Ben Franklin Academy

(A Component Unit of Douglas County School District RE. 1)

Financial Statements

June 30, 2022

HINKLE & COMPANY PC
Strategic Business Advisors

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)

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June 30, 2022

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditors' Report

Board of Directors
Ben Franklin Academy
Highlands Ranch, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Ben Franklin Academy, a component unit of Douglas County School District RE.1, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Ben Franklin Academy, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Ben Franklin Academy as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ben Franklin Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ben Franklin Academy's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ben Franklin Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ben Franklin Academy's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 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.

Hinkle & Company, pc

Englewood, Colorado
December 15, 2022

As management of Ben Franklin Academy (BFA), we offer readers of BFA's basic financial statements this narrative and analysis of the financial activities for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

FINANCIAL HIGHLIGHTS

The year ended June 30, 2022 was the eleventh year of operations for BFA. The general-fund fund balance for the fiscal year ended June 30, 2022 is $6,586,789.

The primary source of revenue was through funding from the Colorado State School Finance Act. Tax revenue from this source (Per Pupil Revenue) was $7,691,436. BFA received additional non-tax-related income in the form of tuition-based revenues from preschool, $323,617, as well as other child care related programs of $146,377.

OVERVIEW OF FINANCIAL STATEMENTS

This financial summary is intended to provide an introduction to BFA's basic financial statements. The basic statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The statement of activities presents information showing how BFA's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year-end).

The government-wide statement of activities distinguishes functions/programs of BFA that are primarily supported by the per pupil revenue passed from Douglas County School District. These activities include instruction and supporting services expense.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

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

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

BFA adopts an annual appropriated budget for our General Fund. A budgetary comparison has been provided for this fund to demonstrate compliance with the budget as part of the required supplementary information included in the audited financial statements.

SPECIAL REVENUE FUND

The Ben Franklin Academy Building Corporation is considered a component of BFA and is reported as a Special Revenue Fund. This fund is used to account for the financial activities of the Building Corporation, including facilities acquisition and construction, and the related debt service.

NOTES TO FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

For the year ended June 30, 2022, governmental activities net position (negative) totaled ($5,398,378).

Table I: Net Position

	2021-2022 Governmental Activities	2020-2021 Governmental Activities	2019-2020 Governmental Activities
ASSETS			
Cash and Investments	7,752,226	6,908,887	6,667,075
Accounts Receivable	-	50	4,333
Prepaid Expenses	-	-	-
Restricted Cash and Investments	1,924,294	2,000,496	-
Capital Assets, Net	16,860,440	15,908,252	258,998
TOTAL ASSETS	26,536,960	24,817,685	6,930,406
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	2,177,968	3,570,809	1,761,822
OPEB	48,048	66,230	79,051
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,226,016	3,637,039	1,840,873
LIABILITIES			
Accounts Payable	119,788	50,146	22,438
Accrued Liabilities	393,265	103,107	106,495
Accrued Salaries and Benefits	641,169	864,242	786,879
Unearned Revenues	11,215	1,740	383,621
Accrued Interest Payable	382,950	390,350	-
Noncurrent Liabilities			
Due within One Year	544,417	370,000	-
Due in more than One Year	20,785,847	18,302,778	-
Net Pension Liability	7,557,414	11,324,919	10,109,966
Net OPEB Liability	365,630	411,506	497,143
TOTAL LIABILITIES	30,801,695	31,818,828	11,906,542
DEFERRED INFLOWS OF RESOURCES			
Pensions	3,208,976	4,730,686	6,674,590
OPEB	150,683	141,187	91,836
TOTAL DEFERRED INFLOWS OF RESOURCES	3,359,659	4,871,873	6,766,426
NET POSITION			
Net Investment in Capital Assets	(4,469,824)	(2,764,526)	258,998
Restricted for Debt Service	1,541,344	1,610,146	-
Restricted for Emergencies	275,194	264,933	262,695
Unrestricted	(2,745,092)	(7,346,530)	(10,423,382)
TOTAL NET POSITION	(5,398,378)	(8,235,977)	(9,901,689)

Table II: Change In Net Position

	2021-2022 Governmental Activities	2020-2021 Governmental Activities	2019-2020 Governmental Activities
REVENUES			
General Revenues			
Per Pupil Revenue	7,691,436	6,996,286	7,424,013
District Mill Levy	1,073,461	1,061,025	1,058,047
Capital Construction Funding	266,617	270,944	253,056
Contributions	5,488	1,635	14,767
Investment Earnings	12,935	8,043	51,903
Other	1,153,482	1,156,667	4,470
Program Revenues			
Charges for Services: Instruction	453,992	431,154	484,578
Charges for Services: Support	177,451	74,462	98,897
Operating Grants: Instruction	6,018	502,226	52,805
Operating Grants: Support	(53,851)	-	11,763
Total Revenue	10,787,029	10,502,442	9,454,299
EXPENSES			
Instruction	1,973,409	3,101,851	2,908,893
Support	4,338,489	3,828,111	3,317,776
Interest on Long-Term Debt	825,102	745,586	-
Total Expenses	7,137,000	7,675,548	6,226,669
TRANSFERS	-	-	(1,116,907)
Change in Net Position	3,650,029	2,826,894	2,110,723
Prior period adjustment due to adoption of GASB 87	(812,430)	-	-
Net Position, Beginning	(9,048,407)	(11,062,871)	(12,012,412)
Net Position, Ending	(5,398,378)	(8,235,977)	(9,901,689)

FUND FINANCIAL ANALYSIS

General Fund

Income

Total Revenues for the period ended June 30, 2022 were $9,911,726. The main source of income during this time period was from the State of Colorado through the charter authorized by Douglas County School District. Per Pupil Revenue was reported $7,691,436; equivalent to $8,546.56 per funded student. In addition, BFA received funding through the Douglas County School District as a component of local revenue (Mills) in the amount of $1,073,461. The Mill Levy amount was adjusted based upon the election in November 2018. In response to the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law by Congress on March 27,2020. It includes the Elementary and Secondary Schools Emergency Relief (ESSER) funds to help K-12 educational entities prevent, prepare for, and respond to impacts of COVID-19. During the 21/22 fiscal year, BFA received ESSER funding related to the CARES Act in the amount of $59,554.76.

Expenditures
BFA budgeted for General Fund total expenditures (exclusive of appropriated reserves) of $9,597,615 for the period of July 1, 2021 to June 30, 2022. Actual total expenditures were $9,300,993. In comparison with the prior year, expenses were slightly increased due to PERA rate increase, reinstatement of funding for field trips, installation of a new playground surface and increases in purchased service costs.

ANALYSIS OF SIGNIFICANT BUDGET VARIATIONS: GENERAL FUND

The original budget was adopted during the Spring of 2021 for the 2021-2022 school year. At the time the budget had been adopted, actual student count and per pupil distribution rates had not yet been finalized. The budget was then revised in November after the official student enrollment count has been finalized. Due to additional Per Pupil Revenue and expenses related to the COVID-19 pandemic and playground project, our Final Revised budget was adopted in Spring 2022.

CAPITAL ASSETS AND LONG-TERM DEBT

BFA holds assets with a net book value of $407,111 which includes a turf field, an overflow parking lot, dumpster and storage fence enclosures and our playground resurface which was completed in August 2022.

In April, 2016, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $19,140,000 in Charter School Revenue Bonds. Bond proceeds were loaned to the Building Corporation to finance the acquisition and construction of educational facilities. BFA uses the building owned by the Building Corporation. The debt accrues interest at rates ranging from 3% to 5%. Interest payments are due semi-annually on July 1 and January 1 each year through 2046. The Building Corporation reports these educational facilities at the book value of $14,425,235.

The land on which the school sits is leased to the BFA Building Corporation by Englewood McLellan Reservoir Foundation through a ground lease. The book value of the ground lease is currently $2,240,513 ($3,930,725 costs less $1,690,212 accumulated amortization). The total lease liabilities equal $3,062,600.

Additional information on capital assets and long-term debt is available in Notes 3 and 4 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As mentioned in Note 7, during the year ended June 30,2022, the USA and State of Colorado remained in a state of emergency due to the COVID-19 pandemic. While we have adapted and made changes to operations as well as our budget and the spread of the virus has appeared to slow down, the full effect of this pandemic on the future is still unknown.

The primary factor driving the budget for BFA is the future of the Colorado state budget and related Per Pupil Revenue (PPR) for K-12 education. These drivers are regularly monitored and discussed amongst the Board and Management and associated budgetary impact. Many budget scenarios and operation plans have been developed to analyze options to respond to state budget decisions. Student growth and facility financing were all considered during the strategic planning process.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Ben Franklin Academy's financial position for all those with an interest. Questions concerning the information contained in this report or requests for additional information should be directed to:

Ben Franklin Academy
2270 Plaza Drive
Highlands Ranch, CO 80129

Basic Financial Statements

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)

Statement of Net Position

June 30, 2022

	Governmental Activities
Assets	
Cash and Investments	$ 7,752,226
Restricted Cash and Investments	1,924,294
Capital Assets, *Net of Accumulated Depreciation*	16,860,440
Total Assets	26,536,960
Deferred Outflows of Resources	
Pensions, *Net of Accumulated Amortization*	2,177,968
OPEB, *Net of Accumulated Amortization*	48,048
Total Deferred Outflows of Resources	2,226,016
Liabilities	
Accounts Payable	119,788
Accrued Liabilities	393,265
Accrued Salaries and Benefits	641,169
Unearned Revenues	11,215
Accrued Interest Payable	382,950
Noncurrent Liabilities	
Due Within One Year	544,417
Due in More Than One Year	20,785,847
Net Pension Liability	7,557,414
Net OPEB Liability	365,630
Total Liabilities	30,801,695
Deferred Inflows of Resources	
Pensions, *Net of Accumulated Amortization*	3,208,976
OPEB, *Net of Accumulated Amortization*	150,683
Total Deferred Inflows of Resources	3,359,659
Net Position	
Net Investment in Capital Assets	(4,469,824)
Restricted for:	
Debt Service	1,541,344
Emergencies	275,194
Unrestricted	(2,745,092)
Total Net Position	$ (5,398,378)

See Notes to the Financial Statements.

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)

Statement of Activities

For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Primary Government				
Governmental Activities				
Instruction	$ 1,973,409	$ 450,292	$ 6,018	$ (1,517,099)
Supporting Services	4,338,489	177,451	(53,851)	(4,214,889)
Interest on Long-Term Debt	825,102	-	-	(825,102)
Total Governmental Activities	7,137,000	627,743	(47,833)	(6,557,090)
	General Revenues			
	Per Pupil Revenue			7,691,436
	District Mill Levy			1,073,461
	Capital Construction			266,617
	Grants and Contributions not Restricted to Specific Programs			5,488
	Investment Income			12,935
	Other			1,157,182
	Total General Revenues and Transfers			10,207,119
	Change in Net Position			3,650,029
	Net Position, *Beginning of year* (as reported)			(8,235,977)
	Prior period adjustment due to adoption of GASB 87			(812,430)
	Net Position, *Beginning of year*			(9,048,407)
	Net Position, *End of year*			$ (5,398,378)

Ben Franklin Academy
(A Component Unit of Douglas County School District RE.1)
Balance Sheet
Governmental Fund
June 30, 2022

	General	Building	Total
Assets			
Cash and Investments	$ 7,752,226	$ -	$ 7,752,226
Restricted Cash and Investments	-	1,924,294	1,924,294
Accounts Receivable	-	-	-
Total Assets	$ 7,752,226	$ 1,924,294	$ 9,676,520
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	$ 119,788	$ -	$ 119,788
Accrued Liabilities	393,265	-	393,265
Accrued Salaries and Benefits	641,169	-	641,169
Unearned Revenues	11,215	-	11,215
Total Liabilities	1,165,437	-	1,165,437
Fund Balance			
Restricted for:			
Emergencies	275,194	-	275,194
Debt Service	-	1,924,294	1,924,294
Unrestricted, Unassigned	6,311,595	-	6,311,595
Total Fund Balance	6,586,789	1,924,294	8,511,083
Total Liabilities and Fund Balance	$ 7,752,226	$ 1,924,294	$ 9,676,520

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of the Governmental Fund	$ 8,511,083
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	16,860,440
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Accrued Interest Payable	(382,950)
Long Term Debt	(21,330,264)
Net pension liability	(7,557,414)
Pension-related deferred outflows of resources	2,177,968
Pension-related deferred inflows of resources	(3,208,976)
Net OPEB liability	(365,630)
OPEB-related deferred outflows of resources	48,048
OPEB-related deferred inflows of resources	(150,683)
Total Net Position of Governmental Activities	$ (5,398,378)

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund

For the Year Ended June 30, 2022

	General	Building	Total
Revenues			
Local Sources	$ 9,414,753	$ 1,153,492	$ 10,568,245
State Sources	437,418	-	437,418
Federal Sources	59,555	-	59,555
Total Revenues	9,911,726	1,153,492	11,065,218
Expenditures			
Instruction	4,950,270	-	4,950,270
Supporting Services	4,108,835	-	4,108,835
Debt Service			
Principal	147,572	370,000	517,572
Interest	94,316	773,300	867,616
Total Expenditures	9,300,993	1,143,300	10,444,293
Excess of Revenues Over (Under) Expenditures	610,733	10,192	620,925
Other Financing Sources (Uses)			
Transfers In (Out)	86,394	(86,394)	-
Net Change in Fund Balance	697,127	(76,202)	620,925
Fund Balance, *Beginning of year*	5,889,662	2,000,496	7,890,158
	$ 6,586,789	$ 1,924,294	$ 8,511,083

See Notes to the Financial Statements.

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities

For the Year Ended June 30, 2022

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Change in Fund Balance of the Governmental Fund	$ 620,925
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(1,445,554)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities. These include amortization of bond premium of ($35,114) and bond payments of $355,000.	
Loan Payments	552,686
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following.	
Accrued interest payable	7,400
Net pension liability	3,767,505
Pension-related deferred outflows of resources	(1,392,841)
Pension-related deferred inflows of resources	1,521,710
Net OPEB liability	45,876
OPEB-related deferred outflows of resources	(18,182)
OPEB-related deferred inflows of resources	(9,496)
Change in Net Position of Governmental Activities	$ 3,650,029

Note 1: Summary of Significant Accounting Policies

Ben Franklin Academy (BFA) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within Douglas County School District (the District). BFA began operations in the Fall of 2011.

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

Reporting Entity

The financial reporting entity consists of BFA, organizations for which BFA is financially accountable and organizations that raise and hold economic resources for the direct benefit of BFA. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of BFA. Legally separate organizations for which BFA is financially accountable are considered part of the reporting entity. Financial accountability exists if BFA appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, BFA.

BFA includes the Ben Franklin Academy Building Corporation (the Corporation) within its reporting entity. The Corporation was organized in January 2016, primarily to finance the acquisition and construction of educational facilities, and currently leases facilities only to BFA. The Corporation is blended into BFA's financial statements as a Special Revenue Fund and does not issue separate financial statements.

BFA is a component unit of the District. The District authorized BFA's charter and the majority of BFA's funding is provided by the District.

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 activities of BFA. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements *(Continued)*

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 revenues not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as is the proprietary fund in the fund financial statements. 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.

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 year or soon enough thereafter to pay liabilities of the current year, not to exceed 60 days. Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by BFA. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is BFA’s policy to use restricted resources first, and the unrestricted resources as they are needed.

Note 1: Summary of Significant Accounting Policies (Continued)

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

BFA reports the following major governmental fund:

General Fund - This fund is the general operating fund of BFA. It is currently used to account for all financial activities of BFA.

Building Fund - This fund is used to account for the financial activities of the Building Corporation, including facilities acquisition and construction, and the related debt service.

Assets, Liabilities and Net Position/Fund Balance

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

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

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

Capital Assets - Capital assets, which include buildings, land improvements, and equipment, are reported in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more 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 the acquisition value on the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported in the statement of net position in the government-wide financial statements and the proprietary fund in the fund financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method.

Buildings and Improvements	30 years
Land Improvements	10 - 30 years
Equipment	5 years

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability of the General Fund.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Unearned Revenues - Unearned revenues represent resources received by BFA before it has a legal claim to them, including tuition and fees.

Compensated Absences - Employees of BFA are allowed to accumulate unused personal time off. Upon termination of employment from BFA, an employee will be compensated for all accrued personal time off at the rate of $40 per day. A liability for compensated absences is not reported in the financial statements because the amount is insignificant.

Long-Term Debt - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as current expenses or expenditures.

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

OPEB – BFA participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP), and additions to/deductions from the FNP of the HCTF's 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.

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Board of Directors is authorized to establish a fund balance commitment through passage of a resolution and may assign fund balances to a specific purpose through an informal action.

Note 1: Summary of Significant Accounting Policies (Continued)

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

BFA has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, BFA uses restricted fund balance first, followed by committed, assigned and unassigned balances.

New Accounting Pronouncements Adopted

GASB Statement No. 87, *Leases*, was issued June 2017 and improves accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The University adopted GASB 87 for the June 30, 2022, reporting year.

Risk Management

BFA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. BFA carries commercial insurance for these risks of loss.

Subsequent Events

BFA has evaluated subsequent events through December 15, 2022, the date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash and investments at June 30, 2022, follows:

Deposits	$ 1,985,266
Investments	7,691,254
Total	$ 9,676,520

Note 2: Cash and Investments (Continued)

Cash and investments are reported in the financial statements as follows:

Cash and Investments	$	7,752,226
Restricted Cash and Investments		1,924,294
Total	$	9,676,520

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2022, BFA had bank deposits of $1,976,438 collateralized with securities held by the financial institution's agent but not in BFA's name.

Investments

BFA is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount BFA may invest in a single issuer, except for corporate securities.

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

Local Government Investment Pool - At June 30, 2022, BFA had $6,425,431 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. Colotrust is measured at the net asset value per share, with each share valued at $1. Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

Cash and investments of $1,924,294 have been restricted by the Building Corporation's loan agreement for capital outlay and future debt service.

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2022, is summarized below.

Governmental Activities	**Balance 06/30/21**	**Additions**	**Deletions**	**Balance 06/30/22**
Capital Assets, *Being Depreciated*				
Buildings	$ 18,842,709	$ -	$ -	$ 18,842,709
Land Improvements	345,400	-	-	345,400
Equipment	55,730	-	-	55,730
Right-to-use ground lease	3,930,725	-	-	3,930,725
Total Capital Assets, *Being Depreciated*	23,174,564	-	-	23,174,564
Less Accumulated Depreciation				
Buildings	(3,161,302)	(1,256,172)	-	(4,417,474)
Land Improvements	(118,555)	(32,153)	-	(150,708)
Equipment	(55,730)	-	-	(55,730)
Right-to-use ground lease	(1,532,983)	(157,229)		(1,690,212)
Total Accumulated Depreciation	(4,868,570)	(1,445,554)	-	(6,314,124)

Note 3: Capital Assets (Continued)

Depreciation expense of the governmental activities was charged to the supporting services program.

Note 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2022:

Governmental Activities	Balance 06/30/21	Additions	Payments	Balance 06/30/22	Due Within One Year
2016 Building Loan	$ 17,795,000	$ -	$ 370,000	$ 17,425,000	$ 385,000
Loan Premium	877,778	-	35,114	842,664	-
Lease Payalbe	3,210,172	-	147,572	3,062,600	159,417
Total	$ 21,882,950	$ -	$ 552,686	$ 21,330,264	$ 544,417

In April 2016, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $19,140,000 Charter School Revenue Bonds, Series 2016. Bond proceeds were loaned to the Corporation to finance the purchase and construction of educational facilities. BFA is obligated under a lease agreement to make monthly lease payments to the Corporation for using the facilities. The Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. The bonds accrue interest at rates ranging from 3% to 5%. Interest payments are due semi-annually on July 1 and January 1. Principal payments are due annually on July 1, beginning in 2017 through 2046.

Future debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	$ 385,000	$ 758,200	$ 1,143,200
2024	400,000	742,500	1,142,500
2025	415,000	726,200	1,141,200
2026	435,000	707,025	1,142,025
2027	455,000	684,775	1,139,775
2028-2032	2,635,000	3,050,875	5,685,875
2033-2037	3,365,000	2,303,875	5,668,875
2038-2042	4,210,000	1,459,400	5,669,400
2043-2047	5,125,000	528,500	5,653,500
Total	$ 17,425,000	$ 10,961,350	$ 28,386,350

Note 4: Long-Term Debt (Continued)

Ground Lease

In April 2016, the Corporation assumed the rights, title, and interest in a ground lease agreement payable to the Englewood/McLellan Reservoir Foundation, allowing the Corporation to use the land upon which BFA's educational facilities reside. Monthly payments of $15,570 were required under the agreement through August 31, 2017, with annual increases effective every September 1, through 2020, at which time the payments are adjusted with the Consumer Price Index, with minimum increases of 1% and maximum of 3%, through maturity on August 31, 2036. In addition, the agreement allows for five optional extensions of 10 years each. Lease payments of $241,888 were made under this agreement during the year ended June 30, 2022.

Future minimum lease payments, through the initial term, assuming increases of 1% after September 1, 2022, are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	159,417	89,728	$ 234,620
2024	167,390	85,056	236,966
2025	175,274	79,697	239,336
2026	183,190	74,331	241,729
2027	191,372	68,723	244,146
2028-2032	1,089,240	250,777	1,257,845
2033-2037	1,096,717	71,915	1,096,895
Total	$ 3,062,600	$ 720,227	$ 3,551,537

Note 5: Defined Benefit Pension Plan

General Information

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

Benefits provided as of June 30, 2022 - 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 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.

Note 5: Defined Benefit Pension Plan (Continued)

General Information *(Continued*

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

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 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.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Note 5: Defined Benefit Pension Plan (Continued)

General Information *(Continued*

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum of 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) in place under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions Provisions as of June 30, 2022 - Eligible employees, BFA and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 01, 2021 through June 30, 2022. BFA's contribution rate was 20.90% of covered salaries for July 01, 2021 through June 30, 2022. However, a portion of BFA's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 6). Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and BFA is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from BFA were $815,199, for the year ended June 30, 2022.

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

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the $225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of $380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

Note 5: Defined Benefit Pension Plan (Continued)

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

The net pension liability for the SCHDTF was measured at December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the TPL to December 31, 2021. BFA's proportion of the net pension liability was based on BFA's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, BFA reported a liability of $7,557,414 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by BFA 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 BFA were as follows:

BFA's proportionate share of net pension liability	$ 8,423,771
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with BFA	(866,357)
Proportionate share of the net pension liability	$ 7,557,414

At December 31, 2021, BFA's proportion was 0.0649409353%, which was a decrease of 0.0027305010% from its proportion measured at December 31, 2020.

For the year ended June 30, 2022, BFA recognized pension benefit of $1,532,354 and expense of $185,692 for support from the State as a nonemployer contributing entity. There was no support from the State as a nonemployer contributing entity. At June 30,2022 , BFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 289,330	$ -
Changes of assumptions and other inputs	576,952	-
Net difference between projected and actual earnings on plan investments	-	2,841,359
Changes in proportion	762,724	367,617
Contributions subsequent to the measurement date	548,962	-
Total	$ 2,177,968	$ 3,208,976

Note 5: Defined Benefit Pension Plan (Continued)

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

$548,962 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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2023	$ 195,184
2024	(669,849)
2025	(760,426)
2026	(344,879)
Total	$ (1,579,970)

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

Actuarial cost method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-employment benefit increases:	
Hired prior to 1/1/2007	1.25%
Hired after 12/31/2006	Financed by AIR

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

Note 5: 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, with certain adjustments, adjusted as follows:

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

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

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

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of 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.

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 percentage and then adding expected inflation.

Note 5: Defined Benefit Pension Plan (Continued)

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

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	6.00%	4.70%
Total	100.00%	

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

Discount Rate - The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Note 5: 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 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Note 5: Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 11,123,896	$ 7,557,414	$ 4,581,319

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

Note 6: Postemployment Healthcare Benefits

General Information

Plan Description - Eligible employees of BFA are provided with OPEB through the HCTF – a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Note 6: Postemployment Healthcare Benefits (Continued)

General Information *(Continued)*

Benefits Provided - The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

Note 6: Postemployment Healthcare Benefits (Continued)

General Information *(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% 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 CRS, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and BFA is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from BFA was $41,826, for the year ended June 30, 2022.

Note 6: Postemployment Healthcare Benefits (Continued)

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

At June 30, 2022, BFA reported a liability of $365,630, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured at December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2021. BFA's proportion of the net OPEB liability was based on BFA's contributions to the HCTF for the calendar year ended December 31, 2021, relative to the contributions of all participating employers to the HCTF.

At December 31, 2021, BFA's proportion was 0.0424015047%, which was a decrease of 0.0018283374% from its proportion measured at December 31, 2020.

For the year ended June 30, 2022, BFA recognized OPEB expense of $8,904. At June 30, 2022, BFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 558	$ 86,696
Change of assumptions and other inputs	7,572	19,833
Net difference between projected and actual earnings on plan investments	-	22,631
Changes in proportion	21,726	21,523
Contributions subsequent to the measurement date	18,192	-
Total	$ 48,048	$ 150,683

$18,192 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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	
2023	$ (23,920)
2024	(34,541)
2025	(34,861)
2026	(20,369)
2027	(5,976)
Thereafter	(1,160)
Total	$ (120,827)

Note 6: Postemployment Healthcare Benefits (Continued)

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

Actuarial Assumptions - The TOL in the December 31,2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029	
Medicare Part A premiums:	
3.75% in 2021, gradually increasing to 4.50% in 2029	
DPS benefit structure:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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 in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

- Medicare Advantage/Self-Insured Rx - Monthly Cost of $633, Monthly Premium of $230, Monthly Costs Adjusted to Age 65 of $591.
- Kaiser Permanente Medicare Advantage HMO - Monthly Cost of $596, Monthly Premium of $199, Monthly Costs Adjusted to Age 65 of $562.

The 2021 Medicare Part A premium is $471 (actual dollars) per month.

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

Note 6: Postemployment Healthcare Benefits (Continued)

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

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 312020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Note 6: Postemployment Healthcare Benefits (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 for the School Divisions were based on the upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

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

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

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

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

The actuarial assumptions used in the December 31,2020 ,valuation were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of 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.

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 calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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

Note 6: Postemployment Healthcare Benefits (Continued)

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

Disabled mortality assumptions for Members other than State Troopers 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 following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- 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 2021 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.

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were adopted by the PERA's Board during the November 20, 2020, Board meeting.

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.

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.

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, as presented previously (see Note 5).

Note 6: Postemployment Healthcare Benefits (Continued)

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

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

Discount Rate - The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of BFA's proportionate share of the net pension liability to changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 424,641	$ 150,683	$ 315,225

Note 6: Postemployment Healthcare Benefits (Continued)

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

Sensitivity of the BFA's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability using the current healthcare cost trend rates applicable to the PERA benefit structure, ranging from 2.75% to 5.50%, as well as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	$ 355,130	150,683	$ 377,794

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

Note 7: Commitments and Contingencies

Claims and Judgments

BFA participates in a number of federal and state programs that are fully or partially funded by revenues received from other governmental entities. Expenditures financed by these revenues are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, BFA may be required to reimburse the other government. At June 30, 2022, significant amounts of related expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of BFA.

TABOR Amendment

In November 1992, Colorado voters approved the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to interpretation, but management believes BFA is in substantial compliance with the requirements of the Amendment. In accordance with the Amendment, BFA has established a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2022, the reserve was reported as restricted fund balance in the General Fund, in the amount of $275,194.

Note 7: Commitments and Contingencies (Continued)

Current Economic Conditions

During the year ended June 30, 2022, the United States of America and State of Colorado have declared an emergency associated with the COVID-19 pandemic. Along with significant declines in financial markets, the public health emergency creates uncertain economic conditions. BFA has adapted and made changes to operations due to potential impacts on the health and safety. Should these conditions persist, BFA could be negatively impacted.

Required Supplementary Information

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability and Contributions

Public Employees' Retirement Association of Colorado School Division Trust Fund

June 30, 2022

	12/31/21	12/31/20	12/31/19	12/31/18
Proportionate Share of the Net Pension Liability				
BFA's Proportion of the Net Pension Liability	0.0649409353%	0.0749102530%	0.0676714363%	0.0660129447%
Net Pension Liability				
BFA's Proportionate Share of the	$ 7,557,414	$ 11,324,919	$ 10,109,966	$ 11,688,948
State's Proportionate Share	866,357	-	1,282,320	1,598,298
Total Proportionate Share of the Net Pension Liability	8,423,771	11,324,919	11,392,286	13,287,246
BFA's Covered-Employee Payroll	$ 4,058,603	$ 4,004,717	$ 3,976,952	$ 3,628,736
BFA's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	186%	283%	254%	322%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75%	67%	65%	57%

	6/30/22	6/30/21	6/30/20	6/30/19
BFA Contributions				
Statutorily Required Contribution	$ 815,199	$ 820,949	$ 759,160	$ 740,542
Contributions in Relation to the Statutorily Required Contribution	(815,199)	(820,949)	(759,160)	(740,542)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
BFA's Covered-Employee Payroll	$ 4,100,600	$ 4,127,197	$ 3,917,228	$ 3,870,733
Contributions as a Percentage of Covered-Employee Payroll	19.88%	19.89%	19.38%	19.13%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado
School Division Trust Fund
June 30, 2022
(Continued)

	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Liability					
BFA's Proportion of the Net Pension Liability	0.0740958236%	0.0719085687%	0.0690406818%	0.0659675699%	0.0622245074%
Net Pension Liability					
BFA's Proportionate Share of the	$ 23,959,956	$ 21,409,962	$ 10,559,285	$ 8,940,822	$ 7,936,719
State's Proportionate Share	-	-	-	-	-
Total Proportionate Share of the Net Pension Liability	23,959,956	21,409,962	10,559,285	8,940,822	7,936,719
BFA's Covered-Employee Payroll	$ 3,417,953	$ 3,227,385	$ 3,008,777	$ 2,763,570	$ 2,508,468
BFA's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	701%	663%	351%	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44%	43%	59%	63%	64%

	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14
BFA Contributions					
Statutorily Required Contribution	$ 660,897	$ 612,702	$ 551,944	$ 483,892	$ 428,474
Contributions in Relation to the Statutorily Required Contribution	(660,897)	(612,702)	(551,944)	(483,892)	(428,474)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
BFA's Covered-Employee Payroll	$ 3,500,308	$ 3,333,281	$ 3,112,456	$ 2,865,433	$ 2,679,924
Contributions as a Percentage of Covered-Employee Payroll	18.88%	18.38%	17.73%	16.89%	15.99%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)

Required Supplementary Information

Schedule of Proportionate Share of the Net OPEB Liability and Contributions

Public Employees' Retirement Association of Colorado

Health Care Trust Fund

June 30, 2022

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
Proportionate Share of the Net OPEB Liability					
BFA's Proportion of the Net OPEB Liability	0.0424015047%	0.0433061231%	0.0442298421%	0.0429087765%	0.0421009666%
BFA's Proportionate Share of the Net OPEB Liability	$ 365,630	$ 365,630	$ 497,143	$ 583,792	$ 547,144
BFA's Covered Payroll	$ 4,058,603	$ 4,004,717	$ 3,976,952	$ 3,628,736	$ 3,417,953
BFA's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	9%	9%	13%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	33%	33%	24%	17%	18%

	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
BFA Contributions					
Statutorily Required Contribution	$ 41,826	$ 42,121	$ 39,956	$ 39,481	$ 35,703
Contributions in Relation to the Statutorily Required Contribution	(41,826)	(42,121)	(39,956)	(39,481)	(35,703)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
BFA's Covered Payroll	$ 4,100,600	$ 4,127,197	$ 3,917,228	$ 3,870,733	$ 3,500,308
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Ben Franklin Academy

(A Component Unit of Douglas County School District RE.1)
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Local Sources				
Per Pupil Revenue	$ 7,328,343	$ 7,689,931	$ 7,691,436	$ 1,505
District Mill Levy	1,067,639	1,055,535	1,073,461	17,926
Tuition and Fees	470,718	460,720	596,669	135,949
Facility Rental	10,000	20,000	31,074	11,074
Contributions	5,000	5,000	5,488	488
Investment Income	7,000	7,000	10,343	3,343
Other	-	-	6,282	6,282
Total Local Sources	8,888,700	9,238,186	9,414,753	176,567
State Sources				
Capital Construction	273,284	273,212	266,617	(6,595)
Grants	11,137	8,590	170,801	162,211
Total State Sources	284,421	281,802	437,418	155,616
Federal Sources				
Grants	75,331	75,331	59,555	(15,776)
Total Federal Sources	75,331	75,331	59,555	(15,776)
Total Revenues	9,248,452	9,595,319	9,911,726	316,407
Expenditures				
Salaries	4,606,261	4,691,691	4,527,362	164,329
Employee Benefits	1,207,696	1,236,565	1,311,373	(74,808)
Purchased Services	2,744,613	2,866,928	2,405,836	461,092
Supplies	491,571	529,781	438,849	90,932
Property	135,000	197,000	308,479	(111,479)
Other	41,450	75,650	67,206	8,444
Debt Service	-	-	241,888	(241,888)
Total Expenditures	9,226,591	9,597,615	9,300,993	296,622
Excess of Revenues Over (Under) Expenditures	21,861	(2,296)	610,733	613,029
Other Financing Sources (Uses)				
Transfers In (Out)	-	86,394	86,394	-
Net Change in Fund Balance	21,861	84,098	697,127	613,029
Fund Balance, *Beginning of year*	5,082,883	5,889,661	5,889,662	1
Fund Balance, *End of year*	$ 5,104,744	$ 5,973,759	$ 6,586,789	$ 613,030

See Accompanying Independent Auditors' Report.

Note 1: Schedule of Proportionate Share of the Net Pension Liability and Contributions

The Public Employees' Retirement Association of Colorado (PERA) School Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. BFA's contributions and related ratios represent cash contributions and any related accruals that coincide with BFA's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended June 30, 2022, the total pension liability was determined by an actuarial valuation as of December 31, 2020. The following revised economic and demographic assumptions were effective as of December 31, 2020.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.3% per year. This assumption decreased from 2.4% from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from prior year.
- Wage inflation assumption of 3.0% per year. This assumption decreased from 3.5% in the prior year.
- Healthy and disabled mortality assumptions are based on the PubT-2010 Employee Tables.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Budgets are required by State statutes for all funds and are adopted on a basis consistent with generally accepted accounting principles.

BFA adheres to the following procedures to establish the budgetary information reflected in the financial statements:

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