SALIDA DEL SOL ACADEMY
(A COMPONENT UNIT OF WELD COUNTY SCHOOL DISTRICT #6)
GREELEY, COLORADO

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

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SALIDA DEL SOL ACADEMY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Salida del Sol Academy
Greeley, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of Salida del Sol Academy (the School), a component unit of Weld County School District #6, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the School, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

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 the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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.

Board of Directors
Salida Del Sol Academy

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balances – budget and actual – General Fund, schedule of revenues, expenditures, and changes in fund balances – budget and actual – Salida del Sol Academy Building Corporation, schedule of the School's proportionate share of the net pension liability, schedule of pension contributions and related ratios, schedule of the School's proportionate share of the net OPEB liability, and schedule of OPEB contributions and related ratios 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 GAAS, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
October 10, 2022

This section of the report provides readers with a narrative overview and analysis of the financial activities of Salida Del Sol Academy (SDSA/the School) for the year ended June 30, 2022. We encourage the readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the school's performance.

Financial Highlights

SDSA's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $7,935,009 at June 30, 2022. This is primarily related to SDSA's net pension liability of $5,506,310 related to its participation in a defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (PERA). See Note 8 for further information.

SDSA's General Fund reported an ending fund balance of $2,461,794, an increase of $167,322. The total General Fund balance is 31.8% of the fiscal year 2022 General Fund operating expenditures.

The SDSA Building Corporation, a special revenue fund of SDSA, reported an ending fund balance of $378,632, a decrease of $8,812.

Overview of the Financial Statements

This report generally follows the guidelines as set forth by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement was intended to help make reports easier to understand for oversight bodies, in particular the Weld County School District 6 Board of Education, and for the general public. The report consists of 3 parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements, which provide additional and more detailed information. Included as Required Supplementary Information is budget-to-actual information related to the School's General Fund and the Salida del Sol Academy Building Corporation, a blended component unit, and pension schedules as required under GASB Statement No. 68 and OPEB schedules as required under GASB No. 75, further discussed in Notes 8 and 9.

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 similar to a private business.

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

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

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements

The government-wide financial statements include not only the School itself (known as the primary government) but also the component unit of the School. The Salida del Sol Academy Building Corporation, although also legally separate, for all practical purposes, as a department of the School, and therefore has been included as an integral part of the primary government. Additionally, the government-wide financial statements include the Salida del Sol Academy Foundation, which is a discretely presented component unit of the School.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School reports two funds, the General Fund and one special revenue fund (the Salida del Sol Academy Building Corporation). Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

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

The School adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 15 of this report.

Government-Wide Financial Statement Analysis

	2022	2021
Assets:		
Current Assets	$ 3,569,362	$ 3,196,029
Capital Assets	8,270,833	8,650,224
Total Assets	11,840,195	11,846,253
Deferred Outflows of Resources		
Deferred Loss on Refunding	2,168,971	2,440,092
Pension	1,415,581	2,327,837
OPEB	24,861	22,362
Total Deferred Outflows of Resources	3,609,413	4,790,291
Liabilities:		
Current Liabilities	320,470	541,988
Noncurrent Liabilities	13,923,481	14,181,409
Net Pension Liability	5,506,310	8,364,534
Net OPEB Liability	266,397	304,056
Total Liabilities	20,016,658	23,391,987
Deferred Inflows of Resources		
Pension	3,237,520	3,894,220
OPEB	130,439	130,598
Total Deferred Inflows of Resources	3,367,959	4,024,818
Net Position:		
Net Investment in Capital Assets	(3,466,503)	(3,068,457)
Restricted	580,055	445,446
Unrestricted	(5,048,561)	(8,157,250)
Total Net Position	$ (7,935,009)	$ (10,780,261)

The largest portion of the School's assets (69.9%) is capital assets, less accumulated depreciation. The School's overall net position increased by $2,845,252, primarily due to a net $2,602,668 decrease in the actuarially calculated net pension liability and related deferred inflows of resources and deferred outflows of resources related to pensions which are attributed to the School's proportionate share of the PERA net pension liability, further discussed in Note 8.

Government-Wide Financial Statement Analysis (Continued)

	2022	2021
Program Revenues:		
Operating Grants and Contributions	$ 2,134,259	$ 2,010,816
Capital Grants and Contributions	179,829	182,748
General Revenues:		
Per Pupil Revenue	5,723,325	5,046,928
Interest Income	9,713	28,082
Other Revenue	90,383	27,045
Total Revenues	8,137,509	7,295,619
Expenses:		
Instructional	2,002,321	2,272,808
Support Services	2,345,510	1,874,350
Interest on Long-Term Debt	944,426	956,254
Total Expenses	5,292,257	5,103,412
Change in Net Position	2,845,252	2,192,207
Net Position - Beginning of Year	(10,780,261)	(12,972,468)
Net Position - End of Year	$ (7,935,009)	$ (10,780,261)

General Fund

The General Fund is used to capture all operating activities of the School. At the end of fiscal year 2022, the School's General Fund reported an ending fund balance of $2,294,472, an increase of $167,322. Of this balance, approximately 8.8% is restricted indicating that it is not available for spending in order to remain in compliance with the TABOR amendment. An additional 12.8% is presented as restricted relating to requirements from mill levy override revenue.

General Fund Budgetary Highlights

The School's budget is prepared according to Colorado statutes. Actual revenue was 96.7% of final budgeted revenue. Expenditures, including the lease of facilities, were less than budgeted.

Capital Asset and Debt Administration

Capital Assets. As of June 30, 2022, the School's balance in capital assets was $8,270,833. This represented a decrease of $379,391 for the year, which represents depreciation expense as the School did not have capital additions in fiscal year 2022. Additional information on the School's capital assets can be found in Note 3 of this report.

Long-Term Debt

The Salida del Sol Academy Building Corporation carries bonded debt outstanding of $13,906,307. During fiscal year 2020, the School refunded the Series 2015 Charter School Refunding Revenue Bonds through the issuance of the Series 2020 Charter School Refunding Revenue Bonds. Additional information on long-term debt can be found in Note 4 of this report.

Economic Factors and Next Year's Budget

Per pupil and state funding is expected to increase for the 2022-2023 school year as Colorado continued to recover from the financial impact of the COVID-19 pandemic. The School anticipates continued COVID-19 relief funding in the 2022-2023 fiscal year through the Elementary and Secondary School Emergency Relief Fund (ESSER). The School is anticipating consistent enrollment with increasing costs. The initial General Fund budget for the 2022-2023 fiscal year projected budgeted revenues equaling budgeted expenditures.

Requests for Information

This report is designed to provide a general overview of Salida del Sol Academy's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report should be addressed to Salida del Sol Academy, 111 East 26th Street, Greeley, Colorado 80631.

SALIDA DEL SOL ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Component Unit — Salida del Sol Academy Foundation
ASSETS		
Cash	$ 3,017,657	$ 3,909
Restricted Investments	76,360	27,973
Accounts Receivable	475,345	-
Capital Assets, Not Being Depreciated	601,241	-
Capital Assets, Depreciated, Net of Accumulated Depreciation	7,669,592	-
Total Assets	11,840,195	31,882
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding	2,168,971	-
Deferred Outflows - Pension	1,415,581	-
Deferred Outflows - OPEB	24,861	-
Total Deferred Outflows of Resources	3,609,413	-
LIABILITIES		
Accounts Payable and Accrued Expenses	13,480	-
Accrued Salaries and Benefits	279,612	-
Accrued Interest	27,378	-
Noncurrent Liabilities:		
Due within One Year	278,263	-
Due in More than One Year	13,645,218	-
Net Pension Liability	5,506,310	-
Net OPEB Liability	266,397	-
Total Liabilities	20,016,658	-
DEFERRED INFLOWS OF RESOURCES		
Deferred Outflows - Pension	3,237,520	-
Deferred Outflows - OPEB	130,439	-
Total Deferred Inflows of Resources	3,367,959	-
NET POSITION		
Net Investment in Capital Assets	(3,466,503)	-
Restricted for:		
Emergencies	216,847	-
Foundation	-	31,882
Educational Purposes - Mill Levy	314,226	-
Debt Service	48,982	-
Unrestricted	(5,048,561)	-
Total Net Position	$ (7,935,009)	$ 31,882

See accompanying Notes to Basic Financial Statements.

SALIDA DEL SOL ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position	
					Component Unit
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Salida del Sol Academy Foundation
GOVERNMENTAL ACTIVITIES					
Instructional	$ 2,002,321	$ 2,134,259	$ 179,829	$ 311,767	
Support Services	2,345,510	-	-	(2,345,510)	
Interest on Long-Term Debt	944,426	-	-	(944,426)	
Total Governmental Activities	$ 5,292,257	$ 2,134,259	$ 179,829	(2,978,169)	
COMPONENT UNIT					
Salida del Sol Academy Foundation	$ 52,496	$ 49,846	$ -		$ (2,650)
GENERAL REVENUES					
Per Pupil Revenue				5,723,325	-
Investment Income				9,713	(3,768)
Other				90,383	284
Total General Revenues				5,823,421	(3,484)
CHANGE IN NET POSITION				2,845,252	(6,134)
Net Position - Beginning				(10,780,261)	38,016
NET POSITION - ENDING				$ (7,935,009)	$ 31,882

See accompanying Notes to Basic Financial Statements.

SALIDA DEL SOL ACADEMY
BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Building Corporation	Total
ASSETS			
Cash	$ 2,715,385	$ 302,272	$ 3,017,657
Restricted Investments	-	76,360	76,360
Accounts Receivable	475,345	-	475,345
Total Assets	$ 3,190,730	$ 378,632	$ 3,569,362
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Expenses	$ 13,480	$ -	$ 13,480
Accrued Salaries and Benefits	279,612	-	279,612
Total Liabilities	293,092	-	293,092
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	435,844	-	435,844
Total Deferred Inflows of Resources	435,844	-	435,844
FUND BALANCES			
Restricted:			
Emergencies	216,847	-	216,847
Educational Purposes - Mill Levy	314,226	-	314,226
Debt Service	-	76,360	76,360
Assigned:			
Capital Projects	-	302,272	302,272
Unassigned	1,930,721	-	1,930,721
Total Fund Balances	2,461,794	378,632	2,840,426
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,754,886	$ 378,632	$ 3,133,518

See accompanying Notes to Basic Financial Statements.

SALIDA DEL SOL ACADEMY
RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Fund Balance - Governmental Funds		$ 2,840,426
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $11,193,584 and accumulated depreciation is $2,922,751		8,270,833
Certain revenues are unavailable in the governmental funds because they are not current financial resources but are accrued under the economic resources basis of accounting		435,844
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds Payable	$ (13,906,307)	
Accrued Interest on Bonds Payable	(27,378)	
Compensated Absences	(17,174)	
Net Pension Liability	(5,506,310)	
Net OPEB Liability	(266,397)	(19,723,566)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Deferred Loss on Refunding	2,168,971	
Pension	1,415,581	
OPEB	24,861	3,609,413
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pension	(3,237,520)	
OPEB	(130,439)	(3,367,959)
Total Net Position		$ (7,935,009)

See accompanying Notes to Basic Financial Statements.

SALIDA DEL SOL ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Building Corporation	Total
REVENUES			
Per Pupil Funding	$ 5,723,325	$ -	$ 5,723,325
Local Sources	777,427	-	777,427
State and Federal Sources	1,368,950	-	1,368,950
Rental Income	-	916,048	916,048
Other Income	40,537	-	40,537
Interest Income	8,305	1,408	9,713
Total Revenues	7,918,544	917,456	8,836,000
EXPENDITURES			
Current:			
Instruction	4,528,515	-	4,528,515
Support Services	3,222,707	-	3,222,707
Debt Service:			
Principal	-	252,466	252,466
Interest and Bank Fees	-	673,802	673,802
Total Expenditures	7,751,222	926,268	8,677,490
NET CHANGE IN FUND BALANCE	167,322	(8,812)	158,510
Fund Balances - Beginning of Year	2,294,472	387,444	2,681,916
FUND BALANCES - END OF YEAR	$ 2,461,794	$ 378,632	$ 2,840,426

See accompanying Notes to Basic Financial Statements.

SALIDA DEL SOL ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net Change in Fund Balance - Governmental Funds	$ 158,510
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense ($379,391) exceeded capital outlay ($0)	(379,391)
Certain revenues are unavailable in the governmental funds because they are not current financial resources but are accrued under the economic resources basis of accounting	435,844
Repayment of bond principal is an expenditures in the governmental funds, however, in the Statement of Activities, these payments reduce long-term liabilities	252,466
Interest is paid when due in the governmental funds but recorded when payable in the Statement of Activities	497
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:	
Amortization of Deferred Loss on Refunding	(271,121)
Compensated Absences	5,462
Pension Expense	2,602,667
OPEB Expense	40,318
Change in Net Position	$ 2,845,252

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Salida Del Sol Academy (the School) conform to accounting principles generally accepted in the Unites States of America. The following is a summary of the School's significant accounting policies:

Reporting Entity

The School is a charter school organized under the Colorado Charter Schools Act (Colorado Revised Statutes §22-30.5-101). This act permits school districts to contract with individuals and organizations for the operation of schools within Weld County School District 6 (the District). The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the school district's School Finance Act revenues and from revenues generated by the charter school within limits established by the Charter School Act. Charter schools have separate governing boards; however, the school district's board of education must approve all charter school applications and budgets.

The School is funded based on the level of per pupil operating revenue (PPR) as defined by the state of Colorado Legislature and the number of full-time equivalent (FTE) students. As of the designated count day (October 1, 2021), there were 597 FTE students enrolled in the School. The PPR rate for the fiscal year ended June 30, 2022, was approximately $9,300.

The accompanying financial statements present the School and its component unit, an entity for which the School is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the School's operations. The Salida del Sol Academy Building Corporation (the Building Corporation) meets the requirements for blending.

The Building Corporation was established for the purpose of owning the school facilities and to accumulate resources from the collection of rents from the School to make payments for the Building Corporation's capital and debt service costs. The Building Corporation does not issue separate financial statements.

The School also includes the Salida del Sol Academy Foundation (the Foundation), within its reporting entity. This is a nonprofit organization formed to bring together the School's parents and staff, as well as the community at large, in support of the School. The Foundation is a discretely presented component unit presented in the School's financial statements. Separate financial statements are not issued.

The School is a component unit of the District and is included in the District's Annual Comprehensive Financial Report.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 a given function or segment is 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 individuals 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. Other items not included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of the related cash flows. Revenue from per pupil operating revenue is recognized in the fiscal year for which the funding is provided. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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. Measurable means that the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Charges for services are considered revenue once the service is rendered, and as such are considered susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The accounts of the School are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The major funds presented in the accompanying basic financial statements are as follows:

Major Government Funds

General Fund: The General Fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required legally or by sound financial management to be accounted for in another fund.

Special Revenue – Salida del Sol Academy Building Corporation: Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School reports a special revenue fund for the Building Corporation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Cash and Investments

Cash and investments may include cash on hand, demand deposits, certificates of deposit, savings accounts, and pooled investment funds. Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near maturity that there is insignificant risk of value changes because of interest rate risk. Investments held in government funds are carried at amortized cost. Investments held by the Salida del Sol Foundation are carried at fair value.

Capital Assets

Capital assets purchased by the Building Corporation, which include land, buildings, and building improvements, are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. An annual capital asset inventory is performed in accordance with state law (Colorado Revised Statute §29-1-506). Capital assets are defined as assets with an initial, individual cost of $5,000 or more and a useful life in excess of one year.

All reported capital assets, except for land, are depreciated once placed in service. Depreciation on all assets is provided using the straight-line method over estimated useful lives of 10 to 50 years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

The School's governmental activities report a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The School reports deferred outflows of resources relating to its proportionate share of the net pension liability and net OPEB liability. See Note 8 and 9 for additional information.

Accrued Salaries and Benefits

Salaries of teachers and certain other employees are paid over a 12-month period ending July 31. However, most salaries are earned over the traditional school year of September through May. The difference between salary and related benefit amounts earned from July 1 through June 30 and the corresponding amounts paid during this period is shown as a liability for accrued salaries and benefits in the amount of $279,612.

Compensated Absences

The School's policy allows employees to accumulate paid time off at a rate dependent upon the classification of employee. A maximum of twenty days may be carried forward to the subsequent year or employees can elect to have the school buy out unused paid time off prior to the end of the fiscal year at a rate of $130 per day. These compensated absences are recognized as current salary costs when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Long-Term Debt

Long-term debt is reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of debt using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Net Pension Liability

The School's governmental activities report a net pension liability as of June 30, 2022. The School is required to report its proportionate share of PERA's unfunded pension liability. See Note 8 for additional information.

On-Behalf Payments

Accounting principles generally accepted in the United States of America require that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the state of Colorado is required to make a payment to PERA each year equal to $225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

The School's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The School reports deferred inflows of resources relating to its proportionate share of the net pension liability and net OPEB liability. See Note 8 and 9 for additional information. In addition, the School reports deferred inflows of resources for unavailable revenues that were not collected within 60 days of the fiscal year-end.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. See Note 9 for additional information.

Net Position/Fund Balance

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets.

In the fund financial statements, fund equity of the School's governmental funds is classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balances indicate amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact.

Restricted fund balances in the School's general fund indicate amounts constrained for specific purpose by external parties, constitutional provision, or enabling legislation. Restrictions on the School's general fund balance are described in Note 7.

Committed fund balances indicate amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require an ordinance by the School's board to remove or change the constraints placed on the resources. This action must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned fund balances indicate amounts for governmental funds, other than the general fund, any remaining positive amounts not classified in the above categories. For the general fund, amounts constrained for the intent to be used for a specific purpose has been delegated to the business manager. The Building Corporation presents $302,272 in assigned fund balance for amounts held for future capital projects and maintenance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balance (Continued)

Unassigned fund balances indicate amounts in the general fund that are not classified as nonspendable, restricted, committed, or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. When both unassigned and committed or assigned resources are available for use, it is the School's policy to use committed, then assigned resources first, then unassigned resources as needed.

NOTE 2 CASH DEPOSITS AND INVESTMENTS

Cash and investments are reflected on the June 30, 2022 statement of net position as the following:

Cash and Investments per the Government-Wide Statement of Net Position:	
Cash	$ 3,017,657
Restricted Investments	76,360
Component Unit Cash	3,909
Component Unit Investments	27,973
Total	$ 3,125,899
Cash Deposits	$ 3,021,566
Investments	104,333
Total	$ 3,125,899

Cash Deposits

Colorado statutes govern the School's deposits of cash and investments. The Colorado Public Deposit Protection Act (PDPA) requires that all units of a local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2022, the School's General Fund carrying amount of deposits was $2,715,385. The Building Corporations carrying amount of deposits was $302,272 at June 30, 2022. At June 30, 2022, the Salida Del Sol Academy Foundation's carrying amount of deposits was $3,909.

NOTE 2 CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

Colorado statutes specify in which investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

Colorado revised statutes, generally limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of U.S. local governments, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

Salida del Sol Academy Foundation's investments consisted of a quasi-endowment for $27,973 held with the Weld Community Foundation, which does not have a credit rating. The Salida del Sol Foundation is also the designated beneficiary of a separate fund held by the Weld Community Foundation for $15,693 which may be donated to the Salida del Sol Academy Foundation in future periods.

As of June 30, 2022, the School had the following investment:

Investment	Maturity Less Than One Year	Standard & Poor's Rating	Total	Concentration
Federated Government Obligation Fund Money Market	$ 76,360	AAAm	$ 76,360	100.0%
Total	$ 76,360		$ 76,360	100.0%

The Series 2020 bonds require the Building Corporation to maintain certain cash and investment reserve accounts. These accounts are held by a trustee. Monthly rent payments from the School are deposited in the accounts and the monthly bond payments are made from the accounts. The Building Corporation had invested $76,360 in money market accounts with the trustee as of June 30, 2022. These money market investments are exempt for fair value measurement and are measured at amortized cost.

Interest Rate Risk

The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 2 CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

State law does not limit investment to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments including bank obligation, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years.

Investments in these funds require that the institutions have assets in excess of $1 billion or the highest credit rating from one or more of a nationally recognized rating agency.

Fair Value Measurements

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

Investments held within the Weld Community Foundation are valued based on unobservable inputs including information from owner-to-owner transactions and the Foundation's own assumptions (Level 3). As of June 30, 2022, Salida Del Sol Academy Foundation has a total of $27,973 within Level 3 investments.

Restricted Investments

Restricted investments in the amount of $76,360 are set aside for future principal and interest payments in the Building Corporation based on debt service requirements.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Capital Assets, Not Depreciated:				
Land	$ 601,241	$ -	$ -	$ 601,241
Total Capital Assets, Not Being Depreciated	601,241	-	-	601,241
Buildings and Building Improvements	10,104,122	-	-	10,104,122
Furniture and Equipment	177,415	-	-	177,415
Vehicles	310,806	-	-	310,806
Total Capital Assets, Being Depreciated	10,592,343	-	-	10,592,343
Accumulated Depreciation:				
Buildings and Building Improvements	(2,183,736)	(336,804)	-	(2,520,540)
Furniture and Equipment	(173,679)	(3,736)	-	(177,415)
Vehicles	(185,945)	(38,851)	-	(224,796)
Total Accumulated Depreciation	(2,543,360)	(379,391)	-	(2,922,751)
Total Capital Assets, Being Depreciated, Net	8,048,983	(379,391)	-	7,669,592
Total Capital Assets	$ 8,650,224	$ (379,391)	$ -	$ 8,270,833

Depreciation expense of $340,540 was charged to instruction and $38,851 was charged to support services of the School.

NOTE 4 BONDS PAYABLE

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

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Bonds Payable - Series 2020	$ 14,158,773	$ -	$ 252,466	$ 13,906,307	$ 269,676
Compensated Absences	22,636	75,205	80,667	17,174	8,587
Total	$ 14,181,409	$ 75,205	$ 333,133	$ 13,923,481	$ 278,263

NOTE 4 BONDS PAYABLE (CONTINUED)

On June 12, 2015, the Colorado Educational and Cultural Facilities Authority (CECFA) issued its Charter School Refunding Revenue Bonds as the Salida del Sol Academy Project, Series 2015, in the amount of $12,390,000. The bonds were issued for the Salida del Sol Academy Building Corporation's use in refinancing certain outstanding debt of the Building Corporation used to finance the acquisition, construction improvement and equipping of the educational facilities of the Building Corporation, to fund a debt service reserve fund for the Series 2015 bonds, to fund capitalized interest on the Series 2015 bonds, and pay the cost of issuance of the Series 2015 bonds. CECFA and the Building Corporation entered into a loan agreement wherein the proceeds of the CECFA's bonds have been loaned to the Building Corporation. On April 1, 2020, the $12,060,000 remaining principal balance was refunded through the issuance of the Series 2020 bonds.

On April 1, 2020, the Public Finance Authority (the Authority) issued its Charter School Refunding Revenue Bonds as the Salida del Sol Academy Charter School Project Series 2020 in the amount of $14,399,611. The bonds were issued to refund the Series 2015 bonds. The Authority and Building Corporation have entered into a loan agreement wherein the proceeds of the Authority have been loaned to the Building Corporation. The Series 2020 bonds carry an interest rate of 4.725% with principal payments due monthly and final maturity in April 2030.

The Building Corporation has granted the Authority a mortgage lien on the real estate and a security interest in the lease revenues from the School. The Authority's rights under the agreement have been assigned to the trustee.

The lease revenues, which are the basis of the pledged revenues, are described in Note 5. The lease revenue over the remaining term of the agreement is equal to the expected principal and interest payments to be made over the life of the bonds, $19,692,948.

100% of lease revenues have been pledged under the agreement. Lease revenue was approximately equal to the debt service requirements of the bond for the year ended June 30, 2022, approximately $916,048.

The following schedule represents the School's debt service requirements to maturity for outstanding revenue bonds at June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	$ 269,676	$ 646,369	$ 916,045
2024	407,595	508,451	916,046
2025	423,272	492,774	916,046
2026	439,552	476,495	916,047
2027	456,459	459,589	916,048
2028 - 2030	11,909,753	1,270,701	13,180,454
Total	$ 13,906,307	$ 3,854,379	$ 17,760,686

NOTE 5 LEASES

The School leases its building from the Building Corporation. The lease requires monthly payments, which approximate the Building Corporation's required payments on the bonds and may be terminated in any year by nonappropriation of funds. The Building Corporation has pledged the lease payments to pay bond principal and interest.

Rent expense was $916,048 for the year ended June 30, 2022, and is included in support services expenditures.

The lease between the School (lessee) and Building Corporation (lessor) includes certain restrictive covenants related to expenditures and unrestricted cash balances. Management believes the School is in compliance with the covenants.

NOTE 6 RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries commercial insurance for these and other risks of loss. Settled claims have not exceeded this coverage in the past three years.

NOTE 7 RESTRICTION OF NET POSITION/DESIGNATIONS OF FUND BALANCE

On November 3, 1992, the voters of the state approved an amendment to the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR limits the ability of the state and local governments such as the School to increase revenues, debt, and spending and restricts property, income, and other taxes. In addition, the amendment requires government entities to create an emergency "reserve" of 3% of annual spending excluding bonded debt service. In November 1998, voter approval was given to Weld County School District 6 to remove the restriction on growth in revenue. The 3% emergency reserve is still required both at the District and the School level.

At June 30, 2022, management believes the School has complied with the requirements to include emergency reserves in its budgetary basis fund balance.

The Building Corporation is required to hold funds in escrow accounts related to its bond obligations as identified in Note 2, net position and fund balance are restricted attributable to the restrictions on its cash and investments.

NOTE 8 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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.

General Information About the Pension Plan

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.

Benefits Provided as of December 31, 2021

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% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Benefits Provided as of December 31, 2021 (Continued)

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

- Highest average salary multiplied by 2.5% 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% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

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

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

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

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Contributions Provisions as of June 30, 2022

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 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	July 1,2021 Through June 30, 2022
Employer Contribution Rate	10.90 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the SCHDTF	9.88 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.50 %
Total Employer Contribution Rate to the SCHDTF	19.88 %

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 $608,029 for the year ended June 30, 2022.

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 direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the $225 million direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the state treasurer to issue a warrant to PERA in the amount of $380 million, upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2022, the School reported a liability of $5,506,310 for its proportionate share of the net pension liability that reflected a reduction for support from the state as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the state as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

School's Proportionate Share of the Net Pension Liability	$	5,506,310
State's Proportionate Share of the Net Pension Liability Associated with the School		631,228
Total	$	6,137,538

At December 31, 2021, the School's proportion was 0.0473158%, which was a decrease of 0.0080126% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized pension expense of ($2,288,243) and revenue of ($150,895) for support from the state as a nonemployer contributing entity. At June 30, 2022, 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
Difference between Expected and Actual Experience	$ 210,804	$ -
Changes of Assumptions or other Inputs	420,366	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	2,070,208
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	469,986	1,167,312
Contributions Subsequent to the Measurement Date	314,425	-
Total	$ 1,415,581	$ 3,237,520

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

$314,425 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	$ (394,124)
2024	(851,885)
2025	(639,077)
2026	(251,278)

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

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

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

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

NOTE 8 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 (Continued)

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

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

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

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

NOTE 8 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 (Continued)

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

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

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

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include 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, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

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

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

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount 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.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Sensitivity of 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	$ 8,104,838	$ 5,506,310	$ 3,337,936

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 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Summary of Significant Accounting Policies

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 have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description

Eligible employees of the School are provided with OPEB through the 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.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (Continued)

Benefits Provided

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

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

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

PERA Benefit Structure

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure (Continued)

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

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based 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 C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School were $31,197 for the year ended June 30, 2022.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

At June 30, 2022, the School reported a liability of $266,397 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The School proportion of the net OPEB liability was based on School contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the School proportion was 0.0389360%, which was an increase of 0.0069377% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized OPEB expense of ($24,186). At June 30, 2022, 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
Difference Between Expected and Actual Experience	$ 406	$ 63,166
Changes of Assumptions or Other Inputs	5,515	14,450
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	16,490
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	2,808	36,333
Contributions Subsequent to the Measurement Date	16,132	-
Total	$ 24,861	$ 130,439

$16,132 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2023	$ (32,391)
2024	(33,849)
2025	(33,563)
2026	(16,422)
2027	(4,746)
Thereafter	(739)

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions

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

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial Cost Method	Entry Age			
Price Inflation	2.30%			
Real Wage Growth	0.70%			
Wage Inflation	3.00%			
Salary Increases, Including Wage Inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%			
Discount rate	7.25%			
Health Care Cost Trend Rates				
Service-based Premium Subsidy	0.00%			
PERACare Medicare Plans	4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029			
Medicare Part A Premiums	3.75% for 2021, gradually increasing to 4.50% in 2029			
DPS benefit structure				
Service-based Premium Subsidy	0.00%			
PERACare Medicare Plans	N/A			
Medicare Part A Premiums	N/A			

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums are assumed for 2021 for the PERA Benefit Structure.

	Initial Costs for Members without Medicare Part A		
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	$ 633	$ 230	$ 591
Kaiser Permanente Medicare Advantage HMO	596	199	562

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

The 2021 Medicare Part A premium is $471 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, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were 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.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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 nondisabled 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.

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

Post-retirement nondisabled mortality assumptions for the School Division 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 nondisabled 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 nondisabled 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.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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 Trust Fund:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.

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

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

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

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

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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%.

Sensitivity of the School's Proportionate Share of the net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 258,747	$ 266,397	$ 275,259

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Discount Rate (Continued)

- 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 the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 309,392	$ 266,397	$ 229,672

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.

SALIDA DEL SOL ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — BUDGET AND ACTUAL — GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Per Pupil Funding	$ 5,457,926	$ 5,518,693	$ 5,723,325	$ 204,632
Local Sources	658,682	780,047	777,427	(2,620)
State and Federal Sources	2,114,711	1,852,462	1,368,950	(483,512)
Other Income	25,000	25,000	40,537	15,537
Interest Income	16,500	16,500	8,305	(8,195)
Total Revenues	8,272,819	8,192,702	7,918,544	(274,158)
EXPENDITURES				
Current:				
Instruction	4,963,691	4,915,621	4,528,515	387,106
Support Services	3,309,128	3,277,081	3,222,707	54,374
Total Expenditures	8,272,819	8,192,702	7,751,222	441,480
NET CHANGE IN FUND BALANCE	-	-	167,322	167,322
Fund Balance - Beginning of Year	2,068,655	2,294,472	2,294,472	-
FUND BALANCE - END OF YEAR	$ 2,068,655	$ 2,294,472	$ 2,461,794	$ 167,322

See accompanying Notes to Required Supplementary Information.

SALIDA DEL SOL ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — BUDGET AND ACTUAL — SALIDA DEL SOL ACADEMY BUILDING CORPORATION
YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Rental Income	$ 916,044	$ 916,048	$ 4
Interest Income	-	1,408	1,408
Total Revenues	916,044	917,456	1,412
EXPENDITURES			
Debt Service:			
Principal	252,466	252,466	-
Interest	663,578	673,802	(10,224)
Total Expenditures	916,044	926,268	(10,224)
NET CHANGE IN FUND BALANCE	-	(8,812)	(8,812)
Fund Balance - Beginning of Year	387,444	387,444	-
FUND BALANCE - END OF YEAR	$ 387,444	$ 378,632	$ (8,812)

See accompanying Notes to Required Supplementary Information.

SALIDA DEL SOL ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS *

Fiscal Year ending June 30,	2022	2021	2020	2019	2018	2017	2016	2015
Plan Measurement Date as of December 31,	2021	2020	2019	2018	2017	2016	2015	2014
School's Proportion of the Net Pension Liability	0.0473158%	0.0553284%	0.0505243%	0.0541770%	0.0608649%	0.0615185%	0.0543431%	0.0444637%
School's Proportionate Share of the Net Pension Liability	$ 5,506,310	$ 8,364,534	$ 7,548,214	$ 9,593,158	$ 19,681,534	$ 18,316,446	$ 8,311,389	$ 6,026,323
State's Proportionate Share of the Net Pension Liability associated with the School **	631,228	-	957,395	1,311,731	-	-	-	-
Total	$ 8,364,534	$ 8,364,534	$ 8,505,609	$ 10,904,889	$ 19,681,534	$ 18,316,446	$ 8,311,389	$ 8,311,389
School's Covered Payroll	2,957,085	2,959,031	3,010,075	2,978,403	2,807,624	2,686,552	2,368,842	931,355
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.2%	282.7%	250.8%	322.1%	701.0%	681.8%	350.9%	647.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

** A direct distribution provision to allocate funds from the State of Colorado to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200. House Bill 20-1379 suspended the $225 direct distribution payable on July 1, 2020 for the 2020-2021 fiscal year.

See accompanying Notes to Required Supplementary Information.

SALIDA DEL SOL ACADEMY
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST 10 FISCAL YEARS *

As of June 30,	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	$ 608,029	$ 588,458	$ 572,601	$ 586,887	$ 539,916	$ 513,619	$ 463,031	$ 347,819
Contributions in Relation to the Contractually Required Contribution	608,029	588,458	572,601	586,887	539,916	513,619	463,031	347,819
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,058,495	$ 2,960,049	$ 2,954,598	$ 3,067,886	$ 2,859,312	$ 2,794,545	$ 2,609,079	$ 2,037,241
Contribution as a Percentage of Covered Payroll	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.75%	17.07%

* The amounts presented for each fiscal year were determined as of June 30. Information earlier than fiscal year 2015 was not available as it was the first year of reporting for the School.

See accompanying Notes to Required Supplementary Information.

SALIDA DEL SOL ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS *

Fiscal Year	2022	2021	2020	2019	2018	2017
Plan Measurement Date as of December 31,	2021	2020	2019	2018	2017	2016
School's Proportion (Percentage) of the Collective Net OPEB Liability	0.0389360%	0.0319983%	0.0330225%	0.0352154%	0.0345832%	0.0349683%
School's Proportionate Share of the Collective Net OPEB Liability	$ 266,397	$ 304,056	$ 371,172	$ 479,120	$ 449,443	$ 453,375
Covered Payroll	$ 2,957,085	$ 2,959,031	$ 3,010,075	$ 2,978,403	$ 2,807,624	$ 2,686,552
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	9.01%	10.28%	12.33%	16.09%	16.01%	16.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2016 was not available as this was the first year of reporting for the School.

See accompanying Notes to Required Supplementary Information.

SALIDA DEL SOL ACADEMY
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
LAST 10 FISCAL YEARS *

As of June 30,	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	$ 31,197	$ 30,193	$ 30,137	$ 31,292	$ 29,165	$ 28,504	$ 26,613	$ 20,780
Contributions in Relation to the Contractually Required Contribution	31,197	30,193	30,137	31,292	29,165	28,504	26,613	20,780
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,058,495	$ 2,960,049	$ 2,954,598	$ 3,067,886	$ 2,859,312	$ 2,794,545	$ 2,609,079	$ 2,037,241
Contribution as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of June 30. Information earlier than 2015 was not available.

See accompanying Notes to Required Supplementary Information.

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The School conducts all necessary budgeting procedures maintaining separate budgets for each fund.

The School adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

a) Budgets for all funds are required by the District. During June, the proposed budget is submitted to the board for consideration and approval at a public hearing. The budget includes proposed expenditures and the means of financing them.

b) The public hearings are conducted by the School's board of directors to obtain parents and other members of the public comment and recommendations.

c) Prior to June 30, the budget is adopted by formal resolution.

d) The School's contract with the District requires submission of the approval and amended budgets to the District.

e) Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between funds, reallocation of budget line items and revisions that alter the total appropriations of any fund must be approved by the School's board of directors. Appropriations are based on total funds expected to be available in each budget year, which may include beginning fund balances and reserves as established by the board of directors.

f) Budgets for all fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

g) Budgeted amounts reported in the accompanying supplementary information are as originally adopted and as amended by the board of directors throughout the year. Budgeted amounts included in the financial statements are based on the final budget as adopted by the School's board of directors on December 16, 2020.

h) All appropriations lapse at the end of each fiscal year.

For the year ended June 30, 2022, the Salida del Sol Academy Building Corporation incurred actual expenditures of $926,268 which exceeded the final budgeted expenditures of $916,044 by $10,224. This may be a violation of Colorado budget law.

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1.00%, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health 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.
- The post-retirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%
- The price inflation assumption was lowered from 3.50% to 2.80%
- The wage inflation assumption was lowered from 4.25% to 3.90%

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health 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.
- The post-retirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

- The post-retirement nondisabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to 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.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.