BATTLE ROCK CHARTER SCHOOL

Independent Accountants' Reports
and
Basic Financial Statements

June 30, 2024

BATTLE ROCK CHARTER SCHOOL

TABLE OF CONTENTS
June 30, 2024

Majors and Haley, P.C.

Certified Public Accountants

PO Box 1478
Cortez, Colorado 81321
970-565-9521

Chris L Majors, CPA MT

Lori H Haley CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Battle Rock Charter School
Cortez, Colorado 81321

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Battle Rock Charter School, Colorado, component unit of Montezuma County (Cortez) School District RE-1, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Battle Rock Charter School, Colorado, component unit of Montezuma County (Cortez) School District RE-1, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Student Activity Fund for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Battle Rock Charter School, Colorado, component unit of Montezuma County (Cortez) School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Battle Rock Charter School, Colorado'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Battle Rock Charter School, Colorado'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, which raise substantial doubt about the Battle Rock Charter School, Colorado'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, Schedule of the District's Pension Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Other Post-Employment Benefits (OPEB) Plan Contributions, and Schedule of the District's Proportionate Share of the Net Other Post Benefits (OPEB) Plan Liability, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Battle Rock Charter School, Colorado, component unit of Montezuma County (Cortez) School District RE-1's basic financial statements. The budgetary comparison schedule, as listed in the table of contents 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 auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Majors and Haley P.C.

Majors and Haley PC
November 3, 2024

MANAGEMENT'S DISUSSION AND ANALYSIS

Our discussion and analysis of the Battle Rock Charter School, Colorado ("School"), component unit of Montezuma County (Cortez) School District RE-1, financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2024. Please consider the information presented here in conjunction with additional information that can be found in the basic financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- The School's net position increased $259,038. This was made up of $494,486 in operations of the School and the School's share of PERA's pension benefit which totaled $(235,448).

- The School's total revenue was $1,795,690, which is an increase of $590,120 from $1,205,570 in the prior year.

    - General revenues (primarily the per pupil charter school allocation of $970,656) accounted for $998,109 in revenue, or 55.6% of all revenues. Program specific revenues in the form of grants accounted for $797,581 (up from $299,485 in the previous year), or the remaining 44.4%.

- The School incurred $1,536,652 in expenses which is an increase of $503,719 from $1,032,933 in the prior year.

    - The general revenues of $998,109 were adequate to cover all of the $739,071 in expenditures that were not offset by program specific revenues.

- The General Fund reported a $54,627 increase in fund balance from $276,941 in the prior year to $331,568. This is a 19.7% increase.

    - General Fund revenues increased $600,248 from $1,170,356 in the prior year to $1,770,604 for a 51.3% increase.

    - The General Fund expenditures increased $530,446 from $1,185,531 in the prior year to $1,715,977 for a 44.7% increase.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Management's Discussion and Analysis is intended to serve as an introduction to the School's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components.

- School-wide financial statements.
- Fund financial statements.
- Notes to the basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

School-wide Financial Statements

The School-wide financial statements are designed to provide the reader of the School Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The school-wide financial statements include the Statement of Net Position and the Statement of Activities.

- The Statement of Net Position presents information about all of the School's assets, liabilities, and deferred inflows, with the difference reported as net position.

- The Statement of Activities presents information showing how the net position of the School changed during the current fiscal year. Changes in net position are recorded in the Statement of Activities when the underlying event occurs, regardless of the timing of related cash flow. Thus, all of the revenues and expenses are taken into account regardless of when cash is received or paid.

The School-wide financial statements are one way to measure the School's financial health, or financial position.

- Over time, increases or decreases in the School's net position are an indicator of whether its financial health is improving or deteriorating.

- To assess the School's overall health, you need to consider additional non-financial factors such as changes in the School's property base, student counts, and the condition of school facilities.

In the School-wide financial statements, the School's activities are presented in the following category:

- **Governmental activities** - All of the School's basic services are included here, such as instruction, students, operations and maintenance, and administration. These activities are financed mainly through general revenues (per pupil charter school allocation from Montezuma County (Cortez) School District RE-1).

Fund Financial Statements

The fund financial statements provide more detailed information about the School's funds, focusing on its most significant or "major" funds, not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the School establishes other funds to help it manage and control its finances to achieve certain results.

The School uses one type of fund:

- ***Governmental funds -*** All of the School's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the School-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

As noted previously, net position may serve over time as a useful indicator of a government's financial position. For the year ended June 30, 2024, the School's assets and deferred outflows were more than its liabilities and deferred inflows by $190,491.

Net investment in capital assets (e.g. land and improvements, buildings and equipment net of any related debt to acquire those assets that is still outstanding) represents $790,456. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

An additional $102,406 of the net position represents resources that are subject to external restrictions on how they may be used. $$70,000 of the restricted net position is an emergency reserve required by the Tabor amendment and $32,406 for student activities. The remaining $(702,371) is unrestricted net position. The negative balance is due to the implementation of GASB 68 and 75, resulting in a net pension liability of $(933,818) and a net OPEB liability of $(30,121) representing its proportionate share of the state retirement system plan. Current year activities increased the net position by $259,038.

The following table provides a summary of the Statement of Net Position for governmental activities as of June 30, 2024 and 2023.

Table 1
Comparative Summary Statement of Net Position
At June 30

	Governmental Activities	
	2024	2023
Assets		
Current assets	$ 962,373	$ 384,463
Capital assets, net of depreciation	790,456	340,458
Total assets	1,752,829	724,921
Deferred Outflows of Resources	763,386	649,084
Liabilities		
Current liabilities	598,399	64,977
Noncurrent liabilities	1,470,661	1,161,967
Total liabilities	2,069,060	1,226,944
Deferred Inflows of Resources	256,664	215,608
Net Position		
Invested in capital assets	790,456	340,458
Restricted	102,406	77,545
Unrestricted	(702,371)	(486,550)
Total net position	$ 190,491	$ (68,547)

At the close of the most recent fiscal year current assets of $962,373 comprised 54.9% of the School's assets. The investments in capital assets, less depreciation net at $790,456, the remaining 45.1%. There was an increase in total current assets from $384,463 in the prior year to $962,373. Accrued wages and benefits of $54,981 represent 9.2% of the total current liabilities. Accrued wages and benefits occur when teachers and certain other school employees' work nine or ten months of the year but are paid over a full twelve months. Current liabilities increased from $64,977 in the prior year to $598,399. $530,891 of this increase is due to an unearned grant revenue.

The following table provides a summary of changes net position for governmental activities in fiscal year 2024 and 2023.

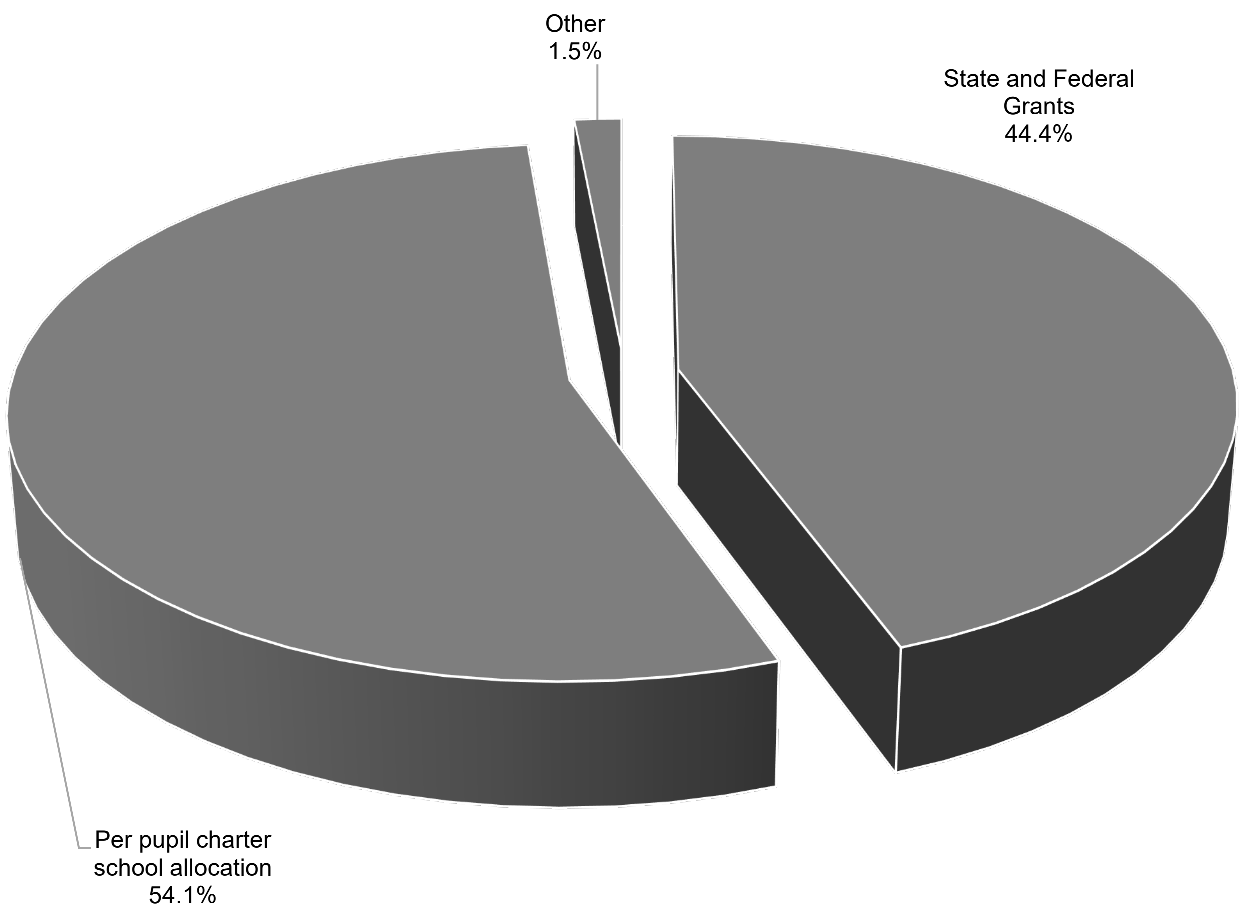
Table 2

Comparative Summary of Changes in Net Position
For the Year Ending June 30

	Governmental Activities	
	2024	2023
Revenues		
Program revenues		
Operating grants and contributions	$ 762,289	$ 269,359
Capital grants and contributions	35,292	30,126
General revenues		
Per pupil charter school allocation	970,656	828,327
Other	27,453	77,758
Total revenues	1,795,690	1,205,570
Expenses		
Instruction	472,873	617,978
Students and instructional staff	133,850	22,136
Administration and business	235,416	144,483
Operations and maintenance of plant	123,245	135,974
Student transportation	44,744	59,360
Central	14,913	15,336
Other support services	11,650	
Food Service	19,797	17,006
Facilities acquisition	480,164	20,660
Total expenses	1,536,652	1,032,933
Increase (decrease) in net position	$ 259,038	$ 172,637

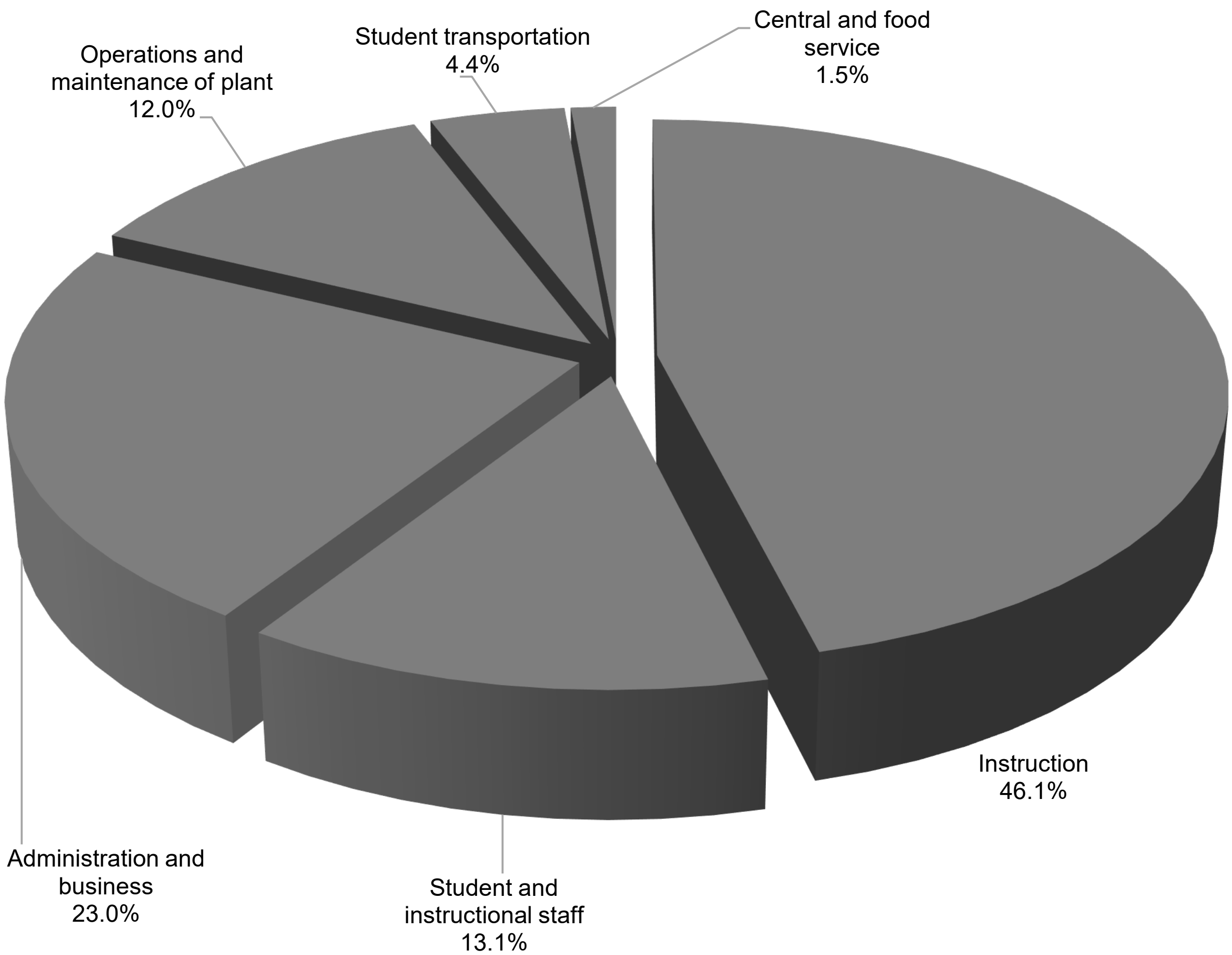
Per pupil charter school allocation accounted for most of the School's total revenue, contributing 54.1 percent. Another 44.4 percent came from state and federal grants and the remainder from miscellaneous sources. See Table 3.

Table 3
Sources of Revenue for Fiscal Year 2024



The School's expenses are predominately related to instruction at 46.1%. Administration and business accounted for 23%, transportation accounted for 4.4%, Central and Food Service accounted for 1.5%, Students and Instructional Staff another 13.1% and operations and maintenance of plant made up 12%. See Table 4.

Table 4
Expenses for Fiscal Year 2024



Governmental Activities

The primary source of operating revenue for the School comes from per pupil charter school allocation of $970,656 from Montezuma County (Cortez) School District RE-1. The School received $10,271.49 per funded student. In fiscal year 2024 the funded pupil count was 94.5, up 5.5 from 89 in the previous year. Funding for the charter school allocation comes from property taxes, specific ownership taxes and state equalization.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by the per pupil charter school allocation.

Table 5

Governmental Activities Net Cost of Services

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	$ 472,873	$ 617,978	$ 258,635	$ 384,323
Students and instructional staff	133,850	22,136	10,873	6,252
Administration and business	235,416	144,483	229,781	135,987
Operations and maintenance of plant	123,245	135,974	121,119	131,741
Student transportation	44,744	59,360	16,596	52,269
Central	14,913	15,336	14,913	15,336
Other support services	11,650		-	
Food service	19,797	17,006	19,797	17,006
Facilities acquisition	480,164	20,660	67,357	(9,466)
Total	$1,536,652	$1,032,933	$ 739,071	$ 733,448

- The cost of all governmental activities during the year was $1,536,652.
- Federal and state government subsidized certain programs with grants and contributions of $797,581.
- However, most of the School's costs ($739,071) were financed by per pupil charter school allocations of $970,656 and other miscellaneous income of $27,453.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School's major governmental funds include the General Fund, Student Activity Fund, and the Capital Projects Fund. These funds are accounted for using the modified accrual basis of accounting. These funds have total revenues of $1,790,343 and expenditures of $1,745,855.

General Fund Budgetary Highlights

The School's budget process is consistent with current Colorado statutes that require a proposed budget be presented to the Board of Education by June 1, with budget adoption by May 31. The law provides for school boards to adjust revenues and expenditures through January 31st of the following year. The most significant budgeted fund is the General Fund.

Over the course of the year, the School revised the annual operating budget by making and increase in appropriations. This increase was primarily the result of additional information that was obtained after the time the original budget was prepared.

- Actual expenditures were $471,554 below budget, excluding appropriated reserves.

CAPITAL ASSET ADMINISTRATION

By the end of fiscal year 2024, the School has invested $905,981 capital assets.

Table 6 shows capital assets for 2024 compared to 2023:

Table 6
Capital Assets
At June 30

	Governmental Activities	
	2024	2023
Buildings, Improvements and Vehicles	$ 905,981	$ 424,821
Accumulated Depreciation	(115,525)	(84,363)
Total	$ 790,456	$ 340,458

Additional information on the School's capital assets can be found in Note 3 of the notes to the financial statements as listed in the table of content of this report.

FACTORS BEARING ON THE SCHOOL'S FUTURE

At the time these financial statements were prepared and audited, the School is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School's citizens, taxpayers, parents, and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Battle Rock Charter School; 11351 County Road G; Cortez, Colorado 81321.

BATTLE ROCK CHARTER SCHOOL
Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Cash	$ 962,373
Capital assets, net of depreciation	790,456
Total Assets	1,752,829
Deferred Outflows of Resources	
Pension items, net of accumulated amortization	745,860
OPEB items, net of accumulated amortization	17,526
Total Deferred Outflows of Resources	763,386
Liabilities	
Due to the school district	12,527
Accrued salaries and benefits payable	54,981
Unearned grant revenue	530,891
Noncurrent liabilities	
Net pension liability	1,435,988
Net OPEB liability	34,673
Total Liabilities	2,069,060
Deferred Inflows of Resources	
Pension items, net of accumulated amortization	243,690
OPEB items, net of accumulated amortization	12,974
Total Deferred Inflows of Resources	256,664
Net Position	
Net investment in capital assets	790,456
Restricted	
TABOR	70,000
Student Activity	32,406
Unrestricted	(702,371)
Total Net Position	$ 190,491

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

BATTLE ROCK CHARTER SCHOOL
Statement of Activities

For the Year Ended June 30, 2024

	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities				
Instructional Program Services	$ 472,873	$ 214,238		$ (258,635)
Support Program Services				
Students	65,279	64,852		(427)
Instructional staff	68,571	58,125		(10,446)
General administration	53,105			(53,105)
School administration	138,469	4,896		(133,573)
Business	43,842	739		(43,103)
Operation and maintenance of plant	123,245	2,126		(121,119)
Student transportation	44,744	28,148		(16,596)
Central support services	14,913			(14,913)
Other support services	11,650	11,650		-
Food service operations	19,797			(19,797)
Facilities acquisition	480,164	377,515	$ 35,292	(67,357)
Total Governmental Activities	1,536,652	762,289	35,292	(739,071)
Total School	$ 1,536,652	$ 762,289	$ 35,292	(739,071)
	General Revenues			
	Per pupil charter school allocation			970,656
	Other			27,453
	Total General Revenues			998,109
	Changes in Net Position			259,038
	Net Position Beginning of the Year			(68,547)
	Net Position End of the Year			$ 190,491

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

BATTLE ROCK CHARTER SCHOOL
Balance Sheet
Governmental Funds

June 30, 2024

	General Fund	Student Activity Fund	Total Governmental Funds
Assets			
Cash	$ 962,373		$ 962,373
Interfund receivable	(32,406)	$ 32,406	-
Total Assets	$ 929,967	$ 32,406	$ 962,373
Liabilities			
Due to the school district	$ 12,527		$ 12,527
Accrued salaries and benefits payable	54,981		54,981
Unearned grant revenue	530,891		530,891
Total Liabilities	598,399		598,399
Fund Balance			
Restricted			
TABOR	70,000		70,000
Student activity		$ 32,406	32,406
Unrestricted			
Assigned for next year's expenditures	261,568		261,568
Total Fund Balances	331,568	32,406	363,974
Total Liabilities and Fund Balances	$ 929,967	$ 32,406	$ 962,373

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total Fund Balance Governmental Funds		$ 363,974
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 as assets in governmental funds.		
Capital assets	$ 905,981	
Accumulated depreciation	(115,525)	
		790,456
Long-term liabilities and related items, including net pension liability, deferred outflows of resources and deferred inflows of resources, are not due and payable in the current year, and, therefore, are not reported in governmental funds.		
Net pension obligation	(1,435,988)	
Net OPEB obligation	(34,673)	
Deferred outflows of resources related to pensions - net	745,860	
Deferred outflows of resources related to OPEB - net	17,526	
Deferred inflows of resources related to pensions - net	(243,690)	
Deferred inflows of resources related to OPEB - net	(12,974)	
		(963,939)
Total Net Position Governmental Activities		$ 190,491

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

BATTLE ROCK CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended June 30, 2024

	General Fund	Student Activity Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Per-pupil charter school allocation	$ 970,656			$ 970,656
Other local sources	211,750	$ 19,739		231,489
State sources	135,609			135,609
Federal sources	452,589			452,589
Total Revenues	1,770,604	19,739		1,790,343
Expenditures				
Instructional Program	742,173	21,505		763,678
Support Programs				
Students	65,279			65,279
Instructional staff	68,571			68,571
General administration	53,105			53,105
School administration	100,330			100,330
Business	20,891			20,891
Operation and maintenance of plant	102,733			102,733
Student transportation	44,744			44,744
Central	14,913			14,913
Other support services	11,650			11,650
Food Service Operations	19,797			19,797
Facilities acquisition	471,791		$ 8,373	480,164
Total Expenditures	1,715,977	21,505	8,373	1,745,855
Excess revenues over (under) expenditures	54,627	(1,766)	(8,373)	44,488
Net Change in Fund Balance	54,627	(1,766)	(8,373)	44,488
Fund Balances beginning of the year	276,941	34,172	8,373	319,486
Fund Balances end of the year	$ 331,568	$ 32,406	$ -	$ 363,974

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

BATTLE ROCK CHARTER SCHOOL

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

For the Year Ended June 30, 2024

Net Change in Fund Balances Governmental Funds		$ 44,488
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental fund report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay	$ 481,160	
Depreciation expense	(31,162)	
		449,998
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the change in net pension liability, OPEB liability, pension and OPEB-related deferred outflows of resources, and pension and OPEB-related deferred inflows of resources in the current period.		
Pension contributions	126,063	
Cost of pension benefits earned net of employee contributions	(356,893)	
Support from the State of Colorado	(5,346)	
OPEB contributions	6,308	
Cost of OPEB benefits earned net of employee contributions	(5,580)	
		(235,448)
Change in Net Position of Governmental Activities		$ 259,038

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

BATTLEROCK CHARTER SCHOOL
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Local sources				
Per-pupil Charter School allocation	$ 973,778	$ 973,778	$ 970,656	$ (3,122)
Other	20,000	827,295	211,750	(615,545)
State sources				
Grants	71,421	256,018	135,609	(120,409)
Federal sources				
Grants	292,500	442,026	452,589	10,563
Total Revenues	1,357,699	2,499,117	1,770,604	(728,513)
Expenditures				
Instructional Program	764,422	839,712	742,173	97,539
Support Programs				
Students	4,000	3,300	65,279	(61,979)
Instructional staff	15,000	16,360	68,571	(52,211)
General administration	43,000	53,689	53,105	584
School administration	108,008	122,756	100,330	22,426
Business	19,000	19,808	20,891	(1,083)
Operation and maintenance of plant	103,028	106,505	102,733	3,772
Student transportation	58,566	50,106	44,744	5,362
Central	16,500	20,500	14,913	5,587
Other support services			11,650	(11,650)
Food Service Operations	7,500	1,500	19,797	(18,297)
Facilities acquisition	160,000	953,295	471,791	481,504
Appropriated reserves	2,000	225,724		225,724
Total Expenditures	1,301,024	2,413,255	1,715,977	697,278
Excess revenues over (under) expenditures	56,675	85,862	54,627	(31,235)
Net Change in Fund Balance	56,675	85,862	54,627	(31,235)
Fund Balances beginning of the year	294,363	276,941	276,941	-
Fund Balances end of the year	$ 351,038	$ 362,803	$ 331,568	$ (31,235)

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

BATTLEROCK CHARTER SCHOOL
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Student Activity Fund

For the Year Ended June 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Favorable (Unfavorable)
Revenues				
Local sources				
Other	$ 5,000	$ 15,000	$ 19,739	$ 4,739
Total Revenues	5,000	15,000	19,739	4,739
Expenditures				
Instructional Program	17,500	41,334	21,505	19,829
Appropriated reserves	7,539	7,838		7,838
Total Expenditures	25,039	49,172	21,505	27,667
Excess revenues over (under) expenditures	(20,039)	(34,172)	(1,766)	32,406
Net Change in Fund Balance	(20,039)	(34,172)	(1,766)	32,406
Fund Balances beginning of the year	20,039	34,172	34,172	-
Fund Balances end of the year	$ -	$ -	$ 32,406	$ 32,406

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

1. Summary of Significant Accounting Policies

The financial statements of Battle Rock Charter School (“School”) have been prepared in conformity with generally accepted accounting principles as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied in the preparation of the accompanying financial statements.

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

The School is a component unit of the Montezuma County (Cortez) School District RE-1 (“District”). The School’s charter was granted by the District and the majority of the School’s funding is provided by the District.

Government-wide and Fund Financial Statements –The government-wide financial statements (the statement of net position and the statement of activities) display information about the School as a whole. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expense of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees and charges to students or others who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are, restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual bases, grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the period or soon enough thereafter to pay liabilities of the current fiscal 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 generally are recorded when a liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.

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

The accounts of the School are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the School is consistent with legal and managerial requirements. The School considers all of their funds to be major governmental funds.

General Fund- is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include per pupil funding from the District.

Student Activity Fund- is a special revenue fund used to account for the financial transactions related to student activities of the school.

The Capital Projects Fund- is used to account for the accumulation of resources and expenditures of resources for capital improvements within the School. This is the final year for the Capital Projects Fund. It was moved into the General Fund in FY24.

Assets, Liabilities and Fund Balance/Net Position

Cash and Investments include investments with original maturities of three months or less. Investments are reported at fair value.

Due to/from the School District – Amounts that are due to/from the District are normal transactions that are paid in the next three months or less.

Short-term Interfund Receivable/Payables – During the course of operations, transactions occur between individual funds for goods provided or services rendered. These are paid in the next three months or less.

Capital Assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than $5000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value of the date donated. The School maintained a capitalization threshold of $25,000 for major outlays for building and improvements. The School does not possess any infrastructure.

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend the life of an asset are not capitalized.

Depreciation of exhaustible capital assets is charged as an expense against operations in the statement of activities, and accumulated depreciation is reported in the statement of net position in the government-wide financial statements.

Capital assets are depreciated using the straight-line method over the following estimated useful lives; building and improvements 20-50 years and equipment 7 years.

Deferred Outflows/Inflows of Resources – In additions to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until that time.

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Accrued Salaries and Benefits Payable represent the liability to teachers and certain other employees who earn their salaries over the nine-month school year but are paid over a twelve-month period. Changes in the accrual are reflected in expenditures ore expense on the applicable fund's statement of revenue, expenditures and changes in fund balance.

Compensated Absences – The School's policy allows employees to accumulated sick leave. Upon termination of employment, no financial compensation is paid for unused sick day. Therefore, no liability for accumulated sick leave is reported in the financial statements.

Federal and State Administered Grants are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

Fund Equity – The fund balance of the governmental funds is reported in classifications based on the extent to which the School is bound to honor constraints for the specific purposes on which amount in the fund can be spent as follows:

- Nonspendable fund balance represents assets that cannot be spent either because of their form or legally or contractually must be maintained intact.
- Restricted fund balance reflects resources that are subject to externally enforceable legal limitations.
- Committed fund balance is the portion that is limited to specific purposes determined by a formal action of the Board.
- Assigned fund balance displays the School's intended use of these resources.
- Unassigned fund balance represents resources with residual net resources.

Restricted fund balance consists of required Emergency TABOR reserves of $70,000 and $32,406 for student activities.

When determining categories of fund balance, it is assumed that the type of expenditure determines the primary use of the fund balance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. Once the commitment or assignment is satisfied unassigned resource are used.

Net Position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on its use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Defined Benefit Pension Plan – 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 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.

Defined Benefit Other Post Employment Benefit (OPEB) Plan- 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.

Inter-fund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Budgets and Budgetary Accounting – The School is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (GAAP basis) as that used for accounting purposes.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to June 1, the Superintendent's staff submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to June 30, the budget is legally adopted through passage of a resolution by the Board of Education. However, the Board can review and change the adopted budget through January 31 of the following year.

Formal budgetary integration is employed as a management control device during the fiscal year. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed by the School as an extension of formal budgetary integration. Encumbrances outstanding at fiscal year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent fiscal year.

2. Cash and Investments

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School's deposits might not be recovered. However, there is no custodial risk for public deposits because they are collateralized under the Colorado Public Deposit Protection Act (PDPA). The PDPA specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local governmental depositors as a group, with a market value at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statue to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

At June 30, 2024, the carrying amount of the School's cash was $962,373. The demand deposits balance was $962,323.The School's bank balances of $968,712 at June 30, 2024 and during the year ended June 30, 2024 were entirely covered by FDIC insurance or pledged collateral held by the School's agent banks in the name of governmental accounts of which the School is a part.

3. Capital Assets – Capital asset activity for the fiscal year ended June 30, 2024 follows:

	Capital Assets July 1, 2023	Additions	Deletions	Capital Assets June 30, 2024
Governmental Activities				
Capital Assets, being depreciated				
Buildings, Improvements and Vehicle	$ 424,821	$481,160		$ 905,981
Less Accumulated Depreciation	(84,363)	(31,162)		(115,525)
Governmental Activities Capital Assets, net	$ 340,458	$449,998	$ -	$ 790,456

4. Defined Benefit Pension Plan

Plan Description – Eligible employees of the District 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, 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 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.

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 and 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 District 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:

	July 1, 2023 Through June 30, 2024
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	**20.38%**

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $126,063 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 (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. 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.

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 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 total pension liability to December 31, 2023. The District's proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of the participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the District reported a liability of $1,435,988 for its proportionate share of the net pension liability. The amount recognized by the District 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 District were as follows:

District's proportionate share of the net pension liability	$ 1,435,988
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	31,487
Total	$ 1,467,475

On December 31, 2023, the Districts proportion was .0081205312 percent, which was a increase of .0019498337 percent from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $236,176 and revenue of $2,399 for the support from the State as a nonemployer contributing entity. On June 30, 2024, the District 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	$ 68,093	
Net difference between projected and actual earnings on pension plan investments	346,628	$ 243,690
Changes in proportion and differences between contributions recognized and proportionate share of contributions	262,736	
Contributions subsequent to the measurement date	68,403	
Total	$ 745,860	$ 243,690

$68,403 reported as deferred outflows 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 ended June 30,	
2025	$ 165,241
2026	171,582
2027	125,645
2028	(28,701)
Total	$ 433,767

Actuarial Assumptions – The TLP in the December 31, 2021 actuarial valuation was determined using the following 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%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

[1] 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.

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 2020 experience analysis, dated October 28, 2020, 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 regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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%**	

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

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

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

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (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 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 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.

Sensitivity of the District'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 position 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	$ 1,920,155	$ 1,435,988	$ 1,032,251

Pension plan fiduciary net position. Detail information of 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

5. Other Post-Employment Benefits

Plan Description. Eligible employees of the District 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 (Annual Report) that can be obtained a www.copera.org/investments/per-financial-reports.

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

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

Enrollment in the PERACare 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 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 District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were $6,308 for the year ended June 30, 2024.

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

At June 30, 2024 the District reported a liability of $34,673 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 District proportion of the net OPEB liability was based on District 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 District proportion was .0048580730 percent, which was an increase of .0001652742 percent from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024 the District recognized OPEB expense of $(728). At June 30, 2024, the District 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		$ 7,107
Changes in assumptions or other inputs	$ 408	3,677
Net difference between projected and actual earnings on pension plan investments	3,263	2,190
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,432	
Contributions subsequent to the measurement date	3,423	
Total	$ 17,526	$ 12,974

$3,423 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,	
2025	$ (61)
2026	1,346
2027	1,529
2028	(1,143)
2029	(439)
2030	(103)
Total	$ 1,129

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

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method		Entry age		
Price inflation		2.30%		
Real wage growth		0.70%		
Wage inflation		3.00%		
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	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				
PERA benefit structure:				
Service-based premium subsidy		0.00%		
PERACare Medicare plans[1]		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		
DPS benefit structure:				
Service-based premium subsidy		0.00%		
PERACare Medicare plans		N/A		
Medicare Part A premiums		N/A		

[1] UnitedHealthcare MAPD PPO plans are 0% for 2023.

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	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	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

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	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.

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.

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 State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

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

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

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older 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, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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.

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%**	

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

Sensitivity of the District 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%
Net OPEB liability	$ 33,678	$ 34,673	$ 35,758

Discount rate. The discount rate used to measure the TOL 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, 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.

Based on the above assumptions and methods, the FNP for the HCTF 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 District 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 one-percentage-point lower (6.25 percent) or one-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	$ 40,954	$ 34,673	$ 29,301

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.

6. Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the School that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24 Article 51 Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of

Trustees, PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The School has not agreed to match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2024, program members contributed $0 to the Voluntary Investment Program.

7. **Accrued Salaries** – Certified instructors of the School are contracted for nine months annually between Labor Day and June 1. These instructors, while only working nine months, are paid for their services in twelve equal monthly installments. On June 30 of each year they have completed their entire contract but have only received 10/12 of the related compensation with the difference to be paid over the summer break. The difference, totaling $54,981, is reflected as an accrued expense at June 30.

8. **Fund Balance Restrictions and Assignments –** Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state of federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Board of Education but are not spendable until appropriated. The School uses the following restrictions and assignments:

Restricted

TABOR – indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance reserved for emergencies consists of $70,000 in the General Fund.

Student activities- indicates that the fund balance of $32,406 in the Student Activities Fund has been restricted for student activities.

Assigned

Assigned for future expenditures – indicates anticipated fund balance available for appropriation in the next budget year. Fund balances assigned for future expenditures consist of $261,568 in the General Fund.

9. **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 is a member of the Colorado School Schools Self-Insurance Pool (The Pool). The Pool was formed in 1981 to provide 93-member school Schools and related educational facilities with defined property and liability coverage through joint self-insurance and excess insurance. The School pays an annual premium for its general insurance coverage. The Pool is self-sustaining through member premiums and obtains excess insurance to limit per occurrence exposure to $250,000.

   The School continues to carry commercial insurance for all other risks of loss including worker's compensation and employee health and accident insurance. There have been no settled claims that have exceeded insurance coverage in any of the past three fiscal years. There have been no significant decreases in insurance coverage from the prior year.

   In addition, the School participates in the Montezuma County (Cortez) School District RE-1 Self Insurance Fund to account for and finance its uninsured risks of loss for employee health and accident insurance. Under this program, the Fund provides coverage from the purchase of commercial insurance for a specific deductible of $130,000, with a maximum aggregate benefit of $1,000,000.

10. **Tax, Spending, and Debt Limitations** – Colorado Voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The people of the School voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenue, including state grants and taxes, generated during fiscal year 1998 and for each subsequent year regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The Amendment is complex and subject to judicial interpretation. The School believes it is in compliance with all other requirements of the amendment. However, the School has made certain interpretations of the amendment's language in order to determine its compliance.

11. **Compliance with the Financial Policies and Procedures Handbook** – The School is complying with the provisions of section 22-44-204(3), C.R.S., concerning the use of the Financial Policies and Procedures Handbook adopted by the State Board of Education C.R.S. 29-1-603.

12. **Commitments and Contingent Liabilities** – There were no commitments or contingent liabilities at June 30.

BATTLE ROCK CHARTER SCHOOL
Required Supplementary Information

June 30, 2024

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Pension Schedules
- Schedule of the School's Pension Contributions
- Schedule of School's Proportionate Share of the Net Pension Liability

OPEB Schedules
- Schedule of the School's OPEB Contributions
- Schedule of the School's Proportionate Share of the Net OPEB Liability

BATTLE ROCK CHARTER SCHOOL
Schedule of the School's Pension Contributions

June 30, 2024
Last 10 Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 126,063	$ 98,560	$ 95,610	$ 80,767	$ 61,237	$ 43,267	$ 42,500	$ 33,646	$ 23,883	$ 20,735
Contributions in relation to the statutory required contribution	126,063	98,560	95,610	80,767	61,237	43,267	42,500	33,646	23,883	20,735
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered payroll	$ 618,521	$ 483,578	$ 480,900	$ 406,244	$ 315,956	$ 226,149	$224,835	$182,901	$134,466	$123,103
Contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.90%	18.40%	17.76%	16.84%

Notes to Required Supplemental Information

See Note 4 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

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 District) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2023 Changes in Assumptions or Other Inputs Since 2022

There were no changes made to the actuarial methods or assumptions.

BATTLE ROCK CHARTER SCHOOL
Schedule of the School's Proportionate Share of the Net Pension Liability

June 30, 2024
Last 10 Years*

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
School's proportion of the net pension liability	0.00812053%	0.00617070%	0.00732765%	0.00642141%	0.00475825%	0.00417471%	0.00432630%	0.00352529%	0.00271965%	0.00377176%
School's proportionate share of the net pension liability	$ 1,435,988	$ 1,123,651	$ 852,746	$ 970,788	$ 710,872	$ 782,204	$ 1,398,972	$ 1,049,616	$ 415,951	$ 511,200
School's share of State's share of the net pension liability as nonemployer contributing entity	$ 31,487	$ 327,443	$ 97,756	$ -	$ 90,165	$ 106,956				
	$ 1,467,475	$ 1,451,094	$ 950,502	$ 970,788	$ 801,037	$ 889,160				
School's covered payroll	$ 618,521	$ 483,578	$ 457,958	$ 343,145	$ 279,172	$ 242,852	$ 199,567	$ 158,274	$ 118,484	$ 158,011
School's proportionate share of the net pension liability as a percentage of its covered payroll	232.16%	232.36%	186.21%	282.91%	254.64%	322.09%	701.00%	663.16%	351.06%	323.52%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.20%	64.07%

The amounts presented for each year were determined as of the calendar year that occurred within the fiscal year.

Notes to Required Supplemental Information

See Note 4 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

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 District) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2023 Changes in Assumptions or Other Inputs Since 2022

There were no changes made to the actuarial methods or assumptions.

BATTLE ROCK CHARTER SCHOOL
Schedule of the School's OPEB Contributions

June 30, 2024
Last 10 Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contributions	$ 6,308	$ 4,932	$ 4,905	$ 4,144	$ 3,223	$ 2,306	$ 2,294	$ 1,866
Contributions in relation to the statutory required contribution	6,308	4,932	4,905	4,144	3,223	2,306	2,294	1,866
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered payroll	$ 618,521	$ 483,578	$ 480,900	$ 406,244	$ 315,656	$ 226,149	$ 224,835	$ 182,901
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

**Fiscal year 2018 was the first year of implementation. Information is not available for years prior to 2017.*

Notes to Required Supplemental Information

See Note 5 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

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.

2023 Changes in Assumptions or Other Inputs Since 2022

There were no changes made to the actuarial methods or assumptions.

BATTLE ROCK CHARTER SCHOOL
Schedule of the School's Proportionate Share of the Net OPEB Liability

June 30, 2024
Last 10 Years*

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
School's proportion of the Net OPEB Liability	0.00485807%	0.00469280%	0.00478440%	0.00371070%	0.00310759%	0.00287139%	0.00245818%	0.20044906%
School's share of the Net OPEB Liability	$ 34,673	$ 38,316	$ 41,256	$ 35,260	$ 34,929	$ 39,066	$ 31,947	$ 25,989
School's covered payroll	$ 618,521	$ 483,578	$ 457,958	$ 343,145	$ 279,172	$ 242,852	$ 199,567	$ 182,901
School's proportionate share of the net pension liability as a percentage of its covered payroll	5.61%	7.92%	9.01%	10.28%	12.51%	16.09%	16.01%	14.21%
Plan fiduciary net position as a percentage of the total pension liability	41.16%	38.57%	39.40%	32.78%	24.49%	17.03%	21.25%	20.07%

The amounts presented for each year were determined as of the calendar year that occurred within the fiscal year.

**Fiscal year 2018 was the 1st year in implementation. Information is not available for years prior to 2016.*

Notes to Required Supplemental Information
See Note 5 in the accompanying Notes to the Financial Statements for factors that significantly affect trents in the amount reported.

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.

2023 Changes in Assumptions or Other Inputs Since 2022
There were no changes made to the actuarial methods or assumptions.

BATTLE ROCK CHARTER SCHOOL

Other Supplementary Information

June 30, 2024

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Budgetary Comparison Schedules
  Capital Projects Fund

BATTLEROCK CHARTER SCHOOL
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Projects Fund

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Expenditures				
Support Programs				
Facilities acquisition		$ 8,373	$ 8,373	$ -
Total Expenditures	-	8,373	8,373	-
Excess revenues over (under) expenditures	-	(8,373)	(8,373)	-
Net Change in Fund Balance	-	(8,373)	(8,373)	-
Fund Balances beginning of the year	-	8,373	8,373	-
Fund Balances end of the year	$ -	$ -	$ -	$ -