Building Corporation entered into a loan agreement with Canvas Credit Union. Proceeds in the amount of \$1,842,000 were used to refinance the Osage campus school building. The School is required to transfer funds to the Building Corporation for the use of the building. The Building Corporation is required to make payments of principal and interest to the bank. Interest accrues at a rate of 4.00% per year. The loan matures in June 2030.

Loan Payable – PPP Loan

On May 7, 2020, the School received a loan in the amount of \$451,955 from Canvass Credit Union through the Small Business Administration’s Paycheck Protection Program under Division A, Title I of the Coronavirus Aid Relief and Economic Security Act. (“CARES Act”).

The full amount of this loan is expected to be forgiven during the year ended June 30, 2021. To the extent the loan amount is not forgiven under the Paycheck Protection Program of the CARES Act, the School must make equal monthly payments of principal and interest, beginning on November 7, 2020 until the maturity date, which is two years from the date of the Note. This Note may be prepaid in part or in full, at any time, without penalty.

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 255,537	\$ 114,887	\$ 370,424
2022	332,296	110,066	442,362
2022	72,609	105,928	178,537
2024	75,283	103,254	178,537
2025	78,634	99,903	178,537
2026-2030	<u>2,454,596</u>	<u>449,039</u>	<u>2,903,635</u>
Totals	<u>\$ 3,268,955</u>	<u>\$ 983,078</u>	<u>\$ 4,252,033</u>

NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of nine months. The salaries and benefits earned, but unpaid, as of June 30, 2020, were \$280,551 in the General Fund.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2019. 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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

General Information about the Pension Plan(Continued)

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

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

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

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

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

General Information about the Pension Plan (Continued)

Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the DPS Division. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2020: Eligible employees of, the School, and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary period of July 1, 2019 through June 30, 2020.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Employer contribution requirements are summarized in the table below:

	July 1, 2019 Through December 31, 2019	January 1, 2020 Through June 30, 2020
Employer contribution rate	10.40%	10.40%
Amount of employer contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
PCOP offset as specified in C.R.S. § 24-51-412 ¹	(13.60%)	(12.25%)
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total employer contribution rate to the DPS Division	5.78%	7.13%

¹ To conform with this presentation of contribution rates, the 2019 and 2020 annual PCOP offsets of 13.48 percent and 12.50 percent, respectively, have been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements.

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the DPS Division’s December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from the School were \$165,068 for the year ended June 30, 2020.

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

The net pension liability for the DPS Division was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The School proportion of the net pension liability was based on the School's contributions to the DPS Division for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity .

At June 30, 2020, the School reported a liability of \$1,477,463 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity.

The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

The School's proportionate share of the net pension liability	\$1,477,463
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	\$654,788
Total	\$2,132,251

At December 31, 2019, the School's proportion was 0.2242 percent, which was an increase of 0.0300 percent from its proportion measured as of December 31, 2018.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2020, the School recognized pension expense of \$291,168 and revenue of \$51,409 for support from the State as a nonemployer contributing entity. At June 30, 2020, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$228,384	\$868
Changes of assumptions or other inputs	\$62,748	\$509
Net difference between projected and actual earnings on pension plan investments	N/A	\$539,256
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$634,504	\$290,390
Contributions subsequent to the measurement date	\$91,387	N/A
Total	\$1,017,023	\$831,023

\$91,387 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2021	\$227,883
2022	(\$26,102)
2023	\$32,329
2024	(\$139,497)

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic) ¹	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve

¹ For 2019, the annual increase was 0.00 percent.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

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

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the DPS Division, 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 percentage and then adding expected inflation.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. 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 3.50 percent.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions for the DPS Division Trust Fund are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced 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.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the DPS Division’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. 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 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$2,620,818	\$1,477,463	\$526,397

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Defined Contribution Pension Plan

Taxable Pension Certificates of Participation (PCOPs)

The District issued Taxable Pension Certificates of Participation (PCOPs) on July 17, 1997 to fully fund the unfunded actuarial accrued liability (UAAL) of the Plan. Full funding of the UAAL reduced the employer contribution rate from the full funding rate of 15.75% to the normal cost rate of 4.98%. This rate is based upon actuarially determined contribution requirements, the approval and recommendation of the Plan's Board and approval of the District's Board of Education. The School contributed 9.21%, 9.54%, and 10.80% of covered payroll for the fiscal year ended June 30, 2020, 2019, and 2018, respectively, to the District to cover its obligation relating to the PCOPs.

During the fiscal year ended June 30, 2020, 2019, and 2018 the School made contributions totaling \$236,692, \$215,163 and \$171,587, respectively, to the District towards its PCOPs obligation.

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

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of the School are provided with OPEB through the DPS HCTF—a single-employer defined benefit OPEB plan administered by PERA. The DPS HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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

General Information about the OPEB Plan (Continued)

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The DPS HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the Health Care Trust Fund (HCTF) and the 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 is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

General Information about the OPEB Plan (Continued)

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

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent 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 DPS HCTF. PERA reporting agencies of the DPS Division are required to contribute at a rate of 1.02 percent of PERA-includable salary into the DPS HCTF.

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from the School were \$26,213 for the year ended June 30, 2020.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

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

At June 30, 2020, the School reported a liability of \$119,212 for its proportionate share of the net OPEB liability. The net OPEB liability for the DPS HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The School's proportion of the net OPEB liability was based on the School's contributions to the DPS HCTF for the calendar year 2019 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2019, the School's proportion was .3236 percent, which was an increase of .0304 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the School recognized OPEB expense of \$27,405. At June 30, 2020, 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	N/A	\$20,055
Changes of assumptions or other inputs	\$10	N/A
Net difference between projected and actual earnings on OPEB plan investments	N/A	\$5,272
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$45,276	N/A
Contributions subsequent to the measurement date	\$13,211	N/A
Total	\$58,497	\$25,327

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

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

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

\$13,211 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2021	\$11,857
2022	\$5,183
2023	\$991
2024	(\$705)
2025	\$1,265
Thereafter	\$1,368

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually increasing to 4.50 percent in 2029

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

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

DPS benefit structure:

Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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

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

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2020

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

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for the DPS Division as shown below are applied, as applicable, in the determination of the total OPEB liability for the DPS HCTF. Affiliated employers of the DPS Division participate in the DPS HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the DPS Division were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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

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

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the DPS HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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

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

Several factors were considered in evaluating the long-term rate of return assumption for the DPS HCTF, 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 percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
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%
Net OPEB Liability	\$119,186	\$119,212	\$119,238

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. 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, 2019, 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 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the DPS HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$140,918	\$119,212	\$119,238

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment.

As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2020, the reserve of \$177,697 was recorded as a restriction of fund balance in the General Fund.

NOTE 10: SUBSEQUENT EVENTS

Potential subsequent events were considered through October 21, 2020. It was determined that the following event is required to be disclosed through this date.

Covid-19

As a result of the coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the School. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

COLORADO HIGH SCHOOL CHARTER

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 3,555,171	\$ 3,904,568	\$ 3,822,778	\$ (81,790)	\$ 3,573,370
Mill Levy Override	1,625,356	1,939,124	1,939,124	-	1,577,862
Tuition and Fees	9,591	(1,580)	-	1,580	10,891
Grants and Donations	283,207	144,368	142,788	(1,580)	935,031
Interest	32,039	26,397	26,396	(1)	31,935
Other	18,000	62,105	6,137	(55,968)	21,205
State and Federal Sources					
Grants and Donations	335,305	483,103	620,861	137,758	427,418
TOTAL REVENUES	5,858,669	6,558,085	6,558,084	(1)	6,577,712
EXPENDITURES					
Salaries	2,751,640	2,740,088	2,774,880	(34,792)	2,416,990
Employee Benefits	682,690	682,273	696,596	(14,323)	605,675
Purchased Services	951,052	886,913	1,014,766	(127,853)	1,074,137
Supplies and Materials	264,561	376,768	433,852	(57,084)	778,112
Property	1,002,373	540,604	266,552	274,052	2,260,647
Other	-	-	-	-	9,169
Debt Service					
Principal	248,718	2,815,799	2,815,799	-	982,327
Interest	-	133,750	133,750	-	121,648
Appropriated Reserves	-	-	-	-	-
TOTAL EXPENDITURES	5,901,034	8,176,195	8,136,195	40,000	8,248,705
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(42,365)	(1,618,110)	(1,578,111)	39,999	(1,670,993)
OTHER FINANCING USES					
Proceeds from Issuance of Debt	700,000	2,807,536	2,807,535	(1)	1,870,000
Proceeds from Forgivable Loan	-	-	451,955	451,955	-
Transfers In	-	798,191	798,191	-	1,969,897
Transfers Out	-	(798,191)	(798,191)	-	(1,969,897)
CHANGE IN FUND BALANCES	657,635	1,189,426	1,681,379	491,953	199,007
FUND BALANCE, Beginning	1,420,783	1,376,668	1,376,668	-	1,177,661
FUND BALANCE, Ending	<u>\$ 2,078,418</u>	<u>\$ 2,566,094</u>	<u>\$ 3,058,047</u>	<u>\$ 491,953</u>	<u>\$ 1,376,668</u>

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
School's proportionate share of the Net Pension Liability	0.1269%	0.1255%	0.1258%	0.1514%	0.2511%	0.1942%	0.2243%
School's proportionate share of the Net Pension Liability	\$ 660,075	\$ 783,947	\$ 1,023,562	\$ 1,658,325	\$ 2,251,323	\$ 1,987,328	\$ 1,477,463
State of Colorado Proportionate Share of the Net Pension Liability associated with the School	-	-	-	-	-	1,029,624	654,788
Total portion of the Net Pension Liability associated with the School	<u>660,075</u>	<u>783,947</u>	<u>1,023,562</u>	<u>1,658,325</u>	<u>2,251,323</u>	<u>3,016,952</u>	<u>2,132,251</u>
School's covered payroll	\$ 691,764	\$ 739,744	\$ 822,922	\$ 1,000,420	\$ 1,702,132	\$ 2,129,040	\$ 2,425,907
School's proportionate share of the Net Pension Liability as a percentage of its covered payroll	95.4%	106.0%	124.4%	165.8%	132.3%	93.3%	60.9%
Plan fiduciary net position as a percentage of the total pension liability	86.3%	83.9%	79.3%	74.1%	79.5%	79.5%	84.7%

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

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

Years Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contributions	\$ 35,855	\$ 24,476	\$ 24,700	\$ 57,751	\$ 77,589	\$ 122,143	\$ 191,282
Contributions in relation to the Statutorily required contributions	<u>35,855</u>	<u>24,476</u>	<u>24,700</u>	<u>57,751</u>	<u>77,589</u>	<u>122,143</u>	<u>191,282</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>					
School's covered payroll	\$ 732,542	\$ 751,082	\$ 822,922	\$ 1,322,546	\$ 1,738,795	\$ 2,274,513	\$ 2,569,947
Contributions as a percentage of covered payroll	4.89%	3.26%	3.00%	4.37%	4.46%	5.37%	7.44%

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
School's proportionate share of the Net OPEB Liability	0.1514%	0.2505%	0.2932%	0.3236%
School's proportionate share of the Net OPEB Liability	\$ 82,528	\$ 127,629	\$ 132,440	\$ 119,212
School's covered payroll	\$ 1,000,420	\$ 1,702,132	\$ 2,129,040	\$ 2,425,907
School's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	8.2%	7.5%	6.2%	4.9%
Plan fiduciary net position as a percentage of the total OPEB liability	25.2%	30.5%	34.7%	47.0%

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contributions	\$ 13,490	\$ 17,736	\$ 23,200	\$ 26,213
Contributions in relation to the Statutorily required contributions	<u>13,490</u>	<u>17,736</u>	<u>23,200</u>	<u>26,213</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 1,322,546	\$ 1,738,795	\$ 2,274,513	\$ 2,569,947
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

COLORADO HIGH SCHOOL CHARTER

COMBINING BALANCE SHEET

June 30, 2020

	Osage Campus	GES Campus	Home Office	Building Corporation
ASSETS				
Cash and Investments	\$ 2,198,680	\$ 1,086,265	\$ -	\$ -
Restricted Cash	-	-	-	27,356
Accounts Receivable	48,208	28,540	-	-
TOTAL ASSETS	\$ 2,246,888	\$ 1,114,805	\$ -	\$ 27,356
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 39,680	\$ 10,771	\$ -	\$ -
Accrued Salaries and Benefits	179,230	101,321	-	-
TOTAL LIABILITIES	218,910	112,092	-	-
FUND BALANCES				
Restricted for Emergencies	109,346	68,351	-	-
Restricted for Mill Levy Override	104,508	37,472	-	-
Restricted for Debt Service	-	-	-	27,356
Restricted for PPP Expenditures	280,212	171,743	-	-
Committed for Emergency Reserves	505,319	343,752	-	-
Committed for COVID Contingencies	440,200	269,800	-	-
Unassigned	588,393	111,595	-	-
TOTAL FUND BALANCES	2,027,978	1,002,713	-	27,356
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,246,888	\$ 1,114,805	\$ -	\$ 27,356

The accompanying notes are See the accompanying independent auditors' report

TOTAL

<u>2020</u>	<u>2019</u>
\$ 3,284,945	\$ 1,460,913
27,356	20,398
<u>76,748</u>	<u>178,177</u>
<u>\$ 3,389,049</u>	<u>\$ 1,659,488</u>
\$ 50,451	\$ 31,002
<u>280,551</u>	<u>251,818</u>
<u>331,002</u>	<u>282,820</u>
177,697	156,116
141,980	167,093
27,356	20,398
451,955	-
849,071	-
710,000	-
<u>699,988</u>	<u>1,033,061</u>
<u>3,058,047</u>	<u>1,376,668</u>
<u>\$ 3,389,049</u>	<u>\$ 1,659,488</u>

COLORADO HIGH SCHOOL CHARTER

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2020

	Osage Campus	GES Campus	Home Office	Building Corporation
REVENUES				
Local Sources	\$ 3,547,161	\$ 2,338,791	\$ 51,271	\$ -
State and Federal Sources	446,042	174,819	-	-
TOTAL REVENUES	3,993,203	2,513,610	51,271	-
EXPENDITURES				
Current				
Instruction	1,592,534	650,302	-	-
Supporting Services	1,178,074	1,065,246	401,922	32,016
Capital Outlay	-	-	-	266,552
Debt Service				
Principal	-	-	-	2,815,799
Interest	-	-	-	133,750
TOTAL EXPENDITURES	2,770,608	1,715,548	401,922	3,248,117
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,222,595	798,062	(350,651)	(3,248,117)
OTHER FINANCING USES				
Proceeds from Issuance of Debt	-	-	-	2,807,535
Proceeds from Forgivable Loan	280,212	171,743	-	-
Transfers In	-	-	350,651	447,540
Transfers Out	(420,600)	(377,591)	-	-
TOTAL OTHER FINANCING SOURCES	(140,388)	(205,848)	350,651	3,255,075
NET CHANGE IN FUND BALANCES	1,082,207	592,214	-	6,958
FUND BALANCES, Beginning	945,771	410,499	-	20,398
FUND BALANCES, Ending	\$ 2,027,978	\$ 1,002,713	\$ -	\$ 27,356

The accompanying notes are See the accompanying independent auditors' report

TOTAL

<u>2020</u>	<u>2019</u>
\$ 5,937,223	\$ 6,150,294
<u>620,861</u>	<u>427,418</u>
<u>6,558,084</u>	<u>6,577,712</u>
2,242,836	2,204,196
2,677,258	2,679,887
266,552	2,260,647
2,815,799	982,327
<u>133,750</u>	<u>121,648</u>
<u>8,136,195</u>	<u>8,248,705</u>
<u>(1,578,111)</u>	<u>(1,670,993)</u>
2,807,535	1,870,000
451,955	-
798,191	1,969,897
<u>(798,191)</u>	<u>(1,969,897)</u>
<u>3,259,490</u>	<u>1,870,000</u>
1,681,379	199,007
<u>1,376,668</u>	<u>1,177,661</u>
<u>\$ 3,058,047</u>	<u>\$ 1,376,668</u>

COLORADO HIGH SCHOOL CHARTER

OSAGE CAMPUS
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2020

	2020			VARIANCE	2019
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 2,166,312	\$ 2,413,094	\$ 2,333,513	\$ (79,581)	\$ 2,392,920
Mill Levy Override	1,003,577	1,210,562	1,210,562	-	1,050,116
Tuition and Fees	7,927	(1,577)	-	1,577	8,666
Grants and Donations	1,882	2,928	1,351	(1,577)	81,327
Interest	53	63	63	-	53
Other	-	36,217	1,672	(34,545)	3,136
State and Federal					
Grants and Donations	225,766	331,916	446,042	114,126	253,137
TOTAL REVENUES	3,405,517	3,993,203	3,993,203	-	3,789,355
EXPENDITURES					
Salaries	1,541,884	1,544,340	1,551,761	(7,421)	1,298,606
Employee Benefits	386,996	400,632	403,416	(2,784)	302,217
Purchased Services	626,069	486,433	576,005	(89,572)	668,574
Supplies and Materials	170,758	239,797	239,426	371	146,933
Property	109,288	119,406	-	119,406	-
Other	-	-	-	-	6,039
TOTAL EXPENDITURES	2,834,995	2,790,608	2,770,608	20,000	2,422,369
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	570,522	1,202,595	1,222,595	20,000	1,366,986
OTHER FINANCING USES					
Proceeds from Forgivable Loan	-	-	280,212	280,212	-
Transfers Out	-	(420,600)	(420,600)	-	(1,969,897)
TOTAL OTHER FINANCING SOURCES (USES)	-	(420,600)	(140,388)	280,212	(1,969,897)
CHANGE IN FUND BALANCES	570,522	781,995	1,082,207	300,212	(602,911)
FUND BALANCE, Beginning	699,735	945,771	945,771	-	1,548,682
FUND BALANCE, Ending	\$ 1,270,257	\$ 1,727,766	\$ 2,027,978	\$ 300,212	\$ 945,771

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

GES CAMPUS
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 1,388,859	\$ 1,491,474	\$ 1,489,265	\$ (2,209)	\$ 1,180,450
Mill Levy Override	621,779	728,562	728,562	-	527,746
Tuition and Fees	1,664	(3)	-	3	2,225
Grants and Donations	277,619	120,967	120,964	(3)	850,232
Interest	6	1	-	(1)	5
Other	-	21,423	-	(21,423)	13,742
State and Federal					
Grants and Donations	109,539	151,187	174,819	23,632	174,281
TOTAL REVENUES	2,399,466	2,513,611	2,513,610	(1)	2,748,681
EXPENDITURES					
Salaries	963,241	953,021	960,249	(7,228)	805,808
Employee Benefits	243,517	235,608	238,244	(2,636)	252,847
Purchased Services	307,483	299,587	344,250	(44,663)	333,264
Supplies and Materials	86,003	120,056	172,805	(52,749)	625,391
Property	78,174	127,276	-	127,276	21,611
Other	-	-	-	-	3,130
TOTAL EXPENDITURES	1,678,418	1,735,548	1,715,548	20,000	2,042,051
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	721,048	778,063	798,062	19,999	706,630
OTHER FINANCING SOURCES (USES)					
Proceeds from Forgivable Loan	-	-	171,743	171,743	-
Transfers In	-	-	-	-	99,322
Transfers Out	-	(377,591)	(377,591)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(377,591)	(205,848)	171,743	99,322
CHANGE IN FUND BALANCES	721,048	400,472	592,214	191,742	805,952
FUND BALANCE, Beginning	46,301	410,499	410,499	-	(395,453)
FUND BALANCE, Ending	<u>\$ 767,349</u>	<u>\$ 810,971</u>	<u>\$ 1,002,713</u>	<u>\$ 191,742</u>	<u>\$ 410,499</u>

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

HOME OFFICE
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2020

	2020			VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Grants and Donations	\$ 3,706	\$ 20,473	\$ 20,473	\$ -	\$ 3,472
Interest	31,980	26,333	26,333	-	31,877
Other	18,000	4,465	4,465	-	4,327
TOTAL REVENUES	-	51,271	51,271	-	39,676
EXPENDITURES					
Salaries	246,515	242,727	262,870	(20,143)	312,576
Employee Benefits	52,177	46,033	54,936	(8,903)	50,611
Purchased Services	17,500	68,877	62,495	6,382	7,080
Supplies and Materials	7,801	16,915	21,621	(4,706)	5,788
Property	14,140	27,370	-	27,370	-
TOTAL EXPENDITURES	338,133	401,922	401,922	-	376,055
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(338,133)	(350,651)	(350,651)	-	(336,379)
OTHER FINANCING USES					
Transfers In	-	350,651	350,651	-	336,379
CHANGE IN FUND BALANCES	(338,133)	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ (338,133)	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

COLORADO HIGH SCHOOL BUILDING CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2020

	2020			VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Purchased Services	-	32,016	32,016	-	65,219
State and Federal					
Capital Outlay	800,769	266,552	266,552	-	2,239,036
Debt Service					
Principal	248,718	2,815,799	2,815,799	-	982,327
Interest	-	133,750	133,750	-	121,648
TOTAL EXPENDITURES	1,049,487	3,248,117	3,248,117	-	3,408,230
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,049,487)	(3,248,117)	(3,248,117)	-	(3,408,230)
OTHER FINANCING USES					
Proceeds from Issuance of Debt	700,000	2,807,536	2,807,535	(1)	1,870,000
Transfers In	-	447,540	447,540	-	1,534,196
TOTAL OTHER FINANCING SOURCES	700,000	3,255,076	3,255,075	(1)	3,404,196
CHANGE IN FUND BALANCES	(349,487)	6,959	6,958	(1)	(4,034)
FUND BALANCE, Beginning	-	20,398	20,398	-	24,432
FUND BALANCE, Ending	\$ (349,487)	\$ 27,357	\$ 27,356	\$ (1)	\$ 20,398

See the accompanying independent auditors' report.