Pikes Peak School of Expeditionary Learning

Financial Statements
with Independent Auditor's Report

June 30, 2023

HINKLE & COMPANY PC
Strategic Business Advisors

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Table of Contents

June 30, 2023

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Board of Directors
Pikes Peak School of Expeditionary Learning
Falcon, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pikes Peak School of Expeditionary Learning, a component unit of El Paso County School District 49, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Pikes Peak School of Expeditionary Learning's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pikes Peak School of Expeditionary Learning, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pikes Peak School of Expeditionary Learning'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 Pikes Peak School of Expeditionary Learning'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 [identify the required supplementary information, such as management's discussion and analysis and budgetary comparison 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Hinkle & Company.pc

Englewood, Colorado
October 2, 2023

Pikes Peak School Of Expeditionary Learning

Management's Discussion and Analysis
June 30, 2023

The Management Discussion and Analysis (MD&A) of Pikes Peak School of Expeditionary Learning's (PPSEL/School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2023. Readers should also review the Financial Statements and Notes to Financial Statements to better understand the School's financial performance.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued June 1999.

PPSEL is a preschool-8th grade charter school established in 2000. We are located in Falcon District 49. Our core values and school philosophy reflect our adoption of the Expeditionary Learning school model. Project and fieldwork-based learning develops connections between curriculum and real-life issues and promotes active, hands-on participation by all learners.

Mission: Pikes Peak School of Expeditionary Learning's mission is to develop motivated, independently thinking individuals who demonstrate strong character, academic achievement, social confidence, and service to the community by utilizing the Expeditionary Learning Model.

Vision: Our vision is to be a community that actively cultivates character in a challenging and engaging learning environment.

Pikes Peak School of Expeditionary Learning was awarded the National Credential at EL Education for its work with students, its success in achievement and its consistent high quality.

We believe children learn best through personal, direct experience. Expeditionary Learning begins with children's curiosity about the world. It harnesses children's passion to learn and helps them develop the curiosity, knowledge, skills, and personal qualities they need for successful adulthood. Learning expeditions - journeys into the unknown for a definite purpose - are at the heart of this methodology. Students acquire knowledge and skills primarily through learning expeditions that cut across and make connections among disciplines. Instruction is individualized, with our focus on meeting the needs of every student.

Financial Highlights

The year ending June 30, 2023, is the School's twenty-third year of operations. The General Fund balance decreased $448,570 to $3,221,345 from $3,669,915 in the prior year. There was a decrease in fund balance as of June 30, 2023 due to an addition to the building. Spending the fund balance down was approved by the Board in order to not finance the project. We look forward to its completion in September 2023.

The School's operations are funded by tax revenue received under the Colorado School Finance Act. Tax revenue for the year from Per Pupil Revenue was $3,657,199. The School operated within the budget approved by the Board of Directors. A budget revision, based on the official student count of 391, was approved in November 2022 and a supplemental budget in June 2023.

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). The School is required to report a net pension liability of $4,054,552, as of June 30, 2023, representing its proportionate share of the net pension liability of the SDTF. All Colorado schools are required to report this liability. It does not change the actual financial overview of the school. The School has no input into the management of the SDTF and is required by Colorado Law to participate in the pension plan. The impact of this change in reporting will appear in the enclosed financial reports. Please refer to Note 5 for more detail.

PPSEL operates under the supervision of a five-member Board of Directors. The Board of Directors assigns responsibility of the School's operation to the Administrator and School staff. An independent accountant prepares monthly financial reports and the Board of Directors reviews on a quarterly schedule. These reports include but are not limited to the Balance Sheet and the Budget vs. Actual Income Statement. The Falcon School District #49 (District) is the School's authorizer. The District's Finance Department receives a quarterly Trial Balance Report in addition to these quarterly financial reports.

The combined financial statements of PPSEL include statements for the PPSEL Building Corporation, the entity that holds the debt for the School facility. PPSEL has a renewable one-year lease with PPSEL Building Corporation for use of the facility. Note 4 to the financial statements provides additional information about the long-term debt.

Overview of Financial Statements

This MD&A is intended to serve as an introduction to PPSEL's financial statements. The statements are comprised of four components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, 3) Notes to the Financial Statements, and 4) Required Supplementary Information.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of the School's finances in a manner like a private-sector business.

The Statement of Net Position presents information regarding all School assets and liabilities, with the difference reported as the Net Position. Over time, the increases or decreases in the net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The Statement of Activities (Revenues and Expenses) presents information showing how the School's Net Position changed during the year. All changes in the 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 of Activities for some items that will result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year-end).

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of PPSEL are Governmental Funds.

Governmental Funds: Governmental funds are used to account for the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as balances of resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements. PPSEL maintains two governmental funds inclusive of all operating activity. These are the General Fund (the School) and the Building Corporation, which is a Special Revenue Fund and presented as a blended component unit of the School, per the implementation of GASB Statement No. 90 - Majority Equity Interests. The activity of the Building Corporation is related to holding title to the School facility and processing the Colorado Educational and Cultural Facilities Authority Loan Agreement associated with the facility financing.

Notes to the Financial Statements

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

Required Supplementary Information

The Schools Required Supplementary Information includes a Budgetary Comparison Schedule of the General Fund with additional notes.

Government-wide Financial Statement Analysis

For PPSEL and the PPSEL Building Corporation, Liabilities exceeded Assets by $765,458 as of June 30, 2023, compared to $1,014,453 in the prior year. A negative balance is a result of adopting GASB Statement No. 68, which requires the School to report its proportionate share of the net pension liability of its defined benefit pension plan.

Current and Other Assets make up 44% of PPSEL and the PPSEL Building Corporation's Total Assets (of which $25,636 or 0.03% is restricted for the Building Corporation debt service.). Capital Assets, which reflect the Building Corporation's investment in real and personal property and equipment, currently make up 56% of Total Assets.

Charges for Services include Pre-Kindergarten Tuition and Student Expeditionary Fees. The School's official student count increased to 396 in fiscal year 2022-2023 from 391 in fiscal year 2021-2022. Per Pupil Revenue makes up 82.35% of the School's Total Revenue, which increased from $3,386,619 to $3,657,199. The per pupil amount increased in 2023, from $8,661.43, to $9,235.35 for the year ending June 30, 2023.

Fund Financial Statement Analysis

As noted earlier, PPSEL uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The financial detail on the previous page consolidates the governmental fund and proprietary fund.

General Funds: The focus of Pikes Peak School of Expeditionary Learning's general fund is to provide information on near-term inflows, outflows, and balances of spendable resources for only the School.

This is the School's twentieth-third year of operation. The General Fund revenue totaled $4,445,485 at June 30, 2023, compared to $4,085,877 at June 30, 2022. The General Fund expenses for fiscal year 2022-2023 were $4,161,976 compared to $3,875,197 the prior year. At the end of the fiscal year, the School had an ending General Fund balance of $3,221,345; a decrease of $ $448,570 over the prior year balance of $3,669,915.

Special Revenue Fund: Net Position of the Building Corporation as of June 30, 2023, is $25,636 compared to $25,409, on June 30, 2022; an increase of $227.

Budgetary Highlights

PPSEL approves a Budget in the spring based on enrollment projections for the following school year. In November 2022, after enrollment was finalized, a Revised Budget was approved by the PPSEL Board of Directors. The Revised Budget reflects changes in Per Pupil Revenue and Purchased Services costs for Falcon School District #49 provided services which are based on the finalized student count. Due to increased revenue with Federal ESSER funding and Mill Levy Override funding, a supplemental budget was approved in June 2023.

The majority of the actual General Fund spending is for Salaries and Benefits for a total of $2,753,667, or 59.46%. Purchased Services, excluding lease payments to the Building Corporation, total $1,188,314 or 25.67% of total expenditures. The primary source of spending under Purchased Services is for those services provided by District #49 for Special Education $391,424 and Administration $83,817. Expenses related to leasing the building were $302,596, or 7.58% of the total General Fund expenditures. Expenditures in the General Fund were less than the final approved budget for fiscal year 2022-2023 by $1,039,605 due to the addition to the school completion date being in September 2023.

Capital Asset and Debt Administration

Capital assets: As of June 30, 2023, the PPSEL Building Corporation owns land and land improvements with a carrying value of $548,380, a building capitalized at $5,169,285, Equipment and Furniture of $111,748, Land Improvements at $163,849, and Construction in Progress of $468,997. The carrying value of capital assets net of accumulated depreciation is $4,738.403. More detail on capital assets is available in Note 3 of the financial statements.

Long-term debt: In May 2021, the Public Finance Authority issued $5,506,265, Series 2021, refunding revenue bonds at an interest rate of 2.65% to the Building Corporation. This paid off all the older bonds previously issued. Bond payments of $166,990 are due within one year. With $162,628 paid in fiscal year 2023.

The School will continue to make lease payments for use of the facility, which the Building Corporation will use to make the required principal and interest payments on the debt. These transactions flow through the Colorado State Intercept Program where the State withholds a portion of the Per Pupil Funding and transfers the funds to a designated trustee that in turn makes the principal and interest payments when due. Note 4 to the financial statements provides additional information about long-term debt.

Next Year's Budget

The School's FY 2023-2024 Budget is based on a student count of 396 and a Per Pupil Revenue of $3,920,400 in total.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be submitted in writing and addressed to Mr. Don Knapp, Executive Director, Pikes Peak School of Expeditionary Learning, 11925 Antlers Ridge Drive, Falcon, CO 80831.

Basic Financial Statements

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Cash and Investments	$ 3,647,677
Restricted Cash and Investments	25,636
Accounts Receivable	40,653
Prepaid Expenses	18,735
Capital Assets*, Not Being Depreciated*	1,280,459
Capital Assets*, Net of Accumulated Depreciation*	3,721,026
Total Assets	8,734,186
Deferred Outflows of Resources	
Pensions*, Net of Accumulated Amortization*	998,058
OPEB, *Net of Accumulated Amortization*	33,489
Total Deferred Outflows of Resources	1,031,547
Liabilities	
Accounts Payable	280,434
Accrued Liabilities	89,364
Accrued Salaries and Benefits	108,897
Accrued Interest Payable	11,469
Unearned Revenue	7,025
Noncurrent Liabilities	
Due Within One Year	166,990
Due in More Than One Year	5,026,356
Net Pension Liability	4,054,552
OPEB Liability	138,184
Total Liabilities	9,883,271
Deferred Inflows of Resources	
Pensions*, Net of Accumulated Amortization*	596,696
OPEB*, Net of Accumulated Amortization*	51,224
Total Deferred Inflows of Resources	647,920
Net Position	
Net Investment in Capital Assets	(203,330)
Restricted for:	
Debt Service	25,636
Emergencies - TABOR Reserve	136,000
Unrestricted	(723,764)
Total Net Position	$ (765,458)

See Notes to the Financial Statements.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Primary Government				
Governmental Activities				
Instruction	$ 2,974,946	$ 167,586	$ 264,797	$ (2,542,563)
Supporting Services	1,120,359	-	29,178	(1,091,181)
Interest on Long-Term Debt	139,609	-	-	(139,609)
Total Governmental Activities	$ 4,234,914	$ 167,586	$ 293,975	(3,773,353)
	General Revenues			
	Per Pupil Revenue			3,657,199
	District Mill Levy			196,695
	Capital Construction			140,230
	Investment Income			28,224
	Total General Revenues and Transfers			4,022,348
	Change in Net Position			248,995
	Net Position, *Beginning of Year*			(1,014,453)
	Net Position, *End of Year*			$ (765,458)

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Balance Sheet

Governmental Fund

June 30, 2023

	General	Building	Total
Assets			
Cash and Investments	$ 3,647,677	$ -	$ 3,647,677
Restricted Cash and Investments	-	25,636	25,636
Accounts Receivable	40,653	-	40,653
Prepaid Expenses	18,735	-	18,735
Total Assets	$ 3,707,065	$ 25,636	$ 3,732,701
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	$ 280,434	$ -	$ 280,434
Accrued Liabilities	89,364	-	89,364
Accrued Salaries and Benefits	108,897	-	108,897
Unearned Revenue	7,025	-	7,025
Total Liabilities	485,720	-	485,720
Fund Balance			
Unspendable	18,735	-	18,735
Restricted for:			
Emergencies - TABOR Reserve	136,000	-	136,000
Debt Service	-	25,636	25,636
Unrestricted, Unassigned	3,066,610	-	3,066,610
Total Fund Balance	3,221,345	25,636	3,246,981
Total Liabilities and Fund Balance	$ 3,707,065	$ 25,636	$ 3,732,701

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

Total Fund Balance of the Governmental Funds	$ 3,246,981
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	5,001,485
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	(11,469)
Bonds payable	(5,193,346)
Net pension liability	(4,054,552)
Pension-related deferred outflows of resources	998,058
Pension-related deferred inflows of resources	(596,696)
Net OPEB liability	(138,184)
OPEB-related deferred outflows of resources	33,489
OPEB-related deferred inflows of resources	(51,224)
Total Net Position of Governmental Activities	$ (765,458)

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund

For the Year Ended June 30, 2023

	General	Building	Total
Revenues			
Local Sources	$ 4,051,024	$ 302,833	$ 4,353,857
State Sources	254,353	-	254,353
Federal Sources	140,108	-	140,108
Total Revenues	4,445,485	302,833	4,748,318
Expenditures			
Instruction	3,167,077	10	3,167,087
Supporting Services	994,899	732,079	1,726,978
Debt Service - Bonds			
Principal	-	166,622	166,622
Interest	-	135,974	135,974
Total Expenditures	4,161,976	1,034,685	5,196,661
Excess Revenues over Expenditure	283,509	(731,852)	(448,343)
Other Financing Sources and (Uses)			
Transfers In (Out)	(732,079)	732,079	-
Net Change in Fund Balance	(448,570)	227	(448,343)
Fund Balance, *Beginning of Year*	3,669,915	25,409	3,695,324
Fund Balance, *End of Year*	$ 3,221,345	$ 25,636	$ 3,246,981

See Notes to the Financial Statements.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

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

For the Year Ended June 30, 2023

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

Net Change in Fund Balance of the Governmental Funds	$	(448,343)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Depreciation expense		(125,460)
Capital Outlays Capitalized		732,079
Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities:		
Loan payments		162,628
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following:		
Change in accrued interest		359
Net pension liability		(996,717)
Pension-related deferred outflows of resources		27,059
Pension-related deferred inflows of resources		876,007
Net OPEB liability		9,755
OPEB-related deferred outflows of resources		10,284
OPEB-related deferred inflows of resources		1,344
Change in Net Position of Governmental Activities	$	248,995

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The Pikes Peak School of Expeditionary Learning (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the El Paso County School District 49 (the District). The School began operations in the Fall of 1999.

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) 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. The more significant of the School's accounting policies are described below.

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 there is a potential for the organization to provide benefits to, or impose financial burdens on, the School.

The School includes the PPSEL Building Corporation (the Building Corporation) within its reporting entity. The Building Corporation was formed in November 2007, exclusively for charitable or educational purposes, and for the purpose of holding title to property and otherwise act to facilitate the operations of the School, and to promote public and charter school education. The Building Corporation is blended into the School's financial statements as a Special Revenue Fund. Separate audited financial statements are not available for the Building Corporation.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year, not to exceed 60 days. Intergovernmental revenues, grants and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the School. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

The School reports the following major governmental funds:

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

Special Revenue Fund - This fund is used to account for the financial activities of the Building Corporation, primarily related to capital assets and the related debt service.

Assets, Liabilities and Net Position/Fund Balance

Cash Equivalents - Cash equivalents include investments with original maturities of three months or less.

Accounts Receivable - 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, are reported in the governmental and business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

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

Land Improvements	10 years
Buildings	50 years
Equipment and Furniture	5 years

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

Compensated Absences - The School's policy allows employees to accumulate unused vacation and sick leave. Accumulated unused leave is paid to employees annually at 60% of the daily substitute rate. Therefore, no liability is reported in the financial statements for these compensated absences.

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

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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.

Risk Management

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

Implementation of New Accounting Pronouncements

For the year ended June 30, 2021, the School Implemented GASB Statement No. 90 - Majority Equity Interests. This statement changes Building Corporations of the School from a Proprietary to a Special Revenue fund and will be a blended component unit of the School.

Subsequent Events

The School has evaluated subsequent events through October 2, 2023, the date the financial statements were available to be issued.

Note 2: Cash and Investments

Cash and investments at June 30, 2023, consisted of the following.

Deposits	$	3,764,689
Investments		25,409
Total	$	3,673,313

Note 2: Cash and Investments (Continued)

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

Cash and Investments	$	3,647,677
Restricted Cash and Investments		25,636
Total	$	3,673,313

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2023, the School had bank deposits of $3,148,436 collateralized with securities held by the financial institutions' agents but not in the School's name.

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 Building Corporation's investment in a money market fund was reported at the net asset value per share.

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.

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

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. At June 30, 2023, the Building Corporation had $25,409 invested in the Morgan Stanley Institutional Liquidity Funds Government Portfolio money market fund, which was rated AAAm by Standard and Poor's.

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

Restricted Cash and Investments

Cash and investments of $25,409 have been restricted for debt service in accordance with the Building Corporation's loan agreements.

Note 3: Capital Assets

Changes in capital assets for the year ended June 30, 2023, are summarized below.

Governmental Activities	**Balance**			**Balance**
Capital Assets, *Not Being Depreciated*	**6/30/22**	**Additions**	**Deletions**	**6/30/23**
Land	$ 397,875	$ -	$ -	$ 397,875
Land Improvements	108,505	-	-	108,505
Water Rights	42,000	-	-	42,000
Construction in Progress	-	732,079	-	732,079
Total Capital Assets, *Not Being Depreciated*	548,380	732,079	-	1,280,459
Capital Assets, *Being Depreciated*				
Site Improvements	163,849	-	-	163,849
Buildings	5,169,285	-	-	5,169,285
Equipment and Furniture	111,748	-	-	111,748
Total Capital Assets, *Being Depreciated*	5,444,882	-	-	5,444,882
Less Accumulated Depreciation				
Site Improvements	(69,961)	(19,741)	-	(89,702)
Buildings	(1,416,687)	(105,719)	-	(1,522,406)
Equipment and Furniture	(111,748)	-	-	(111,748)
Total Accumulated Depreciation	(1,598,396)	(125,460)	-	(1,723,856)
Total Capital Assets, *Being Depreciated, net*	3,846,486	(125,460)	-	3,721,026
Governmental Activities Capital Assets, *net*	$ 4,394,866	$ 606,619	$ -	$ 5,001,485

Note 4: Long-Term Debt

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

	Balance 6/30/22	Additions	Payments	Balance 6/30/23	Due Within One Year
Governmental Activities					
2021 Building Loan	$ 5,355,974	$ -	$ (162,628)	$ 5,193,346	$ 166,990

On May 11, 2021, the Public Finance Authority issued $5,506,265 Charter School Refunding Revenue Bonds, Series 2021. Bond proceeds were used to refund the outstanding Charter School Revenue Bonds, Series 2015. Proceeds of the Series 2015 Bonds were loaned to the Building Corporation under a loan agreement to construct the School's educational facilities. The Building Corporation is required to make equal loan payments to the trustee for payment of the bonds. Interest accrues at 2.65% per annum and is payable monthly. Principal payments are due annually on May 1, beginning in 2022 through 2031, with a balloon payment of $3,733,266.34 due on July 1, 2031.

Future debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 166,990	$ 135,605	$ 302,595
2025	171,470	131,126	302,596
2026	176,069	126,526	302,595
2027	180,793	121,803	302,596
2028	185,642	116,954	302,596
2029-2032	4,312,382	328,671	4,641,053
Total	$ 5,193,346	$ 960,685	$ 6,154,031

Note 5: Defined Benefit Pension Plan

General Information

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

Note 5: Defined Benefit Pension Plan (Continued)

General Information *(Continued)*

Benefits provided as of December 31, 2022 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

Note 5: 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 C.R.S Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2023 - Eligible employees of the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 01, 2022 through June 30, 2023. The School's contribution rate was 20.38% of covered salaries for July 01, 2022 through June 30, 2023. However, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 6). Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were $357,154, for the year ended June 30, 2023.

Note 5: Defined Benefit Pension Plan (Continued)

General Information *(Continued)*

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to ERA in the amount of $380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by $190 million (actual dollars) to $35 million (actual dollars). 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 (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed July 1, 2023.

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

The net pension liability for the SCHDTF was measured at December 31, 2022, and the total pension liability (TPL) 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 TPL to December 31, 2022. The School proportion of the net pension liability was based on the School contributions to the SCHDTF for the calendar year, 2022 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

At June 30, 2023, the School reported a liability of $4,054,552 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

At December 31, 2022, the School's proportion was 0.022266179%, which was a decrease of 0.0040098237% from its proportion measured at December 31, 2021.

School Proportionate share of net pension liability	$	5,236,091
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the School		(1,181,539)
Proportionate share of the net pension liability	$	4,054,552

Note 5: Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2023, the School recognized pension expense of $450,555 and benefit of 138,941 for 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	$ 38,374	$ -
Changes of assumptions and other inputs	71,820	-
Net difference between projected and actual earnings on plan investments	544,675	-
Changes in proportion	164,564	596,696
Contributions subsequent to the measurement date	178,625	-
Total	$ 998,058	$ 596,696

$178,625 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2024	$ (96,818)
2025	(135,433)
2026	138,176
2027	316,812
Total	$ 222,737

Note 5: Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions - The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs.

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

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

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

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

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

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

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

Note 5: Defined Benefit Pension Plan (Continued)

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

Note 5: Defined Benefit Pension Plan (Continued)

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to PERA's negative investment return in 2022.
- 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.

Note 5: Defined Benefit Pension Plan (Continued)

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

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 4,500,883	$ 4,054,552	$ 1,853,665

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

Note 6: Postemployment Healthcare Benefits (OPEB)

General Information

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

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

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

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

Note 6: Postemployment Healthcare Benefits (Continued)

General Information *(Continued)*

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

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

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions - Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Note 6: Postemployment Healthcare Benefits (Continued)

General Information *(Continued)*

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School was $17,879, for the year ended June 30, 2023.

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 liability of $138,184 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured at December 31, 2022, and the total OPEB liability (TOL) 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 to the HCTF.

At December 31, 2022, the School's proportion was 0.0169243464%, which was a decrease of 0.0002318559% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the School recognized OPEB expense of $5,188. 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	$ 21	$ 33,417
Changes of assumptions and other inputs	2,219	15,251
Net difference between projected and actual earnings on plan investments	8,444	-
Changes in proportion	13,864	2,556
Contributions subsequent to the measurement date	8,941	-
Total	$ 33,489	$ 51,224

Note 6: Postemployment Healthcare Benefits (Continued)

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

$8,941 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,		
2024	$	(10,698)
2025		(9,918)
2026		(2,658)
2027		1,012
2028		(3,520)
Thereafter		(894)
Total	$	(26,676)

Actuarial Assumptions - The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Heath care cost trend rates:	
PERA Benefit Structure:	
Service-based premium subsidy	0.0%
PERACare Medicare Plans	
6.50% in 2022 gradually decreasing to 4.50% in 2030	
Medicare Part A premiums:	
3.75% in 2022, gradually increasing to 4.50% in 2029	
DPS Benefit Structure:	
Service-based premium subsidy	0.0%
PERACare Medicare Plans	N/A
Medicare Part A premiums:	N/A

Note 6: Postemployment Healthcare Benefits (Continued)

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

The TOL 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 (TriCounty 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 FNP as of the December 31, 2022, measurement date.

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 for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

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

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

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

Note 6: Postemployment Healthcare Benefits (Continued)

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

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

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 for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Note 6: Postemployment Healthcare Benefits (Continued)

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

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

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

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

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

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect 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.

Note 6: Postemployment Healthcare Benefits (Continued)

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

- 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.

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

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 TOL, 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.

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 adopted by the PERA's Board during the November 20, 2020, Board meeting.

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized, as presented previously (See Note 5).

Note: 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%.

Note 6: Postemployment Healthcare Benefits (Continued)

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

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

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

Sensitivity of the School's proportionate share of 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, as follows:

	1% Decrease (6.25%)	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Proportionate share of the net OPEB liability	$ 160,196	$ 138,184	$ 119,356

Note 6: Postemployment Healthcare Benefits (Continued)

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

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability using the current healthcare cost trend rates applicable to the PERA benefit structure, ranging from 3.00% to 7.25%, as well as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	$ 134,273	$ 138,184	$ 142,440

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

Note 7: Commitments and Contingencies

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by revenues received from other governmental entities. Expenditures financed by these revenues are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the School may be required to reimburse the other government. At June 30, 2023, significant amounts of related expenditures have not been audited but the School believes that no expenditures will be disallowed.

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment. In accordance with the Amendment, the School has established an emergency reserve representing 3% of qualifying expenditures. At June 30, 2023, the reserve was reported as restricted fund balance in the General Fund, in the amount of $136,000.

Required Supplementary Information

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

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

Measurement Date	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.0171562023%	0.0287478948%	0.0287478948%	0.0241146245%	0.0245103211%
Net Pension Liability					
School's Proportionate Share	4,054,552	3,057,835	4,346,102	3,602,673	4,340,056
State's Proportionate Share	1,181,539	350,541	-	456,954	593,445
Net Proportionate Share	$ 5,236,091	$ 3,408,376	$ 4,346,102	$ 4,059,627	$ 4,933,501
School's Covered-Employee Payroll	$ 1,717,423	$ 1,605,813	$ 1,510,751	$ 1,418,524	$ 1,347,461
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	236%	190%	288%	254%	322%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82%	75%	67%	65%	57%

Reporting Date	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19
School Contributions					
Statutorily Required Contribution	$ 357,154	$ 346,501	$ 322,732	$ 280,900	$ 265,787
Contributions in Relation to the Statutorily Required Contribution	(357,154)	(346,501)	(322,732)	(280,900)	(265,787)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered-Employee Payroll	$ 1,752,827	$ 1,652,703	$ 1,566,266	$ 1,450,849	$ 1,389,371
Contributions as a Percentage of Covered-Employee Payroll	20.38%	20.97%	20.61%	19.36%	19.13%

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

(Continued)

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)
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
(Continued)

Measurement Date	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.0281658409%	0.0262265675%	0.0244496754%	0.0240127421%	0.0240889865%
Net Pension Liability					
School's Proportionate Share	9,107,832	7,808,663	3,739,405	3,254,533	3,072,544
State's Proportionate Share	-	-	-	-	-
Net Pension Liability	$ 9,107,832	$ 7,808,663	$ 3,739,405	$ 3,254,533	$ 3,072,544
School's Covered-Employee Payroll	$ 1,299,255	$ 1,177,095	$ 1,065,511	$ 1,005,963	$ 971,103
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	701%	663%	351%	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44%	43%	59%	63%	64%

Reporting Date	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14
School Contributions					
Statutorily Required Contribution	$ 248,057	$ 230,669	$ 196,681	$ 172,883	$ 158,088
Contributions in Relation to the Statutorily Required Contribution	(248,057)	(230,669)	(196,681)	(172,883)	(158,088)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered-Employee Payroll	$ 1,313,765	$ 1,254,556	$ 1,108,785	$ 1,023,612	$ 988,682
Contributions as a Percentage of Covered-Employee Payroll	18.88%	18.39%	17.74%	16.89%	15.99%

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

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

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

Measurement Date	12/31/22	12/31/21
Proportionate Share of the Net OPEB Liability		
School's Proportion of the Net OPEB Liability	0.0169243464%	0.0171562023%
School's Proportionate Share of the Net OPEB Liability	$ 138,184	$ 147,939
School's Covered Payroll	$ 1,418,524	$ 1,605,813
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	10%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	39%

Reporting Date	6/30/23	6/30/22
School Contributions		
Statutorily Required Contribution	$ 16,750	$ 16,750
Contributions in Relation to the Statutorily Required Contribution	(16,750)	(16,750)
Contribution Deficiency (Excess)	$ -	$ -
School's Covered Payroll	$ 1,450,849	$ 1,652,703
Contributions as a Percentage of Covered Payroll	1.15%	1.01%

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

(Continued)

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)
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
(Continued)

Measurement Date	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	0.0166177152%	0.0157761385%	0.0159318047%	0.0160036982%
School's Proportionate Share of the Net OPEB Liability	$ 157,906	$ 177,323	$ 216,759	$ 207,984
School's Covered Payroll	$ 1,510,751	$ 1,418,524	$ 1,347,461	$ 1,299,255
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	10%	13%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	33%	24%	17%	18%

Reporting Date	6/30/21	6/30/20	6/30/19	6/30/18
School Contributions				
Statutorily Required Contribution	$ 16,559	$ 14,799	$ 14,172	$ 13,400
Contributions in Relation to the Statutorily Required Contribution	(16,559)	(14,799)	(14,172)	(13,400)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 1,566,266	$ 1,450,849	$ 1,389,371	$ 1,313,765
Contributions as a Percentage of Covered Payroll	1.06%	1.02%	1.02%	1.02%

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

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Local Sources				
Per Pupil Revenue	$ 3,546,000	$ 3,657,199	$ 3,657,199	$ -
District Mill Levy	117,000	197,000	196,695	(305)
Student Fees and Activities	81,587	163,437	167,586	4,149
Contributions	2,000	1,350	1,557	207
Investment Income	1,200	28,000	27,987	(13)
Total Local Sources	3,747,787	4,046,986	4,051,024	4,038
State Sources				
Capital Construction	129,256	140,230	140,230	-
Grants	50,586	50,369	114,123	63,754
Total State Sources	179,842	190,599	254,353	63,754
Federal Sources				
Grants	112,888	135,308	140,108	4,800
Total Revenues	4,040,517	4,372,893	4,445,485	72,592
Expenditures				
Salaries	1,890,673	2,093,584	2,060,884	32,700
Employee Benefits	678,428	652,400	692,783	(40,383)
Purchased Professional Services	200,900	209,687	204,612	5,075
Purchased Property Services	374,000	367,406	373,385	(5,979)
Other Purchased Services	576,700	604,151	610,317	(6,166)
Supplies	187,050	144,250	132,764	11,486
Property	82,100	1,563,100	56,076	1,507,024
Other	4,000	36,000	31,155	4,845
Transfers Out	-	-	732,079	(732,079)
Total Expenditures	3,993,851	5,670,578	4,894,055	776,523
Net Change in Fund Balance	46,666	(1,297,685)	(448,570)	849,115
Fund Balance, *Beginning of Year*	3,459,225	3,459,225	3,669,915	210,690
Fund Balance, *End of Year*	$ 3,505,891	$ 2,161,540	$ 3,221,345	$ 1,059,805

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

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

Changes in Assumptions and Other Inputs

For the year ended June 30, 2023, the total pension liability was determined by an actuarial valuation as of December 31, 2021. The following revised economic and demographic assumptions were effective as of December 31, 2021.

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

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

A budget is adopted for the School on a basis consistent with generally accepted accounting principles.

Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1, for their approval. The budget includes proposed expenditures and the means of financing them.

Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

All appropriations lapse at fiscal year-end.