PEAK TO PEAK CHARTER SCHOOLS, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

PEAK TO PEAK CHARTER SCHOOLS, INC.
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Peak to Peak Charter Schools, Inc.
Lafayette, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Peak to Peak Charter Schools, Inc. (Peak to Peak), a component unit of Boulder Valley School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Peak to Peak'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, each major fund, and the aggregate remaining fund information of Peak to Peak, as of June 30, 2024, 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 Peak to Peak 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 Peak to Peak'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 Peak to Peak'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 Peak to Peak's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules and the pension and OPEB schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Peak to Peak's basic financial statements. The budgetary comparison schedule for the food services fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule for the food services fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
October 8, 2024

As management of Peak to Peak Charter Schools, Inc. (Peak to Peak), we offer this narrative and analysis of the financial activities of Peak to Peak for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

Financial Highlights

The year ended June 30, 2024 is the 24th year of operations for Peak to Peak.

- The fund balance in the general fund increased $1,116,855 to $8,263,033.
- Total unrestricted cash and investments increased $1,503,190 to $10,720,537.
- Peak to Peak's net position increased $1,425,414 due to an increase in revenues over expenses.

Overview of Financial Statements

This report follows the guidelines 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 rule was intended to help make reports easier to understand for oversight bodies, in particular the Boulder Valley School District, which authorizes Peak to Peak, and the general public. The report consists of four parts: Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information and Supplementary Information. The Basic Financial Statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements which provide additional and more detailed information. Included as Required Supplementary Information and Supplementary Information is budget-to-actual information related to the Peak to Peak's General Fund, Friends of Peak to Peak, Inc. Fund, Operations and Maintenance Fund and Food Services Fund, and the pension and OPEB schedules as required under GASB Statement No. 68 and 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 Peak to Peak's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all Peak to Peak'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 or decreases in net position may serve as a useful indicator of whether the financial position of Peak to Peak is improving or deteriorating.

The *statement of activities* presents information showing how Peak to Peak net position has changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year-end). The government-wide financial statements can be found on pages 10 and 11 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. Peak to Peak uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Peak to Peak reports four major governmental funds: the general fund, Prairie View, Inc. fund (building corporation), the Friends of Peak to Peak, Inc. fund (fundraising organization), and the operations and maintenance fund; and one nonmajor fund, the food service fund. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating Peak to Peak's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term 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 basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Notes to financial statements. The notes provide additional information that is 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 16 of this report.

PEAK TO PEAK CHARTER SCHOOL
Comparative Summary Statement of Net Position

	June 30, 2024	June 30, 2023
ASSETS		
Current Assets	$ 15,226,774	$ 13,563,885
Capital Assets	27,427,797	27,072,347
Total Assets	42,654,571	38,862,366
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Refunding	1,901,903	2,092,093
Related to Pension	8,487,198	5,891,746
Related to OPEB	149,534	200,288
Total Deferred Outflows of Resources	10,538,635	7,863,272
LIABILITIES		
Current Liabilities	1,508,437	1,276,995
Noncurrent Liabilities	13,945,494	14,880,862
Net Pension Liability	29,745,749	24,312,673
Net OPEB Liability	718,240	828,859
Total Liabilities	45,917,920	34,447,332
DEFERRED INFLOWS OF RESOURCES		
Related to Pension	1,272,143	2,878,638
Related to OPEB	235,210	299,813
Total Deferred Inflows of Resources	1,507,353	9,019,565
NET POSITION		
Net Investment in Capital Assets	15,781,728	14,608,375
Restricted	5,664,657	5,306,522
Unrestricted	(15,678,452)	(15,572,378)
Total Net Position	$ 5,767,933	$ 4,342,519

PEAK TO PEAK CHARTER SCHOOL
Comparative Schedule of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30, 2024	Year Ended June 30, 2023
PROGRAM REVENUES		
Charges for Services	$ 1,426,400	$ 1,861,635
Operating Grants	1,564,927	1,880,081
Capital Grants	1,877,577	519,316
GENERAL REVENUES		
Per Pupil Funding	15,146,578	13,831,540
District Mill Levy	6,306,399	5,804,974
Investment Income (Loss)	702,652	476,745
Other Revenue	603,739	611,999
Total Revenues	27,628,272	21,378,764
EXPENSES		
Instruction	16,255,004	13,630,288
Support Services	9,184,000	9,565,865
Interest on Long-Term Debt	763,854	787,754
Total Expenses	26,202,858	14,618,820
CHANGE IN NET POSITION	1,425,414	1,002,383
Net Position - Beginning of Year, as Restated	4,342,519	3,340,136
NET POSITION - END OF YEAR	$ 5,767,933	$ 4,342,519

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of Peak to Peak's financial position. Per Pupil funding increased $1,315,038 due to an increase in state funding per student. Overall, revenue increased by $1,577,345. The net pension liability and associated deferred outflows of resources and inflows of resources fluctuates based on the financial position of the Public Employee's Retirement Association of Colorado (PERA). Peak to Peak is required to report its proportionate share of PERA's unfunded pension liability. In fiscal year 2024 Peak to Peak reported a pension expense to instruction expense of $698,743 compared to a pension expense of $449,511 in fiscal year 2023. In fiscal year 2024 Peak to Peak reported a pension expense to support services expense of $396,559 compared to a pension expense of $314,785 in fiscal year 2023. For the year ended June 30, 2024, Peak to Peak's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $5,767,933, primarily due to increase in current assets of $1,662,889 to $15,226,774 in fiscal year 2024. The overall net position in fiscal year 2024 increased by $1,425,414 from the previous year primarily due to an increase in revenues as noted above.

Financial Analysis of the School's Funds

The focus of Peak to Peak's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing Peak to Peak's financing requirements. For the year ended June 30, 2024, Peak to Peak's governmental funds reported a combined ending fund balance of $13,939,493, an overall increase of $1,419,447. The general fund increased $1,116,855 to $8,263,033. The Prairie View, Inc. fund increased $44,765 to $2,852,851. The Friends of Peak to Peak, Inc. fund increased $104,549 to $1,760,151 as a result of an increase in current year investment income. The operations and maintenance fund increased $195,927 to $795,486 as a result of an increase in maintenance and operations revenues. The nonmajor food services fund decreased $42,649 to $267,972 as a result of an increase in services supporting food sales ($259,323).

General Fund Budgetary Highlights

Peak to Peak's budgeted general fund revenue for 2023-24 was $22,543,895, while actual revenue was $22,613,596, resulting in a surplus of $69,701 (not including transfers). Peak to Peak's 2023-24 budget for general fund expenditures was $22,759,520, while actual expenditures were $21,958,620, resulting in a surplus of $800,900 (not including transfers). There was a net increase in fund balance of $1,116,855 with a final fund balance of $8,263,033.

Capital Asset and Debt Administration

Capital Assets. Peak to Peak's capital assets as of June 30, 2024, amounted to $27,427,797, net of accumulated depreciation and accumulated amortization. Right-to-use lease assets and Subscription-Based Information Technology Arrangements (SBITAs) had an ending balance of $1,072,178, net of amortization and included in the capital asset total above. Peak to Peak's capital assets include 35 acres of land and 180,000 square feet of building space located at 800 Merlin Drive, Lafayette, Colorado. Additional information on the School's capital assets can be found in Note 3 of this report.

Long-Term Liabilities. As of June 30, 2024, Peak to Peak had outstanding debt of $11,795,000, which is a decrease of $800,000 from the previous year. Long-term debt is detailed in Note 4 to the financial statements. The school currently holds an "A+" credit rating with Standard and Poor's. In addition, Peak to Peak maintained leases and SBITAs during fiscal year 2024 which had an ending balance of $1,113,376. Leases and SBITAs are detailed in Note 5 to the financial statements.

Economic Factors and Next Year's Budget

Peak to Peak's student enrollment for the 2023-24 school year was 1,445.0 full-time equivalent (FTE) students. The maximum enrollment allowed by Peak to Peak's contract with Boulder Valley School District is 1,445.0 FTE students. Peak to Peak's enrollment has been at or near the maximum allowable, per contract, for several years. State per pupil funding is expected to increase $1,054,762 to $16,201,340 for the 2024-25 school year. The School is anticipating stable enrollment, increased salary and benefit costs along with increased supplies and materials and other support service costs. All will impact 2024-25 fiscal plans and operations. The initial budget projects a surplus for the 2024-25 fiscal year.

Requests for Information

The financial report is designed to provide a general overview of Peak to Peak's finances for all those with an interest in Peak to Peak. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Jennifer Douglas, Executive Director of Operations
Peak to Peak Charter School
800 Merlin Drive
Lafayette, CO 80026
jennifer.douglas@bvsd.org

PEAK TO PEAK CHARTER SCHOOLS, INC.
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and Investments	$ 10,720,537
Restricted Cash and Investments	4,413,132
Prepaid Items	81,036
Accounts Receivable	12,069
Capital Assets	
Capital Assets, Not Being Depreciated	4,527,231
Capital Assets, Depreciated, Net of Accumulated Depreciation	21,828,388
Right-to-Use Lease Assets, Net of Accumulated Amortization	1,045,067
Subscription-Based IT Arrangement Assets, Net of Accumulated Amortization	27,111
Total Assets	42,654,571
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding	1,901,903
Related to Pension	8,487,198
Related to OPEB	149,534
Total Deferred Outflows of Resources	10,538,635
LIABILITIES	
Accounts Payable	150,738
Accrued Salaries and Benefits	899,568
Unearned Revenues	236,975
Accrued Interest	221,156
Noncurrent Liabilities:	
Due Within One Year	1,242,737
Due in More Than One Year	12,702,757
Net Pension Liability	29,745,749
Net OPEB Liability	718,240
Total Liabilities	45,917,920
DEFERRED INFLOWS OF RESOURCES	
Related to Pension	1,272,143
Related to OPEB	235,210
Total Deferred Inflows of Resources	1,507,353
NET POSITION	
Net Investment in Capital Assets	15,781,728
Restricted:	
Advanced Placement Testing	8,559
Scholarships	1,551,722
Emergencies	759,264
Debt Service	2,370,067
Repair and Maintenance	975,045
Unrestricted	(15,678,452)
Total Net Position	$ 5,767,933

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expenses) and Changes in Net Position
GOVERNMENTAL ACTIVITIES					
Instructional	$ 16,255,004	$ 1,341,037	$ 682,423	$ -	$ (14,231,544)
Support Services:					
General Administration	6,944,358	85,363	882,504	-	(5,976,491)
Maintenance and Operations	2,069,095	-	-	1,877,577	(191,518)
Other Supporting Services	170,547	-	-	-	(170,547)
Interest on Long-Term Debt	763,854	-	-	-	(763,854)
Total Governmental Activities	$ 26,202,858	$ 1,426,400	$ 1,564,927	$ 1,877,577	(21,333,954)
GENERAL REVENUES					
Per Pupil Revenue					15,146,578
District Mill Levy					6,306,399
Investment Income					702,652
Other					603,739
Total General Revenues					22,759,368
CHANGE IN NET POSITION					1,425,414
Net Position - Beginning of Year					4,342,519
NET POSITION - END OF YEAR					$ 5,767,933

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Prairie View, Inc.	Friends of Peak to Peak, Inc.	Operations and Maintenance	Nonmajor Fund Food Services	Total
ASSETS						
Cash and Investments	$ 9,411,145	$ -	$ 199,870	$ 845,263	$ 264,259	$ 10,720,537
Restricted Cash and Investments	-	2,852,851	1,560,281	-	-	4,413,132
Prepaid Items	40,630	-	-	21,452	18,954	81,036
Accounts Receivable	12,069	-	-	-	-	12,069
Total Assets	$ 9,463,844	$ 2,852,851	$ 1,760,151	$ 866,715	$ 283,213	$ 15,226,774
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 84,164	$ -	$ -	$ 64,878	$ 1,696	$ 150,738
Accrued Salaries and Benefits	879,672	-	-	6,351	13,545	899,568
Unearned Revenues	236,975	-	-	-	-	236,975
Total Liabilities	1,200,811	-	-	71,229	15,241	1,287,281
FUND BALANCES						
Nonspendable	40,630	-	-	21,452	18,954	81,036
Restricted	676,807	2,852,851	1,560,281	774,034	21,840	5,885,813
Committed	-	-	89,414	-	-	89,414
Assigned	-	-	110,456	-	227,178	337,634
Unassigned	7,545,596	-	-	-	-	7,545,596
Total Fund Balances	8,263,033	2,852,851	1,760,151	795,486	267,972	13,939,493
Total Liabilities and Fund Balances	$ 9,463,844	$ 2,852,851	$ 1,760,151	$ 866,715	$ 283,213	$ 15,226,774

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balance as Shown on Previous Page	$ 13,939,493
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets, Net of Accumulated Depreciation and Amortization	27,427,797
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:	
Accrued Interest	(221,156)
Bonds Payable	(11,795,000)
Bond Premium, Net of Accumulated Amortization	(639,596)
Compensated Absences	(397,522)
Lease Liabilities	(1,087,895)
Subscription-Based Information Technology Arrangement Liability	(25,481)
Net Pension Liability	(29,745,749)
Net OPEB Liability	(718,240)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to Pension	8,487,198
Related to OPEB	149,534
Deferred Loss on Refunding, Net of Accumulated Amortization	1,901,903
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to Pension	(1,272,143)
Related to OPEB	(235,210)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$ 5,767,933

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Prairie View, Inc.	Friends of Peak to Peak, Inc.	Operations and Maintenance	Nonmajor Fund: Food Services	Total
REVENUES						
Per Pupil Funding	$ 15,146,578	$ -	$ -	$ -	$ -	$ 15,146,578
District Mill Levy	4,285,835	-	-	2,020,564	-	6,306,399
Rental Income	33,708	1,419,917	-	-	-	1,453,625
Intergovernmental:						
State Sources	1,283,395	-	-	-	588,401	1,871,796
Federal Sources	3,657	-	-	-	275,330	278,987
Donations	-	-	485,708	-	-	485,708
Other Income	1,425,360	-	-	-	85,363	1,510,723
Investment Income	435,063	124,436	143,153	-	-	702,652
Total Revenues	22,613,596	1,544,353	628,861	2,020,564	949,094	27,756,468
EXPENDITURES						
Current:						
Instruction	14,752,435	-	-	75,174	-	14,827,609
Support Services:						
General Administration	5,393,812	-	-	-	969,213	6,363,025
Rent	1,419,917	-	-	-	-	1,419,917
Maintenance and Operations	198,868	-	-	1,697,016	-	1,895,884
Other Supporting Services	-	-	156,271	-	-	156,271
Capital Outlay	28,596	-	-	29,432	22,530	80,558
Debt Service:						
Principal	121,118	800,000	-	23,015	-	944,133
Interest	43,874	605,750	-	-	-	649,624
Total Expenditures	21,958,620	1,405,750	156,271	1,824,637	991,743	26,337,021
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	654,976	138,603	472,590	195,927	(42,649)	1,419,447
OTHER FINANCING SOURCES (USES)						
Transfers In	461,879	-	-	-	-	461,879
Transfers Out	-	(93,838)	(368,041)	-	-	(461,879)
Total Other Financing Sources (Uses)	461,879	(93,838)	(368,041)	-	-	-
NET CHANGE IN FUND BALANCE	1,116,855	44,765	104,549	195,927	(42,649)	1,419,447
Fund Balance - Beginning of Year	7,146,178	2,808,086	1,655,602	599,559	310,621	12,520,046
FUND BALANCE - END OF YEAR	$ 8,263,033	$ 2,852,851	$ 1,760,151	$ 795,486	$ 267,972	$ 13,939,493

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balance as Shown on Previous Page	$ 1,419,447
Amounts reported for governmental activities in the statement of activities are different because:	
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 and amortization expense.	
Capital Outlay	80,558
Depreciation and Amortization Expense	(1,023,997)
Governmental funds do not report gain or loss on disposal of capital assets. Instead only the gain or loss is recorded as revenue or expense.	
Net Book Value of Disposed Assets	(4,191)
Repayments of debt, leases, and SBITA principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Principal Payments	944,133
Interest is paid when due in the governmental funds but recorded when payable in the statement of activities.	12,000
Governmental funds report the effect of premiums and loss on refundings when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium Amortization	63,960
Loss on Refunding Amortization	(190,190)
Governmental funds do not report contributed assets. Instead these are only reported on the Statement of Activities as Contribution Revenue and the Statement of Net Position as Capital Assets.	1,303,080
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:	
Change in Accrued Compensated Absences	(72,725)
Pension Expense	(1,231,129)
OPEB Credit	124,468
Change in Net Position of Governmental Activities as Reported on the Statement of Activities	$ 1,425,414

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Peak to Peak Charter Schools, Inc. (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:

Financial 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 Boulder Valley School District RE-2 (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.

Peak to Peak Charter Schools, Inc. was formed on May 12, 1998 and began operations as an incorporated school in 2000. The School has been granted 501(c)(3) status by the Internal Revenue Service (IRS). The School operates under a charter granted by the Boulder Valley School District RE-2 (the District) Board of Education and is reported as a discretely presented component unit of the District in the District's Annual Report.

Blended Component Units

The accompanying financial statements present the School and two nonprofit organizations considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the School's operations. Prairie View, Inc. and Friends of Peak to Peak, Inc. (the Foundation) meet the requirements for blending.

Prairie View, Inc. was established for the purpose of financing and constructing the school facilities and to accumulate resources from the collection of rents from the School to make payments for Prairie View, Inc.'s capital and debt service costs. Prairie View, Inc. does not issue separate financial statements.

The Foundation was established to aid in development of the School and is responsible for raising funds to be used for the expansion of the School and its educational objectives. The Foundation does not issue separate financial statements.

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 activities of the School. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

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.

Fund Financial Statements

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.

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

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 Fund – Prairie View, Inc.

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 Prairie View, Inc. Revenues are derived from the rental income provided by the General Fund to Prairie View, Inc.

Special Revenue Fund – Friends of Peak to Peak, Inc.

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 Friends of Peak to Peak, Inc. Revenues are derived from donations received for the School on behalf of Friends of Peak to Peak.

Special Revenue Fund – Operations and Maintenance Fund

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 School's operations and maintenance activities related to a mill levy override as allowed by Colorado House Bill 16-1354 (HB-1354).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

The nonmajor governmental fund presented in the accompanying basic financial statements is as follows:

Special Revenue Fund – Food Services Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted for specified purposes. The School reports a special revenue fund for the School's food services activity.

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. However, debt service expenditures are recorded only when payment is due.

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.

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 and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Investments

Peak to Peak Charter Schools, Inc.'s investments are reported at fair value except for money market funds and CSAFE which are measured at amortized cost and investments in ColoTrust which are measured at net asset value (NAV).

Capital Assets

Capital assets purchased by the School which include land, construction in progress, land improvements, buildings, building improvements, and equipment, are reported in the government-wide financial statements. All capital assets are valued at acquisition cost or estimated acquisition cost if actual acquisition cost is not available. Donated capital assets are recorded at acquisition value 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).

All reported capital assets, except for land and construction in progress, 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.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received form the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

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 consumption of net assets that applies to a future period. Deferred outflows for the School as of June 30, 2024 consist of deferred losses on debt refunding, deferred outflows related to pension and deferred outflows related to OPEB.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

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 $899,568.

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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Pension Liability

The School's governmental activities report a net pension liability as of June 30, 2024. Due to GASB Statement No. 68, the School is required to report its proportionate share of PERA's unfunded pension liability. See Note 8 for additional information.

Postemployment Benefits Other Than Pensions (OPEB) Liability

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.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. See Notes 8 and 9 for the deferred pension inflows of resources and deferred OPEB inflows of resources, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

On-Behalf Payments

GAAP requires 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.

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 and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. The unrestricted classification includes all net position not invested in capital assets or restricted.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable fund balance.** This classification includes 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. For the General fund, Operations and Maintenance Fund, and the Food Services fund, nonspendable resources reported are $40,630, $21,452, and $18,954, respectively.

- **Restricted fund balance.** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balances in the School’s General Fund and special revenue funds – Operations and Maintenance and Food Services Fund are described in Note 7. Restrictions for the Friends of Peak to Peak, Inc. fund balance are described in Note 7. Restrictions for Prairie View, Inc., are described in Note 7.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Net Position/Fund Balance (Continued)

- **Committed fund balance.** This classification includes 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. Friends of Peak to Peak, Inc. has a committed fund balance of $89,414 for scholarships.

- **Assigned fund balance.** This classification includes 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. For the Friends of Peak to Peak, Inc. fund and the Food Services fund, the remaining positive amounts not classified in the above categories are considered assigned, which total $337,634.

- **Unassigned fund balance.** This classification includes the residual fund balance for the General Fund.

The School will typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

NOTE 2 CASH AND INVESTMENTS

Cash and investments are reported in the financial statements at June 30, 2024 as follows:

Cash and Investments	$ 10,720,537
Restricted Cash and Investments	4,413,132
Total	$ 15,133,669

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. 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, 2024, the School's bank deposits were $2,313,916 and were covered by federal depository insurance and by collateral held by authorized escrow agents in the financial institution's name (PDPA).

The School bought a 2 month Certificate of Deposit (CD) in June 2024, totaling $89,121 under Friends of Peak to Peak. The CD has an interest rate of 4.16% and matured in August 2024. As the CD is short term, it is included in Cash and Cash Equivalents in the Balance Sheet.

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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.

Investments at June 30, 2024 consist of the following:

Investment	Maturity Less Than One Year	Maturity 1 - 5 Years	Maturity 6-10 Years	Total	Concentration	Standard & Poor's Rating
ColoTrust	$ 8,297,580	$ -	$ -	$ 8,297,580	74.4 %	AAAm
Colorado Surplus Asset Fund (CSAFE)	1,710,016	-	-	1,710,016	15.3	AAAm
First American Government Obligations Fund #3802	1,142,835	-	-	1,142,835	10.2	AAAm
Total	$ 11,150,431	$ -	$ -	$ 11,150,431	100.0 %	

Friends of Peak to Peak, Inc.'s investments consisted of a restricted endowment for $1,551,722 held with the Community First Foundation, which does not have a credit rating and $32,236 held in restricted bond and money market funds that do not have a credit rating.

Fair Value Measurements

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

The School has the following recurring fair value measurements as of June 30, 2024:

Endowment held within the Community First Foundation is valued based on unobservable inputs including information from owner-to-owner transactions and the Foundation's own assumptions (Level 3). As of June 30, 2024, Peak to Peak Charter School has a total of $1,551,722 within Level 3 investments.

As of June 30, 2024, the School invested $8,297,580 in the Colorado Local Government Asset Trust (ColoTrust) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, ColoTrust PRIME and ColoTrust Plus+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S. 24-75-601. A designated custodial bank services as custodian for the Trust's portfolios pursuant to a custodian agreement.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. ColoTrust is rated AAAm by Standard & Poor's ColoTrust records investment at fair value and the School records investments in ColoTrust at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of June 30, 2024, the School invested $1,710,016 in the Colorado Surplus Asset Fund (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to $1.00. CSAFE is rated AAAm by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. The redemption frequency is daily, and there is no redemption notice period.

As of June 30, 2024, the School invested $1,142,835 in the First American Government Obligations Fund #3802, a money market fund which complied with the Rule 2a-7 definition of a government money market fund. The Fund is rated AAAm by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

Credit Risk

The School does not have an investment policy for 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.

Interest Rate Risk

The Trustee is required to maintain liquidity of the investment funds held so as to meet cash requirements of the principal and interest requirements of the bonds on a semiannual basis. The money market funds held in investments have maturities of less than one year.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital Assets, Not Depreciated:					
Land	$ 2,787,984	$ -	$ -	$ -	$ 2,787,984
Construction in Progress	633,022	1,303,080	-	(196,855)	1,739,247
Total Capital Assets, Not Depreciated	3,421,006	1,303,080	-	(196,855)	4,527,231
Capital Assets, Being Depreciated:					
Land Improvements	4,728,775	-	-	-	4,728,775
Buildings and Building Improvements	29,077,179	-	(7,982)	-	29,069,197
Equipment	666,941	80,558	-	196,855	944,354
Total Capital Assets, Being Depreciated	34,472,895	80,558	(7,982)	196,855	34,742,326
Accumulated Depreciation:					
Land Improvements	(2,412,032)	(194,822)	-	-	(2,606,854)
Buildings and Building Improvements	(9,304,033)	(607,255)	3,791	-	(9,907,497)
Equipment	(339,281)	(60,306)		-	(399,587)
Total Accumulated Depreciation	(12,055,346)	(862,383)	3,791	-	(12,913,938)
Total Capital Assets, Being Depreciated, Net	22,417,549	(781,825)	(4,191)	196,855	21,828,388
Right-to-Use Lease Assets:					
Vehicles	1,220,837	-	-	-	1,220,837
Equipment	65,165	-	-	-	65,165
Total Right-to-Use Lease Assets	1,286,002	-	-	-	1,286,002
Accumulated Amortization:					
Vehicles	(90,206)	(122,084)	-	-	(212,290)
Equipment	(12,354)	(16,291)	-	-	(28,645)
Total Accumulated Amortization	(102,560)	(138,375)	-	-	(240,935)
Total Right-to-Use Assets Being Amortized, Net	1,183,442	(138,375)	-	-	1,045,067
Subscription-Based IT Arrangement Assets:					
SBITA Assets	69,716	-	-	-	69,716
Total SBITA Assets	69,716	-	-	-	69,716
Accumulated Amortization:					
SBITA Assets	(19,366)	(23,239)	-	-	(42,605)
Total Accumulated Amortization	(19,366)	(23,239)	-	-	(42,605)
Total Subscription-Based IT Arrangement Assets Being Amortized, Net	50,350	(23,239)	-	-	27,111
Total Capital Assets	$ 27,072,347	$ 359,641	$ (4,191)	$ -	$ 27,427,797

Total depreciation and amortization expense of $1,023,997 was charged to the instructional ($653,253) and support services ($370,744) functions of the School for the year ended June 30, 2024.

NOTE 4 LONG-TERM LIABILITIES

On July 15, 2014, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $17,880,000 Charter School Refunding Revenue Bonds, Series 2014. Proceeds were used to refund the outstanding Series 2004 Charter School Revenue and Refunding Bonds. Interest accrues at rates ranging from 2% to 5% per annum, and is payable semi-annually on August 15 and February 15. Principal payments are due annually on August 15, through 2034.

Prairie View, Inc. 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 term of the agreement is equal to the expected principal and interest payments to be made over the life of the bonds, approximately $26,600,000. One hundred percent of lease revenues have been pledged under the agreement. Lease revenue of $1,419,917 was approximately equal to the debt service requirements of the bond for the year ended June 30, 2024.

Bonds payable consisted of the following at June 30, 2024:

Description	Amount
Charter School Refunding Revenue Bonds dated July 15, 2014, due in annual installments ranging from $470,000 to $1,350,000 through August 2034; interest (rate ranging from 2.00% to 5.00%) payable semi-annually on August 15 and February 15. Revenue from the rental of the building (Note 5) has been pledged to pay principal and interest.	$ 11,795,000
Plus: Bond Premium	639,596
Subtotal	12,434,596
Less: Current Portion	(900,000)
Total	$ 11,534,596

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

Changes in long-term liabilities for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Bonds Payable - Series 2014	$ 12,595,000	$ -	$ (800,000)	$ 11,795,000	$ 830,000
Premium - Series 2014	703,556	-	(63,960)	639,596	-
Compensated Absences	324,797	276,022	(203,297)	397,522	261,543
Lease Liabilities:					
Vehicles	1,156,188	-	(106,029)	1,050,159	109,984
Equipment	52,825	-	(15,089)	37,736	15,729
SBITA Liability	48,496	-	(23,015)	25,481	25,481
Total	$ 14,880,862	$ 276,022	$ (1,211,390)	$ 13,945,494	$ 1,242,737

Compensated absences are primarily paid out of the School's general fund.

The following schedule represents the School's debt service requirements to maturity for outstanding revenue bonds at June 30, 2024:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 900,000	$ 569,000	$ 1,469,000
2026	870,000	526,500	1,396,500
2027	915,000	481,875	1,396,875
2028	960,000	435,000	1,395,000
2029	1,010,000	385,750	1,395,750
2030-2035	7,140,000	1,132,250	8,272,250
Total	$ 11,795,000	$ 3,530,375	$ 15,325,375

NOTE 5 LEASE LIABILITIES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS LIABILITY

Leases

Intra-Entity Lease

The School leases its building from Prairie View, Inc. The lease requires monthly payments, which approximate Prairie View, Inc.'s required payments on the bonds (see Note 4) and may be terminated in any year by nonappropriation of funds. Prairie View, Inc. has pledged the lease payments to pay bond principal and interest.

Rent expense was $1,419,917 for the year ended June 30, 2024, and is included in support services expenditures. The lease between the School (lessee) and Prairie View, Inc. (lessor) includes certain restrictive covenants related to expenditures and unrestricted cash balances. The School believes it is in compliance with the covenants.

NOTE 5 LEASE LIABILITIES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS LIABILITY (CONTINUED)

Leases (Continued)

Intra-Entity Lease (Continued)

The School leases equipment (copiers) as well as vehicles (school buses) for various terms under long-term, noncancellable lease agreements. The equipment leases expire in 2027 and the vehicle leases expire in 2033. The equipment leases are calculated using a 4.21% interest rate and the vehicle leases are calculated using a 3.62% interest rate.

The right-to-use lease assets and the related accumulated amortization are detailed in Note 3.

The equipment leases have the following principal and interest requirements to maturity:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 15,729	$ 1,264	$ 16,993
2026	16,391	602	16,993
2027	5,616	49	5,665
Total	$ 37,736	$ 1,915	$ 39,651

The vehicle leases have the following principal and interest requirements to maturity:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 109,984	$ 38,016	$ 148,000
2026	113,966	34,034	148,000
2027	118,091	29,909	148,000
2028	122,295	25,705	148,000
2029	126,793	21,207	148,000
2030-2034	459,030	35,904	494,934
Total	$ 1,050,159	$ 184,775	$ 1,234,934

Subscription-Based Information Technology Arrangements

The School has entered into subscription based-information technology arrangements (SBITAs) for accounting and finance software. The SBITAs expire in 2025. The SBITAs were calculated using a 4.25% interest rate.

The SBITAs and the related accumulated amortization are detailed in Note 3.

The SBITAs have the following principal and interest requirements to maturity:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 25,481	$ 181	$ 25,662
Total	$ 25,481	$ 181	$ 25,662

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 10 years.

NOTE 7 RESTRICTION OF NET POSITION / 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. At June 30, 2024, management believes the School has complied with the requirements to include emergency reserves in its budgetary basis fund balance in the amount of $759,264 split between the General Fund ($676,807), Operations and Maintenance Fund ($60,617), and the Food Services Fund ($21,840).

Prairie View, Inc. is required to hold funds in escrow accounts related to its bond obligations, fund balance is restricted attributable to the restrictions on its cash and investments in the amount of $2,591,223 and $261,628 restricted for repairs and maintenance.

Friends of Peak to Peak, Inc. has $1,551,722 of fund balance restricted for scholarship funds and $8,559 restricted for advanced placement testing.

$713,417 of the special revenue fund – Operations and Maintenance Fund balance has been restricted for the School's repairs and maintenance activities related to a mill levy override as required by HB-1354.

NOTE 8 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

On-Behalf Payments

GAAP requires 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 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies (Continued)

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, 2023

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.

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.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

- $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 (IRC).

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 five 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.

Contributions Provisions as of June 30, 2024

Eligible employees of the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions Provisions as of June 30, 2024 (Continued)

	July 1, 2023 Through June 30, 2024
Employer Contribution Rate[1]	11.40 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)
Amount Apportioned to the SCHDTF[1]	10.38
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	4.50
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.50
Total Employer Contribution Rate to the SCHDTF[1]	20.38 %

Contribution rates for the SCHDTF in the table above 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 $2,406,960 for the year ended June 30, 2024.

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 a $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. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of $14.561 million for 2023 only.

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, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the School reported a liability of $29,745,749 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

The School's Proportionate Share of the Net Pension Liability	$ 29,745,749
State's Proportionate Share of the Net Pension Liability Associated with the School	652,236
Total	$ 30,397,985

At December 31, 2023, the School's proportion was 0.16821%, which was an increase of 0.03470% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized pension expense of $2,468,842 and revenue of $49,694 for support from the State as a nonemployer contributing entity. At June 30, 2024, 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	$ 1,410,512	$ -
Changes of Assumptions or Other Inputs	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,132,307	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	3,706,666	1,272,143
Contributions Subsequent to the Measurement Date	1,237,713	-
Total	$ 8,487,198	$ 1,272,143

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)

$1,237,713 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, 2025. 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
2025	$ 1,224,362
2026	2,831,004
2027	2,516,521
2028	(594,545)
Total	$ 5,977,342

Actuarial Assumptions

The TPL in the December 31, 2022, 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 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 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 non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the 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, 2022, valuation was based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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	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%.

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 SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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.

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

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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	$ 39,775,015	$ 29,745,749	$ 21,382,556

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 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

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 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (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 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (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 $120,466 for the year ended June 30, 2024.

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

At June 30, 2024, the School reported a liability of $718,240 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the School's proportion was 0.10063%, which was a decrease of 0.00088% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School recognized an OPEB credit of $62,522 for its proportionate share of the plan's OPEB credit. At June 30, 2024, 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	$ -	$ 147,210
Changes of Assumptions or Other Inputs	8,446	76,158
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	22,214	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	56,928	11,842
Contributions Subsequent to the Measurement Date	61,946	-
Total	$ 149,534	$ 235,210

$61,946 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, 2025. 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
2025	$ (74,051)
2026	(29,508)
2027	(5,978)
2028	(26,232)
2029	(9,021)
Thereafter	(2,832)
Total	$ (147,622)

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial Assumptions

The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Trust Fund			
	State Division	School Division	Local Government	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	7.00% in 2023, gradually decreasing to 4.50% in 2033			
Medicare Part A Premiums	3.50% in 2023, gradually increasing to 4.50% in 2035			

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
Sample	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	$1,692	$1,406	$579	$481	$1,913	$1,589
70	$1,901	$1,573	$650	$538	$2,149	$1,778
75	$2,100	$1,653	$718	$566	$2,374	$1,869

	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
Sample	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	$6,469	$5,373	$4,198	$3,487	$6,719	$5,581
70	$7,266	$6,011	$4,715	$3,900	$7,546	$6,243
75	$8,026	$6,319	$5,208	$4,101	$8,336	$6,563

The 2023 Medicare Part A premium is $506 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, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, 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 on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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.

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

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

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

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

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

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

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

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

<u>Actuarial Assumptions (Continued)</u>

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

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

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, 2022, valuation was based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions and were adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial Assumptions (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	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	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 697,626	$ 718,240	$ 740,664

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Discount Rate

The discount rate used to measure the 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, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Discount Rate (Continued)

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	$ 848,332	$ 718,240	$ 606,947

OPEB Plan Fiduciary Net Position

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

NOTE 10 INTERFUND TRANSFERS PLAN

During the year ended June 30, 2024, $368,041 was transferred to the School's General Fund from the Friends of Peak to Peak, Inc. special revenue fund related to donated funds raised by Friends of Peak to Peak, Inc. for the school's operating expenditures. In addition, during the year ended June 30, 2024, Prairie View, Inc. transferred $93,838 to the School's General Fund related to excess bond reserves accumulated during the year ended June 30, 2024.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Per Pupil Revenue	$ 15,155,160	$ 15,146,578	$ 15,146,578	$ -
District Mill Levy	4,312,250	4,285,835	4,285,835	-
Intergovernmental	1,191,504	1,456,982	1,287,052	(169,930)
Other Income	942,359	1,304,500	1,459,068	154,568
Investment Income	90,000	350,000	435,063	85,063
Total Revenues	21,691,273	22,543,895	22,613,596	69,701
EXPENDITURES				
Current:				
Instruction	13,377,162	14,003,190	14,752,435	(749,245)
Support Services:				
General Administration	7,022,308	7,131,667	5,393,812	1,737,855
Rent	-	-	1,419,917	(1,419,917)
Facilities and Maintenance	144,886	181,871	198,868	(16,997)
Capital Outlay	-	-	28,596	(28,596)
Debt Service	1,439,792	1,442,792	164,992	1,277,800
Total Expenditures	21,984,148	22,759,520	21,958,620	800,900
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(292,875)	(215,625)	654,976	870,601
OTHER FINANCING SOURCES (USES)				
Transfers In	385,750	393,750	461,879	68,129
Total Other Financing Sources (Uses)	385,750	393,750	461,879	68,129
NET CHANGE IN FUND BALANCE	92,875	178,125	1,116,855	938,730
Fund Balance - Beginning of Year	6,182,460	7,146,178	7,146,178	-
FUND BALANCE - END OF YEAR	$ 6,275,335	$ 7,324,303	8,263,033	$ 938,730
NON-GAAP BUDGETARY ADJUSTMENTS				
FUND BALANCE - END OF YEAR GAAP BASIS			$ 8,263,033	

See accompanying Notes to Required Supplementary Information.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – FRIENDS OF PEAK TO PEAK, INC.
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Donations	$ 517,000	$ 532,000	$ 485,708	$ (46,292)
Investment Income	80,000	80,000	143,153	63,153
Total Revenues	597,000	612,000	628,861	16,861
EXPENDITURES				
Current:				
Support Services:				
Other Supporting Services	171,152	178,152	156,271	21,881
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	425,848	433,848	472,590	38,742
OTHER FINANCING SOURCES (USES)				
Transfers Out	(385,750)	(393,750)	(368,041)	25,709
NET CHANGE IN FUND BALANCE	40,098	40,098	104,549	64,451
Fund Balance - Beginning of Year	1,537,164	1,655,602	1,655,602	-
FUND BALANCE - END OF YEAR	$ 1,577,262	$ 1,695,700	$ 1,760,151	$ 64,451

See accompanying Notes to Required Supplementary Information.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
District Mill Levy	$ 1,933,535	$ 2,020,564	$ 2,020,564	$ -
EXPENDITURES				
Current:				
Instruction	151,520	168,809	75,174	93,635
Maintenance and Operations	1,828,445	1,829,171	1,697,016	132,155
Capital Outlay	20,000	46,118	29,432	16,686
Principal Payments	-	-	23,015	(23,015)
Total Expenditures	1,999,965	2,044,098	1,824,637	219,461
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(66,430)	(23,534)	195,927	219,461
NET CHANGE IN FUND BALANCE	(66,430)	(23,534)	195,927	219,461
Fund Balance - Beginning of Year	512,152	599,559	599,559	-
FUND BALANCE - END OF YEAR	$ 445,722	$ 576,025	$ 795,486	$ 219,461

See accompanying Notes to Required Supplementary Information.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS*

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan Measurement Date	12/31/2023	12/31/2022	44561	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
The School's Proportion of the Net Pension Liability	0.168212631%	0.133516677%	0.150313446%	0.165766809%	0.141332291%	0.144756590%	0.161459707%	0.156919771%	0.153821338%	0.149301336%
The School's Proportionate Share of the Net Pension Liability	$ 29,745,749	$ 24,312,673	$ 17,492,526	$ 25,060,598	$ 21,114,738	$ 25,632,127	$ 52,210,331	$ 46,721,084	$ 23,525,888	$ 20,235,346
State's Proportionate Share of the Net Pension Liability Associated with the School **	652,236	7,084,957	2,005,295	-	2,678,135	3,504,838	-	-	-	-
Total	$ 30,397,985	$ 31,397,630	$ 19,497,821	$ 25,060,598	$ 23,792,873	$ 29,136,965	$ 52,210,331	$ 46,721,084	$ 23,525,888	$ 20,235,346
The School's Covered Payroll	11,120,371	10,301,512	9,394,116	8,863,499	8,304,758	7,958,049	7,523,556	7,042,730	7,196,937	6,715,234
The School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	267.50%	236.01%	186.20%	282.74%	254.20%	322.09%	693.96%	663.39%	326.89%	301.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.74%	61.79%	74.90%	66.99%	64.50%	57.01%	43.96%	43.10%	59.20%	62.80%

* 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.
**HB 20-1379 suspended the direct distribution scheduled for July 1, 2020 in fiscal year 2021.

See accompanying Notes to Required Supplementary Information.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions	$ 2,406,960	$ 2,129,323	$ 1,997,627	$ 1,807,640	$ 1,661,191	$ 1,556,140	$ 1,465,859	$ 1,343,137	$ 1,223,456	$ 1,070,807
Contributions in Relation to the Statutorily Required Contribution	2,406,960	2,129,323	1,997,627	1,807,640	1,661,191	1,556,140	1,465,859	1,343,137	1,223,456	1,070,807
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 11,810,402	$ 10,448,103	$ 10,048,427	$ 9,092,756	$ 8,571,676	$ 8,134,555	$ 7,763,266	$ 7,294,252	$ 6,872,086	$ 6,390,053
Contribution as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.41%	17.80%	16.76%

See accompanying Notes to Required Supplementary Information.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST EIGHT FISCAL YEARS*

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
The School's Proportion (Percentage) of the Collective Net OPEB Liability	0.1006325106%	0.1015162150%	0.0981432991%	0.0958479242%	0.0923614707%	0.0940925955%	0.0915479910%	0.0891950744%
The School's Proportionate Share of the Collective OPEB Liability	$ 718,240	$ 828,859	$ 846,295	$ 910,771	$ 1,038,141	$ 1,280,169	$ 1,189,758	$ 1,156,444
Covered Payroll	$ 11,120,371	$ 11,120,371	$ 10,301,512	$ 9,394,116	$ 8,863,499	$ 8,304,758	$ 7,958,049	$ 7,523,556
The School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	6.46%	7.45%	8.22%	9.70%	11.71%	15.41%	14.95%	15.37%
Plan Fiduciary Net OPEB as a Percentage of the Total OPEB Liability	46.16%	38.57%	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 2017 was not available.

See accompanying Notes to Required Supplementary Information.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions	$ 120,466	$ 106,571	$ 102,494	$ 92,746	$ 87,431	$ 82,972	$ 79,185	$ 74,401	$ 70,180	$ 65,178
Contributions in Relation to the Statutorily Required Contribution	120,466	106,571	102,494	92,746	87,431	82,972	79,185	74,401	70,180	65,178
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 11,810,402	$ 10,448,103	$ 10,048,427	$ 9,092,756	$ 8,571,676	$ 8,134,555	$ 7,763,266	$ 7,294,252	$ 6,872,086	$ 6,390,053
Contribution as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See accompanying Notes to Required Supplementary Information.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

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 allow 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 GAAP except for the General Fund which is on the budgetary basis.

g) Budgeted amounts reported in the accompanying supplemental 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 after the October 1, 2021 student count day.

h) There was no legally adopted budget for Prairie View, Inc.

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

NOTE 2 NET PENSION LIABILITY

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

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%, 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 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent 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.

NOTE 2 NET PENSION LIABILITY (CONTINUED)

- 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 non-disabled 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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

- The post-retirement non-disabled 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.

- 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%.

NOTE 2 NET PENSION LIABILITY (CONTINUED)

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.

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 NET OPEB LIABILITY

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.

- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

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 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent 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.

NOTE 3 NET OPEB LIABILITY (CONTINUED)

- The post-retirement non-disabled 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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled 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 non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
    - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
    - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- 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.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Food Sales	$ 110,000	$ 110,000	$ 85,363	$ (24,637)
National School Lunch Program Revenue	760,000	860,000	863,731	3,731
Total Revenues	870,000	970,000	949,094	(20,906)
EXPENDITURES				
Current:				
Support Services:				
Capital Outlay	-	-	22,530	(22,530)
Food Service Operations	890,828	995,848	969,213	26,635
Total Expenditures	890,828	995,848	991,743	4,105
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,828)	(25,848)	(42,649)	1,998
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
NET CHANGE IN FUND BALANCE	(20,828)	(25,848)	(42,649)	(16,801)
Fund Balance - Beginning of Year, as Restated	111,089	310,621	310,621	-
FUND BALANCE - END OF YEAR	$ 90,261	$ 284,773	$ 267,972	$ (16,801)