BOULDER PREPARATORY HIGH SCHOOL

FINANCIAL STATEMENTS

June 30, 2019

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BOULDER PREPARATORY HIGH SCHOOL

ROSTER OF SCHOOL OFFICIALS

June 30, 2019

BOARD MEMBERS

Peter Vigil, Chair

Manijeh Taherynia, Secretary

Lauren Burdekin, Treasurer

Stephani Carlile, Member

Rolly Schendel, Member

Brian Church, Member

Daniel Witt, Board Fellow

SCHOOL MANAGEMENT

Lili Adeli, Headmaster

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Boulder Preparatory High School
Boulder, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and remaining fund information of Boulder Preparatory High School, a component unit of Boulder Valley School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Boulder Preparatory High School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and remaining fund information of Boulder Preparatory High School as of June 30, 2019, 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.

Emphasis of a Matter

Separate Charter School

Boulder Preparatory High School has a separate charter school contract with Boulder Valley School District. The Colorado Department of Education requires each School to provide separate audited financial statements. As described in Note 1, the majority of the School's funding is provided by the District. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii – viii, budgetary comparison information on page 30 and pension and other post-employment benefits schedules on pages 31 – 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boulder Preparatory High School's basic financial statements. The budgetary comparison schedule - Operations and Technology Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedule - Operations and Technology Fund 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule - Operations and Technology Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
November 13, 2019

BOULDER PREPARATORY HIGH SCHOOL

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2019

As management of Boulder Preparatory High School ("the School"), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

The School was formed in 1996 and was granted a charter by the Boulder Valley School District RE-2 ("the District") in 1997.

Financial Highlights

- The liabilities and deferred inflows of resources of the School exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by $2,274,299 (net position).
- Total net position increased $383,258 during 2019.
- At the close of the current fiscal year, the School's governmental funds reported fund balance of $548,613, an increase of $131,415 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund is $431,884, or approximately 35.7% of total general fund expenditures.

Overview of Financial Statements

The discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

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

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

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

The government-wide financial statements can be found on pages 1-2.

Fund Financial Statements Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. 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. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, except that the focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Both the balance sheet and the statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental funds and the governmental activities.

The School reports one governmental fund that is considered a major fund, the general fund, and one additional fund reported as a non-major governmental fund. The basic governmental fund financial statements can be found on pages 3-5. Fund information for the nonmajor fund is presented after the notes section of this report.

Notes to Basic Financial Statements The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 6-29.

Government-Wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the School, liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year.

A portion of the School's net position ($420,970) reflects its investment in capital assets (e.g. land and buildings) less any related outstanding debt and was used to acquire those assets. The School uses capital assets to provide a variety of services to its students. Accordingly, these assets are not available for future spending. Although the School's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the School's net position ($113,419) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is a deficit of $2,808,688, which represents the portion that is unrestricted and would otherwise be used to meet the School's ongoing obligations.

Net position increased $383,258 from the previous year, due primarily to a decrease in net pension liability and changes in related deferred inflows and outflows of resources.

Boulder Preparatory High School
Comparative Summary of Net Position

	Governmental Activities	
	2019	**2018**
Assets		
Current and other assets	$ 550,797	$ 420,376
Capital assets	582,482	546,849
Total Assets	1,133,279	967,225
Deferred Outflows of Resources	612,986	1,253,684
Liabilities		
Other liabilities	2,184	3,178
Long-term liabilities	161,512	173,742
Net pension liability	1,962,530	4,342,225
Net OPEB liability	98,016	99,158
Total Liabilities	2,224,242	4,618,303
Deferred Inflows of Resources	1,796,322	260,163
Net Position		
Net investment in capital assets	420,970	373,107
Restricted	113,419	49,687
Unrestricted	(2,808,688)	(3,080,351)
Total Net Position	$ (2,274,299)	$ (2,657,557)

Current and other assets increased $130,421 from the prior year, due primarily to an excess of revenues over expenses, excluding adjustments to net pension and OPEB expense. Capital assets increased $35,633, due to completion of a capital improvement renovation project, offset by depreciation expense.

Net pension liability decreased $2,379,695, in addition to changes in related deferred inflows of resources and deferred outflows of resources, due to the application of GASB Nos. 68 and 71, when compared to typical accounting treatment reported in the governmental funds. The net impact caused the School to recognize approximately $330,000 of negative pension related expense during 2019 in the Statement of Activities, compared to prior year pension related expense of approximately $723,000. The significant change is primarily the result of Senate Bill (SB) 18-200, passed by the Colorado General Assembly and signed into law on June 4, 2018. SB 18-200 requires increases to employer and employee contribution rates and modifications to certain retirement benefits. Beginning July 1, 2018, the State is also required to contribute $225.0 million each year directly to Colorado PERA for the benefit of the School Division Trust Fund and certain other divisions of Colorado PERA.

Net position increased $383,258 during 2019, the reasons for which are discussed below.

Boulder Preparatory High School
Comparative Summary of Changes in Net Position

	Governmental Activities	
	2019	**2018**
Revenues:		
Program Revenues		
Operating grants and contributions	$ 175,522	$ 241,817
Capital grants and contributions	94,863	74,101
General Revenues		
Per pupil revenues	803,605	659,352
District mill levy	318,786	252,389
At-risk supplemental aid	13,929	11,926
Grants and contributions not restricted	32,932	35,519
Investment earnings	2,695	1,392
Total revenues	1,442,332	1,276,496
Expenses:		
Instruction	680,620	1,126,785
Supporting services	371,669	790,954
Interest expense	6,785	8,372
Total expenses	1,059,074	1,926,111
Change in Net Position	383,258	(649,615)
Net Position, Beginning	(2,657,557)	(2,007,942)
Net Position, Ending	$ (2,274,299)	$ (2,657,557)

Total revenues increased $165,836 (13.0%) from the prior year. Operating grants and contributions decreased $66,295 due primarily to expiration of the School's Expelled and At-Risk Student Services (EARSS) grant from the State. Capital grants and contributions increased $20,762, due primarily to an increase in contribution from the District, representing work completed on a School capital improvement project in 2019.

The School's primary source of revenue, per pupil revenues and mill levy overrides, flow from the District based upon the School's enrollment. 2019 per pupil revenue increased $144,253 (21.9%) based on a 14.4% increase in enrolled students compared to the previous fiscal year, and a 3.4% cost of living adjustment, as determined by the State. The School shares in the District's mill levy override revenues on a per pupil basis and received an additional $66,397 in 2019. The increase is due primarily to increased enrollment and an increase in the operations and technology mill levy approved by voters in November 2016.

Total expenses decreased $867,037 (45.0%), due primarily to a decrease of approximately $927,000 in pension and OPEB and related costs, offset by increased staffing and other costs associated with an increase in enrollment described above.

Financial Analysis of the General Fund

The focus of the School's General Fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, an unrestricted fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the school itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes.

At the end of the current fiscal year, unassigned fund balance of the general fund was $431,884, while total fund balance increased $105,125 to $506,351. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 35.7% of total general fund expenditures, while total fund balance represents approximately 41.9% of that same amount.

General Fund Budgetary Highlights

A General Fund Budgetary Schedule is located on page 30 of the financial statements.

Actual revenues exceeded budgeted revenues by $133,635, and actual expenditures were $352,694 less than budgeted expenditures, due primarily to unspent reserves of $375,763.

Capital Assets and Debt Administration

Capital Assets. The School's investment in capital assets (net of depreciation) as of June 30, 2019, and 2018 are as follows.

Boulder Preparatory High School
Capital Assets (Net of Depreciation)

	Governmental Activities	
	2019	2018
Land	$ 76,400	$ 76,400
Construction in Progress	-	52,999
Buildings and Improvements	418,476	325,477
Equipment and Vehicles	87,606	91,973
	$ 582,482	$ 546,849

Additional information on the School's capital assets can be found in Note 3 of the financial statements.

Long-Term Debt. The School's long-term debt as of June 30, 2019, and 2018 is as follows.

Boulder Preparatory High School
Long-term Debt

	Governmental Activities	
	2019	2018
Note Payable	$ 161,512	$ 173,742

The School made principal payments on the note of $12,230 during 2019.

Additional information on the School's long-term debt can be found in Note 4 of the financial statements.

Economic Factors and Next Year's Budget

The primary factor driving the budget for the School is student enrollment. Enrollment for the 2018-19 school year was 99.5 full-time equivalent (FTE) students. Enrollment projected for the 2019-20 school year is 95.0 FTE students, which is lower than the maximum enrollment allowed by the School's contract with the District. The School's contract with the District provides funding of $8,411 per student in 2019-20, compared to $8,058 in 2018-19. Additionally, the School receives mill levy override and categorical revenue from the District on a per pupil basis. While these revenue sources remain relatively flat, for the tenth consecutive year the Colorado State Legislature continued to lower the statewide total funding by applying a budget stabilization factor (negative factor, previously) to reduce total program funding received. The School may need to seek other local sources to balance its budget.

Requests for Information

This financial report is designed to provide a general overview of the finances for interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

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Boulder Preparatory High School
5075 Chaparral Court Unit 1
Boulder, CO 80301
liliadeli@boulderprep.org

BASIC FINANCIAL STATEMENTS

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Boulder Preparatory High School
STATEMENT OF NET POSITION
June 30, 2019

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	$ 547,487
Prepaid Items	3,310
Capital Assets, Not Being Depreciated	76,400
Capital Assets, Net of Accumulated Depreciation	506,082
TOTAL ASSETS	1,133,279
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Items	608,146
OPEB Related Items	4,840
TOTAL DEFERRED OUTFLOWS OF RESOURCES	612,986
LIABILITIES	
Accounts Payable	2,184
Noncurrent Liabilities	
Due Within One Year	11,197
Due in More Than One Year	150,315
Net Pension Liability	1,962,530
Net OPEB Liability	98,016
TOTAL LIABILITIES	2,224,242
DEFERRED INFLOWS OF RESOURCES	
Pension Related Items	1,661,602
OPEB Related Items	134,720
TOTAL DEFERRED INFLOWS OF RESOURCES	1,796,322
NET POSITION	
Net Investment in Capital Assets	420,970
Restricted for Scholarships	33,245
Restricted for Operations and Technology	40,427
Restricted for Emergencies	39,747
Unrestricted	(2,808,688)
TOTAL NET POSITION	$ (2,274,299)

The accompanying notes are an integral part of the financial statements.

Boulder Preparatory High School

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	$ 680,620	$ 22,015	$ 94,863	$ (563,742)
Supporting Services	371,669	153,507	-	(218,162)
Interest Expense	6,785	-	-	(6,785)
Total Governmental Activities	$ 1,059,074	$ 175,522	$ 94,863	(788,689)
		GENERAL REVENUES		
		Per Pupil Revenue		803,605
		District Mill Levy		318,786
		At-Risk Supplemental Aid		13,929
		Grants and Contributions not Restricted to Specific Programs		32,932
		Investment Earnings		2,695
		TOTAL GENERAL REVENUES		1,171,947
		CHANGE IN NET POSITION		383,258
		NET POSITION, Beginning		(2,657,557)
		NET POSITION, Ending		$ (2,274,299)

The accompanying notes are an integral part of the financial statements.

Boulder Preparatory High School
BALANCE SHEET
Governmental Funds
June 30, 2019

	GENERAL	NONMAJOR GOVERNMENTAL FUND	TOTAL
ASSETS			
Cash and investments	$ 505,225	$ 42,262	$ 547,487
Prepaid Items	3,310	-	3,310
TOTAL ASSETS	$ 508,535	$ 42,262	$ 550,797
LIABILITIES			
Accounts Payable	$ 2,184	$ -	$ 2,184
TOTAL LIABILITIES	2,184	-	2,184
FUND BALANCES			
Nonspendable for Prepaid Items	3,310	-	3,310
Restricted for Scholarships	33,245	-	33,245
Restricted for Operations and Technology	-	40,427	40,427
Restricted for Emergencies	37,912	1,835	39,747
Unassigned	431,884	-	431,884
TOTAL FUND BALANCES	506,351	42,262	548,613
TOTAL LIABILITIES AND FUND BALANCES	$ 508,535	$ 42,262	$ 550,797

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

Total Fund Balances of Governmental Funds	$ 548,613
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	582,482
Long-term liabilities are not due and payable in the current year and, therefore are not reported in governmental funds.	(161,512)
Net pension ($1,962,530) and net OPEB ($98,016) liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.	(2,060,546)
Deferred outflows of resources related to pensions $608,146 and OPEB $4,840 used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	612,986
Deferred inflows of resources related to pensions ($1,661,602) and OPEB ($134,720) used in governmental activities are not due and payable in the current year and, therefore, are not reported in governmental funds.	(1,796,322)
Total Net Position of Governmental Activities	$ (2,274,299)

The accompanying notes are an integral part of the financial statements.

Boulder Preparatory High School
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2019

	GENERAL	NONMAJOR GOVERNMENTAL FUND	TOTAL
REVENUES			
Local Sources	$ 1,100,610	$ 81,567	$ 1,182,177
State Sources	213,917	-	213,917
TOTAL REVENUES	1,314,527	81,567	1,396,094
EXPENDITURES			
Current			
Instruction	782,649	18,566	801,215
Supporting Services	407,738	36,711	444,449
Debt Service			
Principal	12,230	-	12,230
Interest and Fiscal Charges	6,785	-	6,785
TOTAL EXPENDITURES	1,209,402	55,277	1,264,679
NET CHANGE IN FUND BALANCES	105,125	26,290	131,415
FUND BALANCES, Beginning	401,226	15,972	417,198
FUND BALANCES, Ending	$ 506,351	$ 42,262	$ 548,613

The accompanying notes are an integral part of the financial statements.

Boulder Preparatory High School
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances of Governmental Funds	$	131,415
Governmental funds report capital outlay as an expenditure. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This amount represents depreciation expense in the current year.		(26,137)
The effect of capital assets contributed by the District is to increase net position in the statement of activities. However, there is no impact to the fund financial statements.		61,770
Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		12,230
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. This is the amount of net negative pension expense $330,288 and OPEB expense ($126,308) not reported in the governmental funds.		203,980
Change in Net Position of Governmental Activities	$	383,258

The accompanying notes are an integral part of the financial statements.

Boulder Preparatory High School
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Boulder Preparatory High School (the "School") was formed in 1996 and was granted a charter by the Boulder Valley School District RE-2 in 1997.

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

Reporting Entity

The financial reporting entity consists of the School, organizations for which the School is financially accountable and organizations that raise and hold economic resources for the direct benefit of the School. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. Legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on, the School. Based upon the application of this criteria, the School does not include additional organizations within its reporting entity.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the School. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted revenues not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current year and within 90 days of the end of the current year for grants. Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the School. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

The School reports the following major governmental fund:

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

Assets, Liabilities and Fund Equity

Cash and Investments - Investments are reported at fair value.

Prepaid Items - Payments made to vendors for services that will benefit subsequent years are recorded as prepaid items in the government-wide and fund financial statements using the consumption method.

Capital Assets - Capital assets, which consist of land, buildings and improvements, equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition price at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend asset lives are not capitalized.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

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

Buildings and Improvements	20 to 40 years
Equipment and Vehicles	5 to 20 years

The District owns a portion of the School's building, however, only the portion that the School owns is reported in the financial statements.

Deferred Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School reports certain items in this category related to its defined benefit pension and OPEB plans (see Notes 5 and 6).

Net Pension Liability - The School reports a net pension liability for its proportionate share of PERA's unfunded pension liability. See Note 5 for additional information.

Net OPEB Liability - The School reports a net OPEB liability for its proportionate share of PERA's unfunded OPEB liability. See Note 6 for additional information.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School reports certain items in this category related to its defined benefit pension and OPEB plans (see Notes 5 and 6).

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. Amounts that are not in a spendable form or are either legally or contractually required to be maintained intact are reported as nonspendable fund balance. The Board of Trustees is authorized to establish a fund balance commitment through passage of a resolution, and may assign fund balance to a specific purpose through an informal action. The School has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the School uses restricted fund balance first, followed by committed, assigned and unassigned balances.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (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. The amount of on-behalf payments made for the School by the State of Colorado has been recorded in the fund financial statements.

District Purchased Services

The District provides certain maintenance, insurance, administrative and other services to the School. Total current year costs charged to the School were $212,511.

Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School participates in the District's risk management programs for these risks of loss. Settled claims have not exceeded coverage limits in the last three years.

NOTE 2: **CASH AND INVESTMENTS**

At June 30, 2019, the School had the following cash and investments:

Deposits	$ 124,908
Cash Held by the District	392,102
Investments	30,477
Total	$ 547,487

NOTE 2: CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The majority of deposits and cash held by the District are in PDPA-eligible public depositories. Deposits of $5,539 are held in a brokerage account and insured by the Federal Deposit Insurance Corporation (FDIC).

Investments

The School is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local government may invest, which include the following. State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes an investment for a period in excess of five years. State statutes generally do not address custodial risk.

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

In addition to investments allowed under State statute, the School’s investment policy allows for investments in stock mutual funds, bond mutual funds and common stock. At June 30, 2019, the School’s investment balance is comprised of common stock.

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's investment in common stock is measured at fair value on a recurring basis using Level 1 inputs.

NOTE 3: **CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, is summarized below.

	Balance 6/30/18	Additions	Deletions	Balance 6/30/19
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 76,400	$ -	$ -	$ 76,400
Construction in Progress	52,999	61,770	(114,769)	-
Total Capital Assets, Not Being Depreciated	129,399	61,770	(114,769)	76,400
Capital Assets, Being Depreciated				
Buildings and Improvements	445,354	114,769	-	560,123
Equipment and Vehicles	100,393	-	-	100,393
Total Capital Assets, Being Depreciated	545,747	114,769	-	660,516
Less Accumulated Depreciation For				
Buildings and Improvements	119,877	21,770	-	141,647
Equipment and Vehicles	8,420	4,367	-	12,787
Total Accumulated Depreciation	128,297	26,137	-	154,434
Total Capital Assets, Being Depreciated, Net	417,450	88,632	-	506,082
Governmental Activities Capital Assets, Net	$ 546,849	$ 150,402	$ (114,769)	$ 582,482

Depreciation expense was charged to the instruction services program of the School.

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2019.

	Balance 6/30/18	Additions	Payments	Balance 6/30/19	Due Within One Year
Loan Payable	$ 173,742	$ -	$ 12,230	$ 161,512	$ 11,197

In August 2007, the School entered into a loan agreement with First National Bank in the amount of $250,000. The proceeds of the loan were used to purchase a building. The loan agreement requires monthly payments through November 30, 2030. Interest accrues at a variable rate calculated from the 5-Year Treasury Rate plus 1.28 percentage points. At June 30, 2019, the interest rate was 4.75%.

Annual debt service requirements to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ 11,197	$ 7,430	$ 18,627
2021	11,741	6,886	18,627
2022	12,311	6,316	18,627
2023	12,908	5,719	18,627
2024	13,535	5,092	18,627
2025 - 2029	78,194	14,943	93,137
2030 - 2031	21,626	663	22,289
Total	$ 161,512	$ 47,049	$ 208,561

NOTE 5: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions - The School participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position 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.

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies (Continued)

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.

- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).

- As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million 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. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

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 comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018 - 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.

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified 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 retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions provisions as of June 30, 2019 - Eligible employees, the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 30, 2018	January 1, 2019 Through December 30, 2019
Employer Contribution Rate[1]	10.15%	10.15%
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)%	(1.02)%
Amount Apportioned to the SCHDTF[1]	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1]	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1]	5.50%	5.50%
Total Employer Contribution Rate to the SCHDTF[1]	19.13%	19.13%

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million 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. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

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 $115,800 for the year ended June 30, 2019.

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

NOTE 5: <u>DEFINED BENEFIT PENSION PLAN</u> (Continued)

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

At June 30, 2019, the School reported a liability of $1,962,530 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

The School's proportionate share of the net pension liability	$	1,962,530
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	$	268,349
Total	$	2,230,879

At December 31, 2018, the School's proportion was 0.01108332 percent, which was a decrease of 0.00234495 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the School recognized net negative pension expense of $330,966 and revenue of $1,471 for support from the State as a nonemployer contributing entity. At June 30, 2019, 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	$ 66,571	$ -
Changes of assumptions or other inputs	366,315	1,220,482
Net difference between projected and actual earnings on pension plan investments	106,970	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,675	441,120
Contributions subsequent to the measurement date	60,615	-
Total	$ 608,146	$ 1,661,602

$60,615 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

Year ended June 30,		
2020	$	(257,714)
2021		(558,536)
2022		(356,337)
2023		58,516
2024		-
Thereafter		-

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	4.78 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	0% through 2019 and 1.5% compounded annually, thereafter
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 5: <u>DEFINED BENEFIT PENSION PLAN</u> (Continued)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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 rate of return assumption of 7.25%.

Discount rate - The discount rate used to measure the total pension liability was 7.25 percent. 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 3.50%.

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included 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.

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

- As specified in law, the State will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

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

- The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

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

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 2,495,021	$ 1,962,530	$ 1,515,680

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

NOTE 6: 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 and additions to/deductions from the fiduciary net position 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. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

NOTE 6: <u>DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN</u> (Continued)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for 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 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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 percent 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 $6,174 for the year ended June 30, 2019.

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

At June 30, 2019, the School reported a liability of $98,016 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the School's proportion was 0.00720421 percent, which was a decrease of 0.00042568 percent from its proportion measured as of December 31, 2017.

NOTE 6: 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)

For the year ended June 30, 2019, the School recognized OPEB expense of $126,186. At June 30, 2019, 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	$ 356	149
Changes of assumptions or other inputs	688	-
Net difference between projected and actual earnings on OPEB plan investments	564	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	134,571
Contributions subsequent to the measurement date	3,232	-
Total	$ 4,840	$ 134,720

$3,232 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, 2020. 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,	
2020	$ (26,634)
2021	(26,634)
2022	(26,634)
2023	(26,242)
2024	(25,935)
Thereafter	(1,033)

Actuarial assumptions - The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

NOTE 6: 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 cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025

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

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$736	$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is $422 per month.

NOTE 6: 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)

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

NOTE 6: **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)

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

NOTE 6: 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)

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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 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:

NOTE 6: **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)

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	$95,309	$98,016	$101,129

Discount rate - The discount rate used to measure the total OPEB liability was 7.25 percent. 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, 2018, 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 3.50%.

- 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.

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

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

NOTE 6: 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)

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 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$109,671	$98,016	$88,052

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

NOTE 7: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by revenues received from other governmental entities. Expenditures financed by these revenues are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the School may be required to reimburse the other government. At June 30, 2019, significant amounts of related expenditures have not been audited, but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the "Amendment") to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The School believes it is in compliance with the Amendment. The Amendment requires all governments to establish a reserve for emergencies, representing 3% of fiscal year spending. At June 30, 2019, the emergency reserve of $39,747 was reported as restricted fund balance and net position.

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REQUIRED SUPPLEMENTARY INFORMATION

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Boulder Preparatory High School
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 764,370	$ 801,771	$ 803,605	$ 1,834
District Mill Levy	225,891	237,218	237,219	1
Contributions	16,500	16,500	57,091	40,591
Investment Earnings	1,005	1,005	2,695	1,690
State Sources				
At-Risk Supplemental Aid	-	456	13,929	13,473
Capital Construction	27,645	28,954	29,837	883
Grants	93,766	94,988	170,151	75,163
TOTAL REVENUES	1,129,177	1,180,892	1,314,527	133,635
EXPENDITURES				
Instruction	727,410	772,798	782,649	(9,851)
Supporting Services	376,459	393,987	407,738	(13,751)
Debt Service				
Principal	14,000	14,000	12,230	1,770
Interest	5,548	5,548	6,785	(1,237)
Reserves	355,117	375,763	-	375,763
TOTAL EXPENDITURES	1,478,534	1,562,096	1,209,402	352,694
NET CHANGE IN FUND BALANCE	(349,357)	(381,204)	105,125	486,329
FUND BALANCE, Beginning	375,379	401,226	401,226	-
FUND BALANCE, Ending	$ 26,022	$ 20,022	$ 506,351	$ 486,329

Boulder Preparatory High School

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION AND OTHER POST EMPLOYMENT BENEFIT LIABILITIES

June 30, 2019

As of December 31,	2018	2017	2016
Net Pension Liability			
School's proportion of the net pension liability	0.01108332%	0.01342827%	0.01416925%
School's proportionate share of the net pension liability	$ 1,962,530	$ 4,342,225	$ 4,218,735
State's proportionate share of the net pension liability associated with the School**	268,349	-	-
Total	$ 2,230,879	$ 4,342,225	$ 4,218,735
School's covered payroll	609,309	619,431	635,942
School's proportionate share of the net pension liability as a percentage of its covered payroll	322.09%	701.00%	663.38%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.10%
Net Other Post Employment Benefit (OPEB) Liability			
School's proportion of the net OPEB liability	0.00720421%	0.00762990%	0.00805398%
School's proportionate share of the net OPEB liability	98,016	99,158	104,423
School's covered payroll	609,309	619,431	635,942
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	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. This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**A direct distribution provision to allocate funds from the State of Colorado to Colorado PERA on an annual basis began in July 2018 based on the Senate Bill 18-200.

2015	2014	2013
0.01379123%	0.01385079%	0.01582769%
$ 2,109,271	$ 1,877,247	$ 4,197,248
-	-	-
$ 2,109,271	$ 1,877,247	$ 4,197,248
601,025	580,248	630,326
350.95%	323.52%	316.40%
59.20%	62.80%	64.06%

Boulder Preparatory High School
SCHEDULE OF THE CONTRIBUTIONS AND RELATED RATIOS
June 30, 2019

As of June 30,	**2019**	**2018**	**2017**
Defined Benefit Pension Plan			
Statutorily required contributions	$ 115,800	$ 116,326	$ 119,302
Contributions in relation to the statutorily required contribution	115,800	116,326	119,302
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	605,332	615,423	649,086
Contribution as a percentage of covered payroll	19.13%	18.90%	18.38%
Defined Benefit Other Post Employment Benefit Plan			
Statutorily required contributions	$ 6,174	$ 6,277	$ 6,621
Contributions in relation to the statutorily required contribution	6,174	6,277	6,621
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	605,332	615,423	649,086
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of June 30. This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

2016		2015		2014	
$	108,273	$	93,556	$	99,544
	108,273		93,556		99,544
$	-	$	-	$	-
	610,674		554,301		622,929
	17.73%		16.88%		15.98%
$	6,229	$	5,654	$	6,354
	6,229		5,654		6,354
$	-	$	-	$	-
	610,674		554,301		622,929
	1.02%		1.02%		1.02%

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The budgets are legally adopted on a basis consistent with generally accepted accounting principles ("GAAP").

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

- By June 30, management submits to the Board of Trustees proposed budgets for the fiscal year commencing the following July 1. The budgets include proposed expenditures and the means of financing them.

- Prior to June 30, the budgets are adopted by the Board of Trustees.

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

- All appropriations lapse at fiscal year end.

NONMAJOR GOVERNMENTAL FUND

Special Revenue Fund

Operations and Technology Fund - This fund accounts for revenues and expenditures related to an operations and technology mill levy approved by voters November 2016.

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Boulder Preparatory High School
BUDGETARY COMPARISON SCHEDULE
OPERATIONS AND TECHNOLOGY FUND
Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
District Mill levy	$ 57,109	$ 81,567	$ 81,567	$ -
TOTAL REVENUES	57,109	81,567	81,567	-
EXPENDITURES				
Instruction	20,000	25,000	18,566	6,434
Supporting Services	38,085	31,470	36,711	(5,241)
Reserves	1,548	1,548	-	1,548
TOTAL EXPENDITURES	59,633	58,018	55,277	2,741
NET CHANGE IN FUND BALANCE	(2,524)	23,549	26,290	2,741
FUND BALANCE, Beginning	25,000	15,972	15,972	-
FUND BALANCE, Ending	$ 22,476	$ 39,521	$ 42,262	$ 2,741

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