

COLORADO HIGH SCHOOL CHARTER

BASIC FINANCIAL STATEMENTS

June 30, 2021

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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, 2021, 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, 2021, 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 44-48 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 13, 2021



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, 2021.

Financial Highlights

The assets of Colorado High School Charter exceeded its liabilities at the close of the most recent fiscal year by \$4,775,162 (net assets), an increase of \$392,172 over the prior year. The School's total assets at the end of the year were \$8,550,231.

In FY21, the School refinanced the Colorado High School Building Corporation mortgage and paid off the GES Building Holding Corporation mortgage. The total amount to pay down and pay off was \$1,182,511. The \$1,600,000 current loan has a 25-year term. See Note 5 for details.

COVID materially impacted FY21. State funding was lower than anticipated before COVID-19, due to the economic downturn. The effects of COVID will continue through FY22. In light of that, the Board of Directors has set aside an additional \$85,000 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.

Colorado High School Charter’s Net Assets:

	<u>2020-21</u>	<u>2019-20</u>
Assets		
Current Assets	\$3,013,550	\$3,389,049
Capital Assets, net of depreciation	5,536,681	6,029,609
Total Assets	8,550,231	9,418,658
Liabilities		
Current Liabilities	(573,023)	(792,836)
Noncurrent Liabilities	(1,600,000)	(2,865,327)
Total Liabilities	(2,173,023)	(3,658,163)
Long-term liabilities and related assets, related to pensions (Note 8)	(1,602,046)	(1,377,505)

Net Assets		
Restricted	342,802	319,677
Unrestricted	4,432,360	4,063,313
Total Net Assets	<u>\$ 4,775,162</u>	<u>\$ 4,382,990</u>

Colorado High School Charter's Change in Net Assets:

	<u>2020-21</u>	<u>2019-20</u>
Revenues:		
Operating Grants and Contributions	\$1,072,395	\$ 637,106
Per Pupil Operating Revenue	3,035,411	3,822,778
Mill Levy Override	1,711,474	1,939,124
Capital Construction	108,166	126,543
Investment Earnings	5,115	26,396
Other	29,577	57,546
Total Revenues	<u>5,962,138</u>	6,609,493
Expenses:		
Instructional	2,146,040	2,324,834
Supporting Services	3,295,565	3,310,669
Interest on Long-term Debt	128,361	145,993
Total Expenses	<u>5,569,966</u>	5,781,496
Increase (Decrease) in Net Assets	392,172	827,997
Net Assets, beginning of year, restated	4,382,990	3,554,993
Net Assets, end of year	<u>\$ 4,775,162</u>	<u>\$ 4,382,990</u>

Colorado High School's funded pupil count was 422 in FY19, 432 in FY20 and 357 in FY21.

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 \$553,447, a decrease of \$146,541 compared to the prior year. At the end of the year, the School's Board set aside an additional \$85,000 for future COVID contingencies. Without this special reserve, the unreserved fund balance would have decreased by \$61,541.

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 \$5,536,681 (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, 2021

	Governmental Activities	
	2021	2020
ASSETS		
Cash and Investments	\$ 2,654,097	\$ 3,284,945
Restricted Cash	60,939	27,356
Accounts Receivable	298,514	76,748
Capital Assets, Depreciated		
Net of Accumulated Depreciation	5,536,681	6,029,609
TOTAL ASSETS	<u>8,550,231</u>	<u>9,418,658</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,665,061	1,017,023
Related to OPEB	50,051	58,497
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,715,112</u>	<u>1,075,520</u>
LIABILITIES		
Accounts Payable	39,969	50,451
Accrued Salaries and Benefits	347,124	280,551
Accrued Interest	5,611	9,879
Noncurrent Liabilities		
Accrued Compensated Absences	48,327	48,327
Loan Payable		
Due in One Year	-	255,537
Due in More than One Year	1,600,000	3,013,418
Net Pension Liability	1,588,729	1,477,463
Net OPEB Liability	79,313	119,212
TOTAL LIABILITIES	<u>3,709,073</u>	<u>5,254,838</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	1,731,604	831,023
Related to OPEB	49,504	25,327
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,781,108</u>	<u>856,350</u>
NET POSITION		
Investment in Capital Assets	3,936,681	2,760,654
Restricted for Emergencies	143,555	177,697
Restricted for COVID Expenses	795,000	
Restricted for Mill Levy	199,246	141,980
Unrestricted	(299,320)	1,302,659
TOTAL NET POSITION	<u>\$ 4,775,162</u>	<u>\$ 4,382,990</u>

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

COLORADO HIGH SCHOOL CHARTER

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

<u>FUNCTIONS/PROGRAMS</u> PRIMARY GOVERNMENT	<u>Expenses</u>	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>2021</u>	<u>2020</u>
Governmental Activities						
Instructional	\$ 2,302,949	\$ 6,282	\$ 1,059,212	\$ -	\$ (1,237,455)	\$ (1,681,788)
Supporting Services	3,594,879	-	-	120,603	(3,474,276)	(3,190,066)
Interest on Long-term Debt	124,093	-	-	-	(124,093)	(145,993)
 Total Governmental Activities	 <u>\$ 6,021,921</u>	 <u>\$ 6,282</u>	 <u>\$ 1,059,212</u>	 <u>\$ 120,603</u>	 (4,835,824)	 (5,017,847)
 GENERAL REVENUES						
					3,035,411	3,822,778
					1,711,473	1,939,124
					-	51,409
					5,115	26,396
					-	6,137
 SPECIAL ITEM						
					475,997	-
					<u>5,227,996</u>	<u>5,845,844</u>
 CHANGE IN NET POSITION						
					392,172	827,997
 NET POSITION, Beginning, Restated						
					<u>4,382,990</u>	<u>3,554,993</u>
 NET POSITION, Ending						
					<u>\$ 4,775,162</u>	<u>\$ 4,382,990</u>

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

COLORADO HIGH SCHOOL CHARTER

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	TOTAL GOVERNMENTAL FUNDS	
	2021	2020
ASSETS		
Cash and Investments	\$ 2,654,097	\$ 3,284,945
Restricted Cash	60,939	27,356
Accounts Receivable	298,514	76,748
TOTAL ASSETS	\$ 3,013,550	\$ 3,389,049
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 39,969	\$ 50,451
Accrued Salaries and Benefits	347,124	280,551
TOTAL LIABILITIES	387,093	331,002
FUND BALANCES		
Restricted for Emergencies	143,555	177,697
Restricted for Mill Levy Override	199,246	141,980
Restricted for Debt Service	27,356	27,356
Restricted for PPP Expenditures	-	451,955
Restricted for COVID Expenditures	795,000	-
Committed Reserves	874,269	1,559,071
Unassigned	587,031	699,988
TOTAL FUND BALANCES	2,626,457	3,058,047
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.	5,536,681	6,029,609
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. This liability includes loans payable (\$1,600,000), accrued interest payable (\$5,611), accrued compensated absences (\$48,327), net pension liability of (\$1,588,729), net OPEB liability of (\$79,313), deferred outflows related to pensions and OPEB of \$1,715,112 and deferred inflows related to pensions and OPEB of (\$1,781,108).	(3,387,976)	(4,449,129)
Net Position of governmental funds	\$ 4,775,162	\$ 4,638,527

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, 2021

	TOTAL GOVERNMENTAL FUNDS	
	2021	2020
REVENUES		
Local Sources	\$ 4,993,629	\$ 5,937,223
State and Federal Sources	968,509	620,861
TOTAL REVENUES	5,962,138	6,558,084
EXPENDITURES		
Current		
Instruction	2,146,040	2,242,836
Supporting Services	2,902,327	2,677,258
Capital Outlay	-	266,552
Debt Service		
Principal	2,817,000	2,815,799
Interest	128,361	133,750
TOTAL EXPENDITURES	7,993,728	8,136,195
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,031,590)	(1,578,111)
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Debt	1,600,000	2,807,535
Proceeds from Forgivable Loan	-	451,955
Transfers In	1,834,997	798,191
Transfers Out	(1,834,997)	(798,191)
TOTAL OTHER FINANCING SOURCES (USES)	1,600,000	3,259,490
NET CHANGE IN FUND BALANCES	(431,590)	1,681,379
FUND BALANCES, Beginning	3,058,047	1,376,668
FUND BALANCES, Ending	\$ 2,626,457	\$ 3,058,047

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, 2021

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

Net change in fund balances - total governmental funds	\$ (431,590)
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 expenses for the year.	(492,928)
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.	(1,600,000)
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 (\$2,817,000), change in accrued interest of (\$4,268), change in accrued compensated absences of (\$3,375), and forgiveness of short term loans of (\$451,955)	3,273,223
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>(356,533)</u>
Change in net position of governmental activities	<u>\$ 392,172</u>

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021.
- 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 Emergencies as of June 30, 2021.
- 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, 2021

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, 2021

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, 2021 consisted of the following:

Petty Cash	\$ 2,341
Deposits	573,567
Investments	<u>2,139,128</u>
Total	<u>\$ 2,715,036</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, 2021, 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, 2021

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

At June 30, 2021, the School had deposits with financial institutions with a carrying amount of \$573,567. The bank balances with the financial institutions were \$582,813. Of these balances, \$390,140 was covered by federal depository insurance and \$192,673 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

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 \$2,139,128 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, 2021

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, 2021, the School does not hold any investments that require fair value categorization.

Restricted Cash and Investments

Cash in the amount of \$60,939 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, 2021

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2021 is summarized below.

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities				
Capital Assets, Being				
Depreciated				
Buildings	\$ 3,469,666	\$ -	-	3,469,666
Building Improvements	3,432,547	-	-	3,432,547
Equipment	<u>255,809</u>	<u>-</u>	<u>-</u>	<u>255,809</u>
Total Capital Assets, Being Depreciated	<u>7,158,022</u>	<u>-</u>	<u>-</u>	<u>7,158,022</u>
Accumulated Depreciation				
Buildings	325,312	99,134	-	424,446
Building Improvements	709,627	343,254	-	1,052,881
Equipment	<u>93,474</u>	<u>50,540</u>	<u>-</u>	<u>144,014</u>
Total Accumulated Depreciation	<u>1,128,413</u>	<u>492,928</u>	<u>-</u>	<u>1,621,341</u>
Total Capital Assets, Depreciated, Net	<u>6,029,609</u>	<u>(492,928)</u>	<u>-</u>	<u>5,536,681</u>
Net Capital Assets	<u>\$ 6,029,609</u>	<u>\$ (492,928)</u>	<u>\$ -</u>	<u>\$ 5,536,681</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, 2021:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due In</u> <u>One Year</u>
Loan Payable – Canvas CU	2,817,000	-	2,817,000	-	66,112
Loan Payable – Firstbank	-	1,600,000	-	1,600,000	-
Loan Payable – PPP Loan	451,955	-	451,955	-	-
Compensated Absences	<u>48,327</u>	<u>-</u>	<u>-</u>	<u>48,327</u>	<u>-</u>
Total	<u>\$ 3,317,282</u>	<u>\$ 1,600,000</u>	<u>\$ 3,268,955</u>	<u>\$ 3,268,955</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, 2021

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

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 was paid off as of June 30, 2021.

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 was paid of as of June 30, 2021.

Loan Payable – Firstbank

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

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 was forgiven during the year ended June 30, 2021.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 43,805	\$ 84,376	\$ 128,181
2023	39,822	61,523	101,345
2024	41,444	59,901	101,345
2025	43,133	58,212	101,345
2026	44,890	56,455	101,345
2027-2031	253,419	253,306	506,725
2032-2036	309,422	197,303	506,725
2037-2041	377,805	128,920	506,725
2042-2046	<u>446,260</u>	<u>45,345</u>	<u>491,605</u>
Totals	<u>\$ 1,600,000</u>	<u>\$ 945,341</u>	<u>\$ 2,545,341</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, 2021, were \$347,124 in the General Fund.

NOTE 7: DEFINED BENEFIT PENSION PLAN

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies (Continued)

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 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

General Information about the Pension Plan (Continued)

- 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, 2020, 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, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor 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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions provisions as of June 30, 2021: 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 10.00 percent of their PERA-includable salary period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021
Employer contribution rate	10.90%	10.90%
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	(12.75%) ¹	(12.09%)
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	7.13%	7.79%

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

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State’s 2020-21 fiscal year.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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 \$244,920 for the year ended June 30, 2021.

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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The School's proportion of the net pension liability was based on the School's contributions to the DPS Division for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPS Division and is considered to meet the definition of a special funding situation.

At June 30, 2021, the School reported a liability of \$1,558,729 for its proportionate share of the net pension liability.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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 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:

School's proportionate share of the net pension liability	\$1,588,729
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	-
Total	\$1,588,729

At December 31, 2020, the School's proportion was .3465 percent, which was an increase of .1222 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the School recognized pension expense of \$608,729 and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, 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	\$230,653	N/A
Changes of assumptions or other inputs	\$326,284	N/A
Net difference between projected and actual earnings on pension plan investments	N/A	\$1,550,795
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$980,289	\$180,809
Contributions subsequent to the measurement date	\$127,835	N/A
Total	\$1,665,061	\$1,731,604

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

\$127,835 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, 2022. 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:	
2022	\$ 29,238
2023	\$159,043
2024	(\$139,175)
2025	(\$243,484)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

Post-retirement non-disabled 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.

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

The actuarial assumptions used in the December 31, 2019, 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 PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020.

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

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 assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.80%-11.50%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

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

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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)

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 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. 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. 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, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.

COLORADO HIGH SCHOOL CHARTER
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Based on the above assumptions and methods, the DPS Division’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did 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	\$3,498,179	\$1,558,729	(\$41,740)

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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% of covered payroll for the fiscal year ended June 30, 2020 and 2021 to the District to cover its obligation relating to the PCOPs.

During the fiscal year ended June 30, 2020 and 2021, the School made contributions totaling \$193,454, 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 (FNP) and additions to/deductions from the FNP of the DPS HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

General Information about the OPEB Plan (Continued)

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 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, 2021

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 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 \$28,903 for the year ended June 30, 2021.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021, the School reported a liability of \$79,313 for its proportionate share of the net OPEB liability. The net OPEB liability for the DPS HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The School proportion of the net OPEB liability was based on the School contributions to the DPS HCTF for the calendar year 2020 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2020, the School proportion was .346 percent, which was an increase of .0228 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the School recognized OPEB expense of \$21,627. At June 30, 2021, 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	\$30,541
Changes of assumptions or other inputs	\$7	\$5,270
Net difference between projected and actual earnings on OPEB plan investments	N/A	\$13,665
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$35,541	N/A
Contributions subsequent to the measurement date	\$14,503	N/A
Total	\$50,051	\$49,504

\$14,503 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, 2022.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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:	
2022	\$650
2023	(\$3,451)
2024	(\$5,264)
2025	(\$3,155)
2026	(\$824)
Thereafter	(\$1,912)

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	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A Premiums	3.5% in 2020, gradually increasing to 4.5% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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 who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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, 2021

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

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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 used in the December 31, 2019, valuation 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 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, 2021

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA’s Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.80%-11.50%

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculation for the determination of the total pension liability of the DPS Division as shown below were applied, as applicable, in the roll forward calculation for the DPS HCTF.

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

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

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

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation 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 2020 plan year.
- 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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board’s actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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)

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

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	7.10%	8.10%	9.10%
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	\$79,309	\$79,313	\$79,320

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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)

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, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the DPS HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the DPS HCTF's FNP was projected to 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.

COLORADO HIGH SCHOOL CHARTER

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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 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	\$101,078	\$79,313	\$60,721

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

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, 2021, 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.

COLORADO HIGH SCHOOL CHARTER
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 9: *COMMITMENTS AND CONTINGENCIES* (Continued)

As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2021, the reserve of \$149,800 was recorded as a restriction of fund balance in the General Fund.

NOTE 10: *SUBSEQUENT EVENTS*

Potential subsequent events were considered through October 13, 2021. It was determined that the following event is required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

COLORADO HIGH SCHOOL CHARTER

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2021

	2021			VARIANCE	2020
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 3,357,556	\$ 2,885,198	\$ 3,035,411	\$ 150,213	\$ 3,822,778
Mill Levy Override	1,699,655	1,813,436	1,711,473	(101,963)	1,939,124
Tuition and Fees	60,715	11,490	6,282	(5,208)	-
Grants and Donations	86,767	197,633	211,306	13,673	142,788
Interest	55,992	18,312	5,115	(13,197)	26,396
Other	6,776	4,097	24,042	19,945	6,137
State and Federal Sources					
Grants and Donations	390,057	885,682	968,509	82,827	620,861
TOTAL REVENUES	5,657,518	5,815,848	5,962,138	146,290	6,558,084
EXPENDITURES					
Salaries	3,362,705	3,345,394	3,100,830	244,564	2,774,880
Employee Benefits	891,671	869,849	766,053	103,796	696,596
Purchased Services	948,842	832,657	881,482	(48,825)	1,014,766
Supplies and Materials	244,356	280,621	294,903	(14,282)	433,852
Property	296,492	506,174	-	506,174	266,552
Other	305,293	29,896	5,099	24,797	-
Debt Service					
Principal	-	2,816,999	2,817,000	(1)	2,815,799
Interest	-	128,361	128,361	-	133,750
Appropriated Reserves	-	-	-	-	-
TOTAL EXPENDITURES	6,049,359	8,809,951	7,993,728	816,223	8,136,195
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(391,841)	(2,994,103)	(2,031,590)	962,513	(1,578,111)
OTHER FINANCING USES					
Proceeds from Issuance of Debt	-	1,600,000	1,600,000	-	2,807,535
Proceeds from Forgivable Loan	-	-	-	-	451,955
Transfers In	37,337	1,345,360	1,834,997	489,637	798,191
Transfers Out	(62,921)	-	(1,834,997)	(1,834,997)	(798,191)
CHANGE IN FUND BALANCES	(417,425)	(48,743)	(431,590)	(382,847)	1,681,379
FUND BALANCE, Beginning	2,249,788	3,057,546	3,058,047	501	1,376,668
FUND BALANCE, Ending	\$ 1,832,363	\$ 3,008,803	\$ 2,626,457	\$ (382,346)	\$ 3,058,047

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)

	2013	2014	2015	2016	2017	2018	2019	2020
School's proportionate share of the Net Pension Liability	0.1269%	0.1255%	0.1258%	0.1514%	0.2511%	0.1942%	0.2243%	0.3640%
School's proportionate share of the Net Pension Liability	\$ 660,075	\$ 783,947	\$ 1,023,562	\$ 1,658,325	\$ 2,251,323	\$ 1,987,328	\$ 1,477,463	\$ 1,558,729
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	660,075	783,947	1,023,562	1,658,325	2,251,323	3,016,952	2,132,251	1,558,729
School's covered payroll	\$ 691,764	\$ 739,744	\$ 822,922	\$ 1,000,420	\$ 1,702,132	\$ 2,129,040	\$ 2,425,907	\$ 2,728,336
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%	57.1%
Plan fiduciary net position as a percentage of the total pension liability	86.3%	83.9%	79.3%	74.1%	79.5%	79.5%	84.7%	90.1%

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>	<u>2021</u>
Statutorily required contributions	\$ 35,855	\$ 24,476	\$ 24,700	\$ 57,751	\$ 77,589	\$ 122,143	\$ 191,282	\$ 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>	<u>191,282</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 2,833,644
Contributions as a percentage of covered payroll	4.89%	3.26%	3.00%	4.37%	4.46%	5.37%	7.44%	6.75%

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>	<u>2020</u>
School's proportionate share of the Net OPEB Liability	0.1514%	0.2505%	0.2932%	0.3236%	0.3465%
School's proportionate share of the Net OPEB Liability	\$ 82,528	\$ 127,629	\$ 132,440	\$ 119,212	\$ 793,313
School's covered payroll	\$ 1,000,420	\$ 1,702,132	\$ 2,129,040	\$ 2,425,907	\$ 2,728,336
School's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	8.2%	7.5%	6.2%	4.9%	29.1%
Plan fiduciary net position as a percentage of the total OPEB liability	25.2%	30.5%	34.7%	47.0%	65.4%

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	2017	2018	2019	2020	2021
Statutorily required contributions	\$ 13,490	\$ 17,736	\$ 23,200	\$ 26,213	\$ 28,903
Contributions in relation to the Statutorily required contributions	13,490	17,736	23,200	26,213	28,903
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered payroll	\$ 1,322,546	\$ 1,738,795	\$ 2,274,513	\$ 2,569,947	\$ 2,833,644
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

COLORADO HIGH SCHOOL CHARTER

COMBINING BALANCE SHEET

June 30, 2021

	Osage Campus	GES Campus	Home Office	Building Corporation
ASSETS				
Cash and Investments	\$ 1,414,550	\$ 1,239,547	\$ -	\$ -
Restricted Cash	-	-	-	60,939
Accounts Receivable	197,374	101,140	-	-
TOTAL ASSETS	<u>\$ 1,611,924</u>	<u>\$ 1,340,687</u>	<u>\$ -</u>	<u>\$ 60,939</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 21,613	\$ 18,356	\$ -	\$ -
Accrued Salaries and Benefits	147,542	199,582	-	-
TOTAL LIABILITIES	<u>169,155</u>	<u>217,938</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for Emergencies	73,903	69,652	-	-
Restricted for Mill Levy Override	128,926	70,320	-	-
Restricted for Debt Service	-	-	-	27,356
Restricted for PPP Expenditures	-	-	-	-
Restricted for COVID Expenditures	470,000	325,000	-	-
Committed for Emergency Reserves	490,278	383,991	-	-
Committed for COVID Contingencies	-	-	-	-
Unassigned	279,662	273,786	-	33,583
TOTAL FUND BALANCES	<u>1,442,769</u>	<u>1,122,749</u>	<u>-</u>	<u>60,939</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,611,924</u>	<u>\$ 1,340,687</u>	<u>\$ -</u>	<u>\$ 60,939</u>

The accompanying notes are See the accompanying independent auditors' report

TOTAL

<u>2021</u>	<u>2020</u>
\$ 2,654,097	\$ 3,284,945
60,939	27,356
298,514	76,748
<u>\$ 3,013,550</u>	<u>\$ 3,389,049</u>

\$ 39,969	\$ 50,451
347,124	280,551
<u>387,093</u>	<u>331,002</u>

143,555	177,697
199,246	141,980
27,356	27,356
-	451,955
795,000	-
874,269	849,071
-	710,000
587,031	699,988
<u>2,626,457</u>	<u>3,058,047</u>
<u>\$ 3,013,550</u>	<u>\$ 3,389,049</u>

COLORADO HIGH SCHOOL CHARTER

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2021

	Osage Campus	GES Campus	Home Office	Building Corporation
REVENUES				
Local Sources	\$ 2,495,436	\$ 2,414,848	\$ 83,345	\$ -
State and Federal Sources	625,274	343,235	-	-
TOTAL REVENUES	3,120,710	2,758,083	83,345	-
EXPENDITURES				
Current				
Instruction	1,223,088	922,952	-	-
Supporting Services	1,297,683	1,065,246	532,440	6,958
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	2,817,000
Interest	-	-	-	128,361
TOTAL EXPENDITURES	2,520,771	1,988,198	532,440	2,952,319
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	599,939	769,885	(449,095)	(2,952,319)
OTHER FINANCING USES				
Proceeds from Issuance of Debt	-	-	-	1,600,000
Proceeds from Forgivable Loan	-	-	-	-
Transfers In	-	-	449,095	1,385,902
Transfers Out	(1,185,148)	(649,849)	-	-
TOTAL OTHER FINANCING SOURCES	(1,185,148)	(649,849)	449,095	2,985,902
NET CHANGE IN FUND BALANCES	(585,209)	120,036	-	33,583
FUND BALANCES, Beginning	2,027,978	1,002,713	-	27,356
FUND BALANCES, Ending	<u>\$ 1,442,769</u>	<u>\$ 1,122,749</u>	<u>\$ -</u>	<u>\$ 60,939</u>

The accompanying notes are See the accompanying independent auditors' report

TOTAL

<u>2021</u>	<u>2020</u>
\$ 4,993,629	\$ 5,937,223
<u>968,509</u>	<u>620,861</u>
<u>5,962,138</u>	<u>6,558,084</u>
2,146,040	2,242,836
2,902,327	2,677,258
-	266,552
2,817,000	2,815,799
<u>128,361</u>	<u>133,750</u>
<u>7,993,728</u>	<u>8,136,195</u>
<u>(2,031,590)</u>	<u>(1,578,111)</u>
1,600,000	2,807,535
-	451,955
1,834,997	798,191
<u>(1,834,997)</u>	<u>(798,191)</u>
<u>1,600,000</u>	<u>3,259,490</u>
(431,590)	1,681,379
<u>3,058,047</u>	<u>1,376,668</u>
<u>\$ 2,626,457</u>	<u>\$ 3,058,047</u>

COLORADO HIGH SCHOOL CHARTER

OSAGE CAMPUS
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2021

	2021			VARIANCE	2020
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 1,941,805	\$ 1,519,227	\$ 1,545,237	\$ 26,010	\$ 2,333,513
Mill Levy Override	1,000,746	981,063	896,227	(84,836)	1,210,562
Tuition and Fees	44,333	7,741	4,512	(3,229)	-
Grants and Donations	2,282	45,618	35,663	(9,955)	1,351
Interest	16,507	5,449	80	(5,369)	63
Other	1,990	2,387	13,717	11,330	1,672
State and Federal					
Grants and Donations	252,113	546,894	625,274	78,380	446,042
TOTAL REVENUES	3,259,776	3,108,379	3,120,710	12,331	3,993,203
EXPENDITURES					
Salaries	1,802,029	1,774,058	1,601,790	172,268	1,551,761
Employee Benefits	482,612	467,539	414,590	52,949	403,416
Purchased Services	527,374	402,852	409,643	(6,791)	576,005
Supplies and Materials	161,367	157,551	94,387	63,164	239,426
Property	155,984	231,195	-	231,195	-
Other	190,472	15,322	361	14,961	-
TOTAL EXPENDITURES	3,319,838	3,048,517	2,520,771	527,746	2,770,608
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(60,062)	59,862	599,939	540,077	1,222,595
OTHER FINANCING USES					
Proceeds from Forgivable Loan				-	280,212
Transfers Out	37,337	-	(454,238)	(454,238)	(420,600)
TOTAL OTHER FINANCING SOURCES (USES)	37,337	-	(454,238)	(454,238)	(140,388)
CHANGE IN FUND BALANCES	(22,725)	59,862	145,701	85,839	1,082,207
FUND BALANCE, Beginning	1,437,876	2,048,977	2,027,978	(20,999)	945,771
FUND BALANCE, Ending	\$ 1,415,151	\$ 2,108,839	\$ 2,173,679	\$ 64,840	\$ 2,027,978

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

GES CAMPUS
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2021

	2021			VARIANCE	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 1,415,751	\$ 1,365,971	\$ 1,490,174	\$ 124,203	\$ 1,489,265
Mill Levy Override	698,909	832,373	815,246	(17,127)	728,562
Tuition and Fees	16,382	3,749	1,770	(1,979)	-
Grants and Donations	81,310	116,921	106,065	(10,856)	120,964
Interest	11,531	3,791	25	(3,766)	-
Other	1,398	1,431	1,568	137	-
State and Federal					
Grants and Donations	137,944	338,788	343,235	4,447	174,819
TOTAL REVENUES	2,363,225	2,663,024	2,758,083	95,059	2,513,610
EXPENDITURES					
Salaries	1,256,496	1,290,153	1,204,623	85,530	960,249
Employee Benefits	335,915	335,314	290,782	44,532	238,244
Purchased Services	367,355	356,469	412,433	(55,964)	344,250
Supplies and Materials	59,737	68,268	75,622	(7,354)	172,805
Property	121,708	235,970	-	235,970	-
Other	114,821	14,574	4,738	9,836	-
TOTAL EXPENDITURES	2,256,032	2,300,748	1,988,198	312,550	1,715,548
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	107,193	362,276	769,885	407,609	798,062
OTHER FINANCING SOURCES (USES)					
Proceeds from Forgivable Loan				-	171,743
Transfers In				-	-
Transfers Out	(37,337)	-	(1,380,759)	(1,380,759)	(377,591)
TOTAL OTHER FINANCING SOURCES (USES)	(37,337)	-	(1,380,759)	(1,380,759)	(205,848)
CHANGE IN FUND BALANCES	69,856	362,276	(610,874)	(973,150)	592,214
FUND BALANCE, Beginning	811,912	1,008,569	1,002,713	(5,856)	410,499
FUND BALANCE, Ending	\$ 881,768	\$ 1,370,845	\$ 391,839	\$ (979,006)	\$ 1,002,713

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

HOME OFFICE
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2021

	2021			VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Grants and Donations	\$ 3,175	\$ 35,094	\$ 69,578	\$ 34,484	\$ 3,472
Interest	27,954	9,072	5,010	(4,062)	31,877
Other	3,388	279	8,757	8,478	4,327
TOTAL REVENUES	<u>34,517</u>	<u>44,445</u>	<u>83,345</u>	<u>38,900</u>	<u>39,676</u>
EXPENDITURES					
Salaries	304,180	281,183	294,417	(13,234)	312,576
Employee Benefits	73,144	66,996	60,681	6,315	50,611
Purchased Services	54,113	73,336	52,448	20,888	7,080
Supplies and Materials	23,252	54,802	124,894	(70,092)	5,788
Property	18,800	39,009	-	39,009	-
TOTAL EXPENDITURES	<u>473,489</u>	<u>515,326</u>	<u>532,440</u>	<u>(17,114)</u>	<u>376,055</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(438,972)</u>	<u>(470,881)</u>	<u>(449,095)</u>	<u>21,786</u>	<u>(336,379)</u>
OTHER FINANCING USES					
Transfers In	<u>(25,584)</u>	<u>-</u>	<u>449,095</u>	<u>449,095</u>	<u>336,379</u>
CHANGE IN FUND BALANCES	(464,556)	(470,881)	-	470,881	-
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ (464,556)</u>	<u>\$ (470,881)</u>	<u>\$ -</u>	<u>\$ 470,881</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

COLORADO HIGH SCHOOL CHARTER

COLORADO HIGH SCHOOL BUILDING CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2021

	2021			VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Purchased Services		-	6,958	(6,958)	32,016
State and Federal					
Capital Outlay		-	-	-	266,552
Debt Service					
Principal		2,945,360	2,817,000	128,360	2,815,799
Interest			128,361	(128,361)	133,750
TOTAL EXPENDITURES	-	2,945,360	2,952,319	(6,959)	3,248,117
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,945,360)	(2,952,319)	(6,959)	(3,248,117)
OTHER FINANCING USES					
Proceeds from Issuance of Debt		1,600,000	1,600,000	-	2,807,535
Transfers In		1,345,360	1,385,902	40,542	447,540
TOTAL OTHER FINANCING SOURCES	-	2,945,360	2,985,902	40,542	3,255,075
CHANGE IN FUND BALANCES	-	-	33,583	33,583	6,958
FUND BALANCE, Beginning	-	-	27,356	27,356	20,398
FUND BALANCE, Ending	\$ -	\$ -	\$ 60,939	\$ 60,939	\$ 27,356

See the accompanying independent auditors' report.