BEN FRANKLIN ACADEMY
(A COMPONENT UNIT OF DOUGLAS COUNTY SCHOOL DISTRICT RE-1)
HIGHLANDS RANCH, COLORADO

FINANCIAL STATEMENTS

June 30, 2023

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FINANCIAL SECTION

AUDITING AND CONSULTING, LLC
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INDEPENDENT AUDITOR'S 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 of the Ben Franklin Academy as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the financial statements as of and for the year ended June 30, 2023, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Board of Directors
Ben Franklin Academy

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

DMC Auditing and Consulting, LLC

October 30, 2023
Bismarck, ND

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, 2023. 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, 2023 was the twelfth year of operations for BFA. The general-fund fund balance for the fiscal year ended June 30, 2023 is $7,528,385.

The primary source of revenue was through funding from the Colorado State School Finance Act. Tax revenue from this source (Per Pupil Revenue) was $8,023,302.67. BFA received additional non-tax-related income in the form of tuition-based revenues from preschool, $321,177, as well as other child care related programs of $183,731.

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 expenses.

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, 2023, governmental activities net position (negative) totaled ($3,708,261).

Table I: Net Position

	2022-2023 Governmental Activities	2021-2022 Governmental Activities	2020-2021 Governmental Activities
ASSETS			
Cash and Investments	8,287,689	7,752,226	6,908,887
Accounts Receivable	-	-	50
Prepaid Expenses	-	-	-
Restricted Cash and Investments	1,980,929	1,924,294	2,000,496
Capital Assets, Net	14,826,625	16,860,440	15,908,252
Right to Use Asset, Net	5,672,372	-	-
TOTAL ASSETS	30,767,615	26,536,960	24,817,685
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	2,325,016	2,177,968	3,570,809
OPEB	57,265	48,048	66,230
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,382,281	2,226,016	3,637,039
LIABILITIES			
Accounts Payable	49,195	119,788	50,146
Accrued Liabilities	-	393,265	103,107
Accrued Salaries and Benefits	691,934	641,169	864,242
Unearned Revenues	18,175	11,215	1,740
Accrued Interest Payable	375,828	382,950	390,350
Noncurrent Liabilities			
Due within One Year	644,210	544,417	370,000
Due in more than One Year	22,860,478	20,785,847	18,302,778
Net Pension Liability	9,922,432	7,557,414	11,324,919
Net OPEB Liability	338,159	365,630	411,506
TOTAL LIABILITIES	34,900,411	30,801,695	31,818,828
DEFERRED INFLOWS OF RESOURCES			
Pensions	1,817,374	3,208,976	4,730,686
OPEB	140,372	150,683	141,187
TOTAL DEFERRED INFLOWS OF RESOURCES	1,957,746	3,359,659	4,871,873
NET POSITION			
Net Investment in Capital Assets	(3,005,691)	(4,469,824)	(2,764,526)
Restricted for Debt Service	1,605,101	1,541,344	1,610,146
Restricted for Emergencies	310,000	275,194	264,933
Unrestricted	(2,617,671)	(2,745,092)	(7,346,530)
TOTAL NET POSITION	(3,708,261)	(5,398,378)	(8,235,977)

Table II: Change In Net Position

	2022-2023 Governmental Activities	2021-2022 Governmental Activities	2020-2021 Governmental Activities
REVENUES			
General Revenues			
Per Pupil Revenue	8,023,302	7,691,436	6,996,286
District Mill Levy	1,127,898	1,073,461	1,061,025
Capital Construction Funding	320,269	266,617	270,944
Contributions	-	5,488	1,635
Investment Earnings	272,789	12,935	8,043
Other	8,760	1,153,482	1,156,667
Program Revenues			
Charges for Services: Instruction	580,449	453,992	431,154
Charges for Services: Support	77,432	177,451	74,462
Operating Grants: Instruction	400,681	6,018	502,226
Operating Grants: Support	51,971	(53,851)	-
Total Revenue	10,863,551	10,787,029	10,502,442
EXPENSES			
Instruction	5,708,942	1,973,409	3,101,851
Support	3,786,390	4,338,489	3,828,111
Interest on Long Term Debt	755,941	825,102	745,586
Total Expenses	10,251,273	7,137,000	7,675,548
TRANSFERS	-	-	-
Change in Net Position	612,278	3,650,029	2,826,894
Prior period adjustment due to adoption of GASB 87	-	(812,430)	-
Net Position, Beginning	(4,320,539)*	(9,048,407)	(11,062,871)
Net Position, Ending	(3,708,261)	(5,398,378)	(8,235,977)

*The school restated beginning fund balance and net position for error correction of $1,077,839.

FUND FINANCIAL ANALYSIS

General Fund

Income

Total Revenues for the period ended June 30, 2023 were $10,863,551. 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 $8,023,302; equivalent to

$9,063.40 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 $1,127,898. 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 22/23 fiscal year, BFA received ESSER funding related to the CARES Act in the amount of $91,107.24.

Expenditures
BFA budgeted for General Fund total expenditures (exclusive of appropriated reserves) of $10,448,820 for the period of July 1, 2022 to June 30, 2023. Actual total expenditures were $10,319,038. In comparison with the prior year, expenses were slightly increased due to a larger growth in staff salaries and benefits, we also saw increases in purchased service costs.

ANALYSIS OF SIGNIFICANT BUDGET VARIATIONS: GENERAL FUND

The original budget was adopted during the Spring of 2022 for the 2022-2023 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. Our Final Revised budget was adopted in Spring 2023.

As mentioned in Note 9, BFA identified corrections of errors to the net position and the fund balance of the General Fund for the prior fiscal year ended June 30, 2022. This correction resulted in the restated beginning fund balance of $7,033,207.

CAPITAL ASSETS AND LONG-TERM DEBT

BFA holds assets with a net book value of $415,842 which includes a turf field, an overflow parking lot, dumpster and storage fence enclosures, playground resurface, floor scrubber purchased in Feb 2023, storage shed which was completed in March 2023 and an LED entrance sign that was installed in April 2023, but is still in process.

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 $17,040,000.

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 $5,672,372 ($6,141,810 costs less $469,438 accumulated amortization). The total lease liabilities equal $5,657,138.

Additional information on capital assets and long-term debt is available in Notes 3 and 5 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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
STATEMENT OF NET POSITION
June 30, 2023

	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	$ 8,287,689
Restricted Cash and Investments	1,980,929
Capital Assets, Not Being Depreciated	25,392
Capital Assets, Being Depreciated, *Net of Accumulated Depreciation*	14,801,233
Right-to-Use Lease Asset, *Net of Accumulated Amortization*	5,672,372
TOTAL ASSETS	30,767,615
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, *Net of Accumulated Amortization*	2,325,016
OPEB, *Net of Accumulated Amortization*	57,265
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,382,281
LIABILITIES	
Accounts Payable	49,195
Accrued Salaries and Benefits	691,934
Unearned Revenues	18,175
Accrued Interest Payable	375,828
Noncurrent Liabilities	
Due Within One Year	644,210
Due in More Than One Year	22,860,478
Net Pension Liability	9,922,432
Net OPEB Liability	338,159
TOTAL LIABILITIES	34,900,411
DEFERRED INFLOWS OF RESOURCES	
Pensions, *Net of Accumulated Amortization*	1,817,374
OPEB, *Net of Accumulated Amortization*	140,372
TOTAL DEFERRED INFLOWS OF RESOURCES	1,957,746
NET POSITION	
Net Investment in Capital Assets	(3,005,691)
Restricted for:	
Emergencies	310,000
Debt Service	1,605,101
Unrestricted	(2,617,671)
TOTAL NET POSITION	$ (3,708,261)

See Notes to the Financial Statements.

BEN FRANKLIN ACADEMY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION — PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	$ 5,744,056	$ 580,449	$ 400,681	$ -	$ (4,762,926)
Supporting Services	3,786,390	77,432	51,971	320,269	(3,336,718)
Interest on Long-Term Debt	720,827	-	-	-	(720,827)
TOTAL GOVERNMENTAL ACTIVITIES	$ 10,251,273	$ 657,881	$ 452,652	$ 320,269	(8,820,471)
	GENERAL REVENUES				
	Per Pupil Revenue				8,023,302
	Mill Levy Override Allocation				1,127,898
	Investment Income				272,789
	Other				8,760
	TOTAL GENERAL REVENUES				9,432,749
	CHANGE IN NET POSITION				612,278
	NET POSITION, Beginning, as Restated				(4,320,539)
	NET POSITION, Ending				$ (3,708,261)

See Notes to the Financial Statements.

BEN FRANKLIN ACADEMY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	GENERAL	BUILDING CORPORATION	TOTAL
ASSETS			
Cash and Investments	$ 8,287,689	$ -	$ 8,287,689
Restricted Cash and Investments	-	1,980,929	1,980,929
TOTAL ASSETS	$ 8,287,689	$ 1,980,929	$ 10,268,618
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	$ 49,195	$ -	$ 49,195
Accrued Salaries and Benefits	691,934	-	691,934
Unearned Revenues	18,175	-	18,175
TOTAL LIABILITIES	759,304	-	759,304
FUND BALANCES			
Restricted for:			
Emergencies	310,000	-	310,000
Debt Service	-	1,980,929	1,980,929
Unrestricted, Unassigned	7,218,385	-	7,218,385
TOTAL FUND BALANCES	7,528,385	1,980,929	9,509,314
TOTAL LIABILITIES AND FUND BALANCE	$ 8,287,689	$ 1,980,929	$ 10,268,618

BEN FRANKLIN ACADEMY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	$	9,509,314
Capital assets and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		20,498,997
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		(375,828)
Bonds Payable		(17,040,000)
Bond Premium		(807,550)
Lease Liability		(5,657,138)
Net Pension Liability		(9,922,432)
Pension-Related Deferred Outflows of Resources		2,325,016
Pension-Related Deferred Inflows of Resources		(1,817,374)
Net OPEB Liability		(338,159)
OPEB-Related Deferred Outflows of Resources		57,265
OPEB-Related Deferred Inflows of Resources		(140,372)
Total Net Position of Governmental Activities	$	(3,708,261)

BEN FRANKLIN ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	GENERAL	BUILDING CORPORATION	TOTAL
REVENUES			
Local Sources	$ 10,088,535	$ 1,204,566	$ 11,293,101
State Sources	629,693	-	629,693
Federal Sources	91,257	-	91,257
TOTAL REVENUES	10,809,485	1,204,566	12,014,051
EXPENDITURES			
Current			
Instruction	5,852,961	-	5,852,961
Supporting Services	4,065,208	-	4,065,208
Capital Outlay	151,724	-	151,724
Debt Service			
Principal	244,282	385,000	629,282
Interest	4,863	758,200	763,063
TOTAL EXPENDITURES	10,319,038	1,143,200	11,462,238
EXCESS REVENUES OVER (UNDER) EXPENDITURES	490,447	61,366	551,813
OTHER FINANCING SOURCES (USES)			
Transfers In	4,731	-	4,731
Transfers Out	-	(4,731)	(4,731)
TOTAL OTHER FINANCING SOURCES (USES)	4,731	(4,731)	-
CHANGE IN FUND BALANCES	495,178	56,635	551,813
FUND BALANCES, Beginning, As Restated	7,033,207	1,924,294	8,957,501
FUND BALANCES, Ending	$ 7,528,385	$ 1,980,929	$ 9,509,314

BEN FRANKLIN ACADEMY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	$	551,813
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 follows:		
Depreciation expense		(683,954)
Amortization expense		(234,719)
Capital outlay		151,724
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		629,282
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. This is the effect of these differences in the treatment of long-term debt and related items including amortization expense on the bond premium.		35,114
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 the changes in the following:		
Accrued Interest Payable		7,122
Net Pension Liability		(2,365,018)
Pension-Related Deferred Outflows of Resources		147,048
Pension-Related Deferred Inflows of Resources		2,326,867
Net OPEB Liability		27,471
OPEB-Related Deferred Outflows of Resources		9,217
OPEB-Related Deferred Inflows of Resources		10,311
Change in Net Position of Governmental Activities	$	612,278

NOTE 1: Summary of Significant Accounting Policies

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

The accounting policies of the School 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 financial reporting principles. Following is a summary of the School's significant accounting policies.

Reporting Entity

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

The School 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 the School. The Corporation is blended into the School's financial statements as a Special Revenue Fund and does not issue separate financial statements.

The School is a component unit of Douglas County School District RE-1 (the District). The District authorized the School's charter, and the majority of the School'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 the School. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

Separate financial statements are provided for the governmental funds. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The *Building Fund* is used to account for the financial activities of the Corporation, which are primarily for capital purposes and the related debt service.

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

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. The School considers all other revenues to be available if they are collected within 180 days of the end of the current year.

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 received by the School.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

Assets, Liabilities and Fund Balances / Net Position

Cash and Investments – 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.

Capital Assets - Capital assets, which include property and equipment, are reported in the government-wide 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. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

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

Deferred Outflows of Resources – Deferred outflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not recognized as a use of current financial resources.

Accrued Salaries and Benefits - Salaries and retirement benefits are paid August to July 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 in the financial statements.

Unearned Revenue - Unearned revenue are resources received by the School before they are earned, such as tuition and fees.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations, such as leases, are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest 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. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Lease liability is reported for noncancellable leases. The School recognizes lease liability and a corresponding right-to-use lease asset in the governmental activities. The lease liability may include the purchase option(s) that School considers reasonably certain to exercise. The School measures the lease liability at the present value of fixed lease payments expected to be made during the lease term. The lease liability is reduced by the principal lease payment. The lease asset is measured initially based on the amount of the lease liability. The lease is amortized on a straight-line basis over its useful life. The School's discount rate is based on the interest rate in the lease or, if not provided by lessor, the School uses its incremental borrowing rate.

Pensions - The School participates in the School Division Trust Fund (SDTF), 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, and additions to and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Postemployment Benefits Other Than Pensions (OPEB) - The School participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms.
Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not available as current financial resources.
Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances 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.

The School 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, the School uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

NOTE 2: Cash and Investments

At June 30, 2023, the School had the following cash and investments:

Deposits	$	1,597,741
Investments		8,670,711
Total	$	10,268,452

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

Cash and Investments	$	8,287,523
Restricted Cash and Investments		1,980,929
Total	$	10,268,452

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires 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, 2023, the School had bank deposits of $1,391,896 collateralized with securities held by the financial institution's agent but not in the School's name.

NOTE 2: Summary of Significant Accounting Policies (Continued)

Investments

The School 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

Fair Value Measurements - At June 30, 2023, the School's investments in the local government investment pool reported at the net asset value per share, with each share valued at $1.

Interest Rate Risk - State statutes generally limit investments to an original maturity of 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 investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

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

Local Government Investment Pools - At June 30, 2023, the School had $7,669,474 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. The Pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pools are reported at the net asset value per share, with each share valued at $1. The Pools are rated AAAm by Standard and Poor's. Investments of the Pools 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.

At June 30, 2023, the School had $1,001,237 invested in the Colorado Statewide Investment Pool (CSIP), which is an external investment pool established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pool. The external investment pool is measured at the net asset value (NAV) per share, with each share valued at $1.00. The pool is rated AAAm by Standard and Poor's. Investments of the pools 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.

NOTE 2: Summary of Significant Accounting Policies (Continued)

Investments (Continued)

The custodian's internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Restricted Cash and Investments

Investments of $1,980,929 have been restricted by the Corporation for future debt service and building repair and replacement.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2023, is summarized below.

	Restated Balances 6/30/2022	Additions	Deletions	Balances 6/30/2023
Capital Assets				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 110,840	$ 25,392	$ 110,840	$ 25,392
Capital Assets, Being Depreciated:				
Buildings	18,842,709	-	-	18,842,709
Land Improvements	345,400	221,680	-	567,080
Equipment	55,730	15,492	55,730	15,492
Total Capital Assets, Being Depreciated	19,243,839	237,172	55,730	19,425,281
Less Accumulated Depreciation:				
Buildings	(3,789,386)	(628,084)	-	(4,417,470)
Land Improvements	(150,708)	(54,321)	-	(205,029)
Equipment	(55,730)	(1,549)	(55,730)	(1,549)
Total Accumulated Depreciation	(3,995,824)	(683,954)	(55,730)	(4,624,048)
Total Capital Assets, Being Depreciated	15,248,015	(446,782)	-	14,801,233
Governmental Activities Capital Assets, Net	$ 15,358,855	$ (421,390)	$ 110,840	$ 14,826,625
Lease Assets				
Lease Asset, Being Amortized:				
Right-to-Use Asset	$ 6,141,810	$ -	$ -	$ 6,141,810
Less Accumulated Amortization:				
Right-to-Use Asset	(234,719)	(234,719)	-	(469,438)
Total Lease Asset, Being Amortized, Net	$ 5,907,091	$ (234,719)	$ -	$ 5,672,372

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

NOTE 4: Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School participates in the Colorado School Schools Self Insurance Pool for all risks of loss except workers compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The School pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2023.

	Restated Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023	Due in One Year
Governmental Activities					
2016 Building Loan	$ 17,425,000	$ -	$ (385,000)	$ 17,040,000	$ 400,000
Loan Premium	842,664	-	(35,114)	807,550	-
Lease Payable	5,901,420	-	(244,282)	5,657,138	244,210
Total	$ 24,169,084	$ -	$ (664,396)	$ 23,504,688	$ 644,210

In April 2016, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $19,140,000 Charter School Revenue Bonds, Series 2016. Proceeds of the bonds were loaned to the Corporation to finance the purchase and construction of educational facilities. The School is obligated under a lease agreement to make monthly payments to the Corporation for the use of 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% per annum. 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. Bond payments to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
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	475,000	661,525	1,136,525
2029-2033	2,770,000	2,915,750	5,685,750
2034-2038	3,530,000	2,135,375	5,665,375
2039-2043	4,380,000	1,287,600	5,667,600
2044-2047	4,180,000	342,400	4,522,400
Total	$ 17,040,000	$ 10,203,150	$ 27,243,150

NOTE 5: Long-Term Debt (Continued)

Ground Lease

In April 2016, the Corporation entered into a lease and obtain the rights, title, and interest in a ground lease agreement payable to the Englewood/McLellan Reservoir Foundation, for the right-to-use the land upon which School'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. The payments are adjusted using 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. The Corporation reasonably anticipates exercising two optional extensions of 10 years each. Lease payments of $244,088 were made under this agreement during the year ended June 30, 2023. Future minimum lease payments, through the initial term and the five optional extensions, assuming increases of 1% after September 1, 2023, are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 244,210	$ 8,236	$ 252,446
2025	242,943	11,607	254,550
2026	242,084	15,011	257,095
2027	241,228	18,438	259,666
2028	240,375	21,888	262,263
2029-2033	1,189,186	161,994	1,351,180
2034-2038	1,168,310	251,794	1,420,104
2039-2043	1,147,801	344,742	1,492,543
2044-2048	941,001	1,561,368	2,502,369
Total	$ 5,657,138	$ 2,395,078	$ 8,052,216

NOTE 6: Defined Benefit Pension Plan

General Information

Plan Description - The School contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the School participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report (ACFR) that includes information on the SDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2022 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

NOTE 6: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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 CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413. Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2023 - The School and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2022, through June 30, 2023. The School's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 7). The School's contributions to the SDTF for the year ended June 30, 2023, were $897,550, equal to the required contributions.

As specified in C.R.S. § 24-51-414, the State of Colorado is required to contribute a $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 SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of $380 million, upon enactment. July 1, 2023, payment is reduced by $190 million to $35 million. The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately $14.5 million, for a total of approximately $49.5 million to be contributed July 1, 2023. The State is considered a nonemployer contributing entity.

At June 30, 2023, the School reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the School. The amount recognized by the School as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School were as follows:

NOTE 6: Defined Benefit Pension Plan (Continued)

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

School's proportionate share of the net pension liability	$ 9,922,432
State's proportionate share of the net pension liability associated with the School	2,891,496
Total	$ 12,813,928

The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

The School's proportion of the net pension liability was based on the School's contributions to the SDTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers and the state as a nonemployer contributing entity. At December 31, 2022, the School's proportion was 0.0544905187%, which was a decrease of 0.0104504166% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the School recognized pension expense of $971,398 and a revenue of ($340,022) representing support from the state as a nonemployer contributing entity. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 93,906	$ -
Changes of assumptions and other inputs	175,759	-
Net difference between projected and actual earnings on plan investments	1,332,948	-
Changes in proportion	257,106	1,817,374
Contributions subsequent to the measurement date	465,297	-
Total	$ 2,325,016	$ 1,817,374

School contributions subsequent to the measurement date of $465,297 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:

NOTE 6: Defined Benefit Pension Plan (Continued)

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

Year Ended June 30,		
2024	$	(637,117)
2025		(424,223)
2026		328,370
2027		775,315
Total	$	42,345

Actuarial Assumptions - The actuarial valuation as of December 31, 2021, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07 thereafter, compounded annually	1.00%
Hired after 12/31/07	ad hoc

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

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) 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 and 2) 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.

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.

NOTE 6: Defined Benefit Pension Plan (Continued)

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of 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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to 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%.

NOTE 6: Defined Benefit Pension Plan (Continued)

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

- School 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 participants were used to reduce the estimated amount of total service costs for future plan members.

- School 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 and 2020 AAP assessments. School contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated School contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, School contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.

- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million direct distribution, a warrant to PERA in the amount of $380 million. The July 1, 2023, direct distribution is reduced by $190 million to $35 million. The July 1, 2024, direct distribution will not be reduced from $225 million due to PERA's negative investment return in 2022.

- School contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan participant growth rate.

- The annual increase reserve balance was excluded from the initial fund net position. Based on state statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 6: Defined Benefit Pension Plan (Continued)

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

Based on the above assumptions and methods, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the School's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher 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	$ 12,985,051	$ 9,922,432	$ 7,364,832

Pension Plan Fiduciary Net Position - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 7: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the School are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll in one of the PERA health care plans. Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

NOTE 7: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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, and $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. An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

Contributions - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the School's contributions to the School Division Trust Fund (SDTF) (Note 6) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The School's apportionment to the HCTF for the year ended June 30, 2023, was $44,897, equal to the required amount.

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

At June 30, 2023, the School reported a net OPEB liability of $338,159, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022.

The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers. At December 31, 2022, the School's proportion was 0.0414168022%, which was a decrease of 0.0009847025% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the School recognized OPEB expense of $481. At June 30, 2023, the School 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	$ 45	$ 81,780
Changes of assumptions and other inputs	5,436	37,321
Net difference between projected and actual earnings on plan investments	20,656	-
Changes in proportion	7,848	21,271
Contributions subsequent to the measurement date	23,280	-
Total	$ 57,265	$ 140,372

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

School contributions subsequent to the measurement date of $23,280 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,	
2024	$ (34,648)
2025	(34,282)
2026	(18,293)
2027	(5,837)
2028	(11,334)
2029	(1,993)
Total	$ (106,387)

Actuarial Assumptions - The actuarial valuation as of December 31, 2021, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Acturial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
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%
Heath care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
6.5% in 2022, gradually decreasing to 4.5% in 2030	
Medicare Part A premiums:	
3.75% in 2022, gradually increasing to 4.5% in 2029	

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

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, 2022, valuation, the following monthly costs/premium (actual dollars) are assumed for 2023 for the PERA Benefit Structure:

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

	MAPD PPO #1 with Medicare Part A for Retiree/Spouse		MAPD PPO #2 with Medicare Part A for Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A for Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 1,704	$ 1,450	$ 583	$ 496	$ 1,923	$ 1,634
70	$ 1,976	$ 1,561	$ 676	$ 534	$ 2,229	$ 1,761
75	$ 2,128	$ 1,681	$ 728	$ 575	$ 2,401	$ 1,896

	MAPD PPO #1 without Medicare Part A for Retiree/Spouse		MAPD PPO #2 without Medicare Part A for Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A for Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 1,704	$ 1,450	$ 583	$ 496	$ 1,923	$ 1,634
70	$ 1,976	$ 1,561	$ 676	$ 534	$ 2,229	$ 1,761
75	$ 2,128	$ 1,681	$ 728	$ 575	$ 2,401	$ 1,896

The 2022 Medicare Part A premium is $499 (actual dollars) per month. All costs are subject to the health care cost trend rates.

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

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

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF.

The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for SDTF members 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 health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2021, valuation date 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 costs for the 2022 plan year. The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions. The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the result of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuations were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting. The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing 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 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 nominal rate of return assumption of 7.25%.

Discount rate - The discount rate used to measure the total OPEB liability 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:

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, 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 fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Trend Rates (7.25%)	1% Increase (8.25%)
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 328,588	$ 338,159	$ 348,574

NOTE 7: 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 School's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 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	$ 392,027	$ 338,159	$ 292,085

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8: Commitments and Contingencies

Claims and Judgments

The School participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. At June 30, 2023, significant amounts of grant 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 the School.

NOTE 8: Commitments and Contingencies (Continued)

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The School is subject to the Amendment.

The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment.

The Amendment requires the School to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2023, the School's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $310,000.

NOTE 8: Commitments and Contingencies (Continued)

Litigation

The School from time to time is involved in various legal matters. In the opinion of the School's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the School.

NOTE 9: Restatements

The School identified corrections of errors to the net position and the fund balance of the General Fund for the prior fiscal year ended June 30, 2022. The School had several error corrections that impacted the beginning fund balance and beginning net position for the fiscal year ended June 30, 2022. The correction of errors related to accrued liabilities, right-to-use lease asset, lease liability, capital assets, and pension-related deferred inflows of resources. The impact of the correction of an error on financial statements is identified as follows:

	General Fund	Total Governmental Funds	Governmental Activities
Net Position/Fund Balance, Beginning, as Originally Stated	$ 6,586,789	$ 8,511,083	$ (5,398,378)
Accrued Liabilities, Salaries and Benefits	446,418	446,418	446,418
Right-to-Use Asset, *Net of Accumulated Amortization*	-	-	3,666,578
Lease Liability	-	-	(2,838,820)
Capital Assets, *Net of Accumulated Depreciation*	-	-	738,928
Deferred Inflows of Resources, Pensions	-	-	(935,265)
Net Position/Fund Balance, Beginning, as Restated	$ 7,033,207	$ 8,957,501	$ (4,320,539)

REQUIRED SUPPLEMENTARY INFORMATION

BEN FRANKLIN ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2023

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 8,673,107	$ 8,892,502	$ 10,088,535	$ 1,196,033
State Grants	1,393,756	1,508,607	629,693	(878,914)
Federal Grants	75,331	91,107	91,257	150
TOTAL REVENUES	10,142,194	10,492,216	10,809,485	317,269
EXPENDITURES				
Current				
Salaries	4,941,125	5,265,227	4,990,974	274,253
Employee Benefits	1,334,170	1,370,295	1,588,874	(218,579)
Purchased Services	2,814,332	2,790,649	2,498,400	292,249
Supplies	611,421	611,109	588,466	22,643
Property	347,000	335,559	329,398	6,161
Other	81,650	75,981	73,781	2,200
Debt Service				
Principal	-	-	244,282	(244,282)
Interest	-	-	4,863	(4,863)
TOTAL EXPENDITURES	10,129,698	10,448,820	10,319,038	129,782
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,496	43,396	490,447	447,051
OTHER FINANCING SOURCES (USES)				
Transfers In	-	4,731	4,731	-
CHANGE IN FUND BALANCE	12,496	48,127	495,178	447,051
FUND BALANCE, Beginning, As Restated	5,889,661	6,586,789	7,033,207	446,418
FUND BALANCE, Ending	$ 5,902,157	$ 6,634,916	$ 7,528,385	$ 893,469

BEN FRANKLIN ACADEMY
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, 2023

	12/31/22	12/31/21	12/31/20	12/31/19
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
School's Proportion of the Net Pension Liability	0.0544905187%	0.0649409353%	0.0749102530%	0.0676714363%
School's Proportionate Share of the Net Pension Liability	$ 9,922,432	$ 7,557,414	$ 11,324,919	$ 10,109,966
State's Proportionate Share of the Net Pension Liability Pension Liability Associated with the School	2,891,496	866,357	-	1,282,320
Total Proportionate Share of the Net Pension Liability	$ 12,813,928	$ 8,423,771	$ 11,324,919	$ 11,392,286
School's Covered Payroll	$ 4,202,833	$ 4,058,603	$ 4,004,717	$ 3,976,952
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	236%	186%	283%	254%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62%	75%	67%	65%

	6/30/23	6/30/22	6/30/21	06/30/20
School Contributions				
Statutorily Required Contribution	$ 897,550	$ 815,199	$ 820,949	$ 759,160
Contributions in Relation to the Statutorily Required Contribution	(897,550)	(815,199)	(820,949)	(759,160)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 4,401,658	$ 4,100,600	$ 4,127,197	$ 3,917,228
Contributions as a Percentage of Covered Payroll	20.39%	19.88%	19.89%	19.38%

This schedule is presented to show information for 10 years. Information is presented for above periods until the information for the full 10-year period is available.

12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
0.0660129447%	0.0740958236%	0.0719085687%	0.0690406818%	0.0659675699%	0.0622245074%
$ 11,688,948	$ 23,959,956	$ 21,409,962	$ 10,559,285	$ 8,940,822	$ 7,936,719
1,598,298	-	-	-	-	-
$ 13,287,246	$ 23,959,956	$ 21,409,962	$ 10,559,285	$ 8,940,822	$ 7,936,719
$ 3,628,736	$ 3,417,953	$ 3,227,385	$ 3,008,777	$ 2,763,570	$ 2,508,468
322%	701%	663%	351%	324%	316%
57%	44%	43%	59%	63%	64%

06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14
$ 740,542	$ 660,897	$ 612,702	$ 551,944	$ 483,982	$ 428,474
(740,542)	(660,897)	(612,702)	(551,944)	(483,982)	(428,474)
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,870,733	$ 3,500,308	$ 3,333,281	$ 3,112,456	$ 2,865,433	$ 2,679,924
19.13%	18.88%	18.38%	17.73%	16.89%	15.99%

BEN FRANKLIN ACADEMY
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, 2023

	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY						
School's Proportion of the Net OPEB Liability	0.0414168022%	0.0424015047%	0.0433061231%	0.0442298421%	0.0429087765%	0.0421009666%
School's Proportionate Share of the Net OPEB Liability	$ 338,159	$ 365,360	$ 365,630	$ 497,143	$ 583,792	$ 547,144
School's Covered Payroll	$ 4,202,833	$ 4,058,603	$ 4,004,717	$ 3,976,952	$ 3,628,736	$ 3,417,953
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	8%	9%	9%	13%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	39%	33%	24%	17%	18%
	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
School's Contributions						
Statutorily Required Contribution	$ 44,897	$ 41,826	$ 42,121	$ 39,956	$ 39,481	$ 35,703
Contributions in Relation to the Statutorily Required Contribution	(44,897)	(41,826)	(42,121)	(39,956)	(39,481)	(35,703)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 4,401,658	$ 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%	1.02%

This schedule is presented to show information for 10 years. Information is presented for above periods until the information for the full 10-year period is available.

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The School 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 budget appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All appropriations lapse at fiscal year-end.

NOTE 2: Schedule of Proportionate Share of the Net OPEB Liability and Contributions

Changes in Assumptions and Other Inputs

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.