ROCKY MOUNTAIN PREPARATORY SCHOOLS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2021

COMPRISED OF:

Rocky Mountain Preparatory Creekside
Rocky Mountain Preparatory Southwest
Rocky Mountain Preparatory Berkeley
Rocky Mountain Preparatory Fletcher
Rocky Mountain Preparatory NST

ROCKY MOUNTAIN PREPARATORY SCHOOLS
ROSTER OF SCHOOL OFFICIALS
YEAR ENDED JUNE 30, 2021

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ROCKY MOUNTAIN PREPARATORY SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021

ROCKY MOUNTAIN PREPARATORY SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rocky Mountain Preparatory Schools
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Rocky Mountain Preparatory Schools (the School or RMPS) as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents. We also have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of RMP – Denver (a component unit of School District Number 1 in the City and County of Denver and State of Colorado (Denver Public Schools or DPS), and the governmental activities and major fund of the RMP – Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado (APS), presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying individual financial statements as of and for the year ended June 30, 2021, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Rocky Mountain Preparatory Schools as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of RMP – Denver and the governmental activities and major fund of the RMP – Aurora as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the School's proportionate share of the net pension liability, schedule of the school's contributions, the schedule of changes in net OPEB liability and schedule of school contributions, and the schedules of revenues, expenditures, and changes in fund balance – general fund – budget to actual – RMPS be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise RMPS's basic financial statements. The general fund balance sheet by location, general fund revenues, expenditures, and changes in fund balance by location and schedules of revenue, expenditures, and changes in fund balance – budget to actual by location are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The general fund balance sheet by location, general fund revenues, expenditures, and changes in fund balance by location and schedules of revenue, expenditures, and changes in fund balance – budget to actual by location are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund balance sheet by location, general fund revenues, expenditures, and changes in fund balance by location and schedules of revenue, expenditures, and changes in fund balance – budget to actual by location are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 2021 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Glendora, California
October 30, 2021

This section of the Rocky Mountain Preparatory Schools (the School) annual financial report presents our discussion and analysis of the School's financial performance for the fiscal year ended June 30, 2021. Please read it in conjunction with the audited financial statements, which immediately follow this section.

Financial Highlights

- As of the close of the current fiscal year, the School's governmental fund reported ending fund balance of $16,478,832.
- The assets of the School's governmental fund comprise primarily of cash of $14,745,866 interfund receivable of $894,928 and accounts receivable of $1,482,767. The liabilities of the School's governmental fund at the close of the fiscal year are $654,447 which is comprised of accounts payable and unearned revenues.
- The School's governmental general fund had revenues of $31,312,838 and expenditures of $28,200,403 for the year ended June 30, 2021 for a change in fund balance of $3,112,435.
- After adjusting for the School's pension and OPEB assets and liabilities, adjusting for forgiveness of the PPP Loan and blending the Building Fund, the School's change in net position was an increase of $4,025,465 for a total net position of $5,968,168.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of: (1) Statement of Net Position and General Fund Balance Sheet, (2) Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance, and (3) Notes to the Basic Financial Statements. In addition, the financial statements have Required Supplementary Information required by the Governmental Accounting Standards Board (GASB), including the Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget to Actual -RMPS.

Government-Wide Financial Statements

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

	Governmental Activities 2021	Governmental Activities 2020
ASSETS		
Current Assets	$ 17,701,208	$ 16,336,147
Capital Assets	5,750,906	5,780,423
Total Assets	23,452,114	22,116,570
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	13,516,142	7,625,241
Total Deferred Outflows of Resources	13,516,142	7,625,241
LIABILITIES		
Current Liabilities	1,098,899	1,651,580
Noncurrent Liabilities	20,037,019	20,266,987
Total Liabilities	21,135,918	21,918,567
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	9,864,170	5,880,541
Total Deferred Inflows of Resources	9,864,170	5,880,541
NET POSITION		
Net Investment in Capital Assets	700,906	(69,577)
Restricted For Emergency Reserve - TABOR	846,013	822,014
Unrestricted	4,421,249	1,190,266
Total Net Position	$ 5,968,168	$ 1,942,703

The current assets balance is primarily cash and accounts receivable at June 30, 2021 that were due from the State of Colorado. Increases in current assets are the results of expanding the network of schools, contributions of grants to fund that expansion, and the Payroll Protection Program Loan proceeds.

The total noncurrent assets are comprised of capital assets that were purchased with an original cost of $5,000 or more. The current liabilities balance is a combination of accounts payable that were due but not paid at June 30 and long-term liabilities is comprised of the net pension and OPEB liabilities. The pension liability has increased due to more contributions from increasing staff levels.

Revenues

During this year of the School's operations, the primary source of revenue is Per Pupil Revenue from the State of Colorado, federal funding, private grants, and contributions. These revenues continue to grow as more schools are opening and adding grade levels. The School received a significant amount of additional funding due to the COVID crisis in the current year.

Expenses

Total expenses consist of salary and benefit costs, facilities and maintenance costs, general supplies, food services, purchased services and other expenses needed to operate the School. These expenditures continue to grow as more schools are opening and adding grade levels.

	Governmental Activities 2021	Governmental Activities 2020
REVENUES		
Per Pupil Revenue and Preschool Funding	$ 16,150,216	$ 17,282,393
Mill Levy Override	5,380,113	4,032,820
Grants and Contributions	6,616,538	5,329,465
All Other Revenue	3,004,097	738,806
Total Revenues	31,150,964	27,383,484
EXPENSES		
Program	21,939,230	22,813,970
Supporting Services	4,929,933	4,087,848
Interest	256,336	266,700
Total Expenses	27,125,499	27,168,518
CHANGES IN NET POSITION	4,025,465	214,966
Net Position, Beginning of Year	1,942,703	1,727,737
NET POSITION, END OF YEAR	$ 5,968,168	$ 1,942,703

Fund Financial Analysis

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School's governmental fund is discussed below.

Governmental Fund

The focus of the School's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of the end of the current fiscal year, the School's general fund reported an ending fund balance of $16,478,832.

Capital Assets and Long-Term Debt

The School had capital assets, net of depreciation, of $5,750,906 and related long-term debt of $5,050,000 as of June 30, 2021.

The School also has a loan of $300,000 from the Charter School Growth Fund to support operations of the charter schools managed and/or operated by RMPS.

Budgetary Highlights

The School prepares its budget on an activities basis. That is, all expenditures expected to be incurred are accounted for regardless of when they are actually paid. Budgets are managed in accordance with school activities, and therefore revenues and expenses are categorized by accounts and locations aligning with the activities of the schools, which may differ from state and federal categorizations. The analysis below discusses the schools' activities before the allocation of the Network Support Team (NST), which is categorized as a separate location for management purposes, and allocated in the financial statements for state reporting purposes.

Actual revenues of the Creekside location were 9.3% percent higher than the original budget targets and 4.6% percent higher than revised budgets for the year ended June 30, 2020, excluding stimulus revenue from pandemic-related stimulus funding. Enrollment for the year was 39 students fewer than the original target, however state per pupil level funding was 8.2% percent higher than original targets because of state budget revisions exceeding conservative estimates. Mill levy funding was 15% higher than original targets and in-line with revised budget targets, as a result of a November vote on the Denver ballot raising local mill funding for SY20-21. Total expenses were 0.8% lower than original targets and 3.6% lower than revised budget targets. Payroll expenses were 2.6% lower than original and 6.5% lower than revised budget targets, as a result of increasing our allowable budgeted expenses as we progressed through SY20-21. General supplies were $84,812 lower than original and revised budget targets, and other fees and services were 4.8% percent lower than original and 3.3% lower than revised budget targets.

Actual revenues of the Southwest location were 11.1% higher than original budget targets and 5.3% higher than the revised budget targets, excluding pandemic-related stimulus funding. Enrollment count for the year was 12 students higher than the original target, and per pupil level funding was commensurately higher. Mill Levy funding was 22% higher than original budget targets for favorable Denver ballot measure, and 15% higher than revised budget expectations as a result of favorable allocations towards schools with higher FRL populations. Federal grant funding was similarly higher due to increased allocations for schools with higher FRL populations. Total expenses were 3.0% higher than original budget targets and 1.6% higher than the revised budget targets. Actual payroll and benefits expenses were 6.4% higher than original and revised budget targets as a result of adding additional positions to support more targeted remote and in-person learning. Books, Supplies and Equipment were $88,000 lower than original and revised budget targets because of lower non-personnel spending during the times in which schools were not operating in-person. Actual expenses on Services and other Operating Expenses were in-line with original and revised budget targets.

Actual revenues for the Fletcher location were 14% higher than the original budget and 1.6% percent lower than the revised budget, excluding the revenue from pandemic-related stimulus funding and one-time additional funding for the Autism Center program. Enrollment count for the year was 4 students higher than the original target. Per Pupil Revenues and Preschool funding was 4.9% higher than original budget targets and 12.3% lower than revised budget targets. Mill levy revenues were 18%

higher than original and revised budget targets. Federal grant revenues were 54% higher than revised budget targets as a result of higher one-time funding from Federal Title programs, with the school and district qualifying for increased title funding as result of exceeding FRL thresholds. Actual expenses for the year were 0.8% higher than the original budget and 6.2% lower than the revised budget. Payroll and benefits were 12.9% percent higher than original budget targets and 1.5% lower than revised budget targets. Books, Supplies and Equipment spending was 27% lower than original budget targets and 11% lower than revised budget targets.

Actual revenues of the Berkeley location were 12% higher than the original budget and 1.0% higher than the revised budget, excluding revenue from pandemic-related stimulus funding. Enrollment count for the year was 13 students higher than the original target, and per pupil level funding was commensurately higher, combined with state per pupil funding being higher than conservative estimates. Mill levy funding was $158,000 higher than original budget targets as a result of the November ballot measure, and in-line with revised budget targets. Actual expenses for the year were 2.2% lower than the original budget, and 8.2% lower than the revised budget. Payroll and benefits expenses were 6.1% percent higher than original budget expenses and 3.3% lower than revised budget targets. Books, Supplies, & Equipment expenses were $160,000 lower than original and revised budget because of lower non-personnel spending during the times in which schools were not operating in-person. Actual expenses on Services and other Operating Expenses were in-line with original and revised budget targets.

As a consolidated network, actual revenues were 11.5% higher than original budget and 3.0% higher than revised budget, when excluding revenues from pandemic-related stimulus. Actual expenses were 0.2% lower than original budget and 2.6% lower than revised budget.

Economic Factors and Next Year's Budget

The following factors were considered in preparing the School's budget for fiscal year 2021/22.

For fiscal year 2021/22 enrollment at Rocky Mountain Preparatory Schools is projected to be 570 students at Creekside, 408 students at Southwest, 525 students at Fletcher, and 334 students at Berkeley. The School estimates that the State Per Pupil funding will be approximately ten percent higher on a per student average, when compared to 2020/21, and federal funding is expected to be lower due to fewer pandemic-related grant funding. Accordingly, recurring public revenue per pupil is expected to stay constant, and total recurring public revenues are expected to decrease due to slightly lower enrollment expectations across the four schools.

Contacting the School's Financial Management

This financial report is designed to provide our citizens, taxpayers, parents, investors and creditors with a general overview of the School's finances. If you have questions regarding this report or need additional financial information, contact the School's Director of Finance at (720) 863-8920.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION AND GENERAL FUND BALANCE SHEET
JUNE 30, 2021

	General Fund	Adjustments			Eliminations	Statement of Net Position
		Building Fund	RMP - Denver	RMP - Aurora		
ASSETS						
CURRENT ASSETS						
Cash	$ 13,899,853	$ 1,459,667	$ -	$ -	$ -	$ 15,359,520
Cash Held for TABOR	846,013	-	-	-	-	846,013
Interfund Receivables	894,928	-	-	-	(894,928)	-
Prepaid Items	12,908	-	-	-	-	12,908
Accounts Receivable	1,479,577	3,190	-	-	-	1,482,767
Total Current Assets	17,133,279	1,462,857	-	-	(894,928)	17,701,208
NONCURRENT ASSETS						
Capital Assets Not Being Depreciated	-	3,940,000	-	-	-	3,940,000
Capital Assets Being Depreciated, Net	-	1,655,333	155,573	-	-	1,810,906
Total Assets	$ 17,133,279	7,058,190	155,573	-	(894,928)	23,452,114
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources - OPEB	-	-	125,356	279,961	-	405,317
Deferred Outflows of Resources - Pensions	-	-	6,240,272	6,870,553	-	13,110,825
Total Deferred Outflows of Resources	-	-	6,365,628	7,150,514	-	13,516,142
LIABILITIES AND FUND BALANCE/NET POSITION						
CURRENT LIABILITIES						
Accounts Payable	$ 653,058	46,390	-	-	-	699,448
Interfund Payable	-	894,928	-	-	(894,928)	-
Long-Term Debt - Due Within One Year	-	98,062	212,520	87,480	-	398,062
Unearned Revenues	1,389	-	-	-	-	1,389
Total Current Liabilities	654,447	1,039,380	212,520	87,480	(894,928)	1,098,899
NONCURRENT LIABILITIES						
Long-Term Debt - Due After One Year	-	4,951,938	-	-	-	4,951,938
Net OPEB Liabilities	-	-	285,683	321,986	-	607,669
Net Pension Liabilities	-	-	5,614,517	8,862,895	-	14,477,412
Total Noncurrent Liabilities	-	4,951,938	5,900,200	9,184,881	-	20,037,019
Total Liabilities	654,447	5,991,318	6,112,720	9,272,361	(894,928)	21,135,918
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources - OPEB	-	-	178,309	103,689	-	281,998
Deferred Inflows of Resources - Pensions	-	-	6,141,469	3,440,703	-	9,582,172
Total Deferred Inflows of Resources	-	-	6,319,778	3,544,392	-	9,864,170
FUND BALANCE						
Nonspendable	12,908	-	(9,286)	(3,622)		-
Restricted For Emergency Reserve - TABOR	846,013	-	(599,611)	(246,402)	-	-
Unassigned	15,619,911	-	(11,385,694)	(4,234,217)	-	-
Total Fund Balance	16,478,832	-	(11,994,591)	(4,484,241)	-	-
Total Liabilities and Fund Balance	$ 17,133,279					
NET POSITION						
Net Investment in Capital Assets		545,333	155,573	-		700,906
Restricted For Emergency Reserve - TABOR		-	599,611	246,402		846,013
Unrestricted		521,539	5,328,110	(1,428,400)		4,421,249
Total Net Position		$ 1,066,872	$ 6,083,294	$ (1,181,998)		$ 5,968,168

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2021

	General Fund	Adjustments			Eliminations	Statement of Activities
		Building Fund	RMP - Denver	RMP - Aurora		
REVENUES						
General Revenues:						
Per Pupil Revenue and Preschool Funding	$ 16,150,216	$ -	$ -	$ -	$ -	$ 16,150,216
Mill Levy Override	5,380,113	-	-	-	-	5,380,113
Program Revenues:						
Federal Revenue	3,465,196	-	-	-	-	3,465,196
Other State	1,688,564	-	-	-	-	1,688,564
Private Grants and Contributions	1,462,778	-	-	-	-	1,462,778
Investment Income	15,447	-	-	-	-	15,447
NST Management Fee	2,915,913	-	-	-	(2,915,913)	-
All Other Local Revenues	234,611	276,537	1,912,826	787,376	(222,700)	2,988,650
Total Revenues	31,312,838	276,537	1,912,826	787,376	(3,138,613)	31,150,964
EXPENDITURES/EXPENSES						
Program	20,293,837	93,233	781,030	993,830	(222,700)	21,939,230
Supporting Services	7,845,846	-	(34,675)	34,675	(2,915,913)	4,929,933
Interest	-	256,336	-	-	-	256,336
Capital Outlay	60,720	-	(60,720)	-	-	-
Total Expenditures/Expenses	28,200,403	349,569	685,635	1,028,505	(3,138,613)	27,125,499
CHANGE IN FUND BALANCE/NET POSITION	3,112,435	(73,032)	1,227,191	(241,129)	-	4,025,465
Fund Balance/Net Position - July 1, 2020	13,366,397	1,139,904	(7,138,488)	(5,425,110)	-	1,942,703
FUND BALANCE/NET POSITION - JUNE 30, 2021	$ 16,478,832	$ 1,066,872	$ (5,911,297)	$ (5,666,239)	$ -	$ 5,968,168

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF NET POSITION – PROPRIETARY FUND TYPES
JUNE 30, 2021

	Governmental Activities Internal Service Fund - Building Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 1,459,667
Accounts Receivable	3,190
Total Current Assets	1,462,857
NONCURRENT ASSETS	
Capital Assets Not Being Depreciated	3,940,000
Capital Assets Being Depreciated, Net	1,655,333
Total Assets	$ 7,058,190
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	$ 46,390
Interfund Payable	894,928
Long-Term Debt - Due Within One Year	98,062
Total Current Liabilities	1,039,380
NONCURRENT LIABILITIES	
Long-Term Debt - Due After One Year	4,951,938
Total Noncurrent Liabilities	4,951,938
Total Liabilities	5,991,318
NET POSITION	
Net Investment in Capital Assets	545,333
Unrestricted	521,539
Total Net Position	$ 1,066,872

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2021

	Governmental Activities
	Internal Service Fund - Building Fund
OPERATING REVENUES	
Rent	$ 276,537
Total Operating Revenues	276,537
OPERATING EXPENSES	
Interest	256,336
Depreciation	76,400
Other Expenses	16,833
Total Operating Expenses	349,569
NET LOSS	(73,032)
Net Position - July 1, 2020	1,139,904
NET POSITION - JUNE 30, 2021	$ 1,066,872

See accompanying Notes to Basic Financial Statements.

ROCKY MOUNTAIN PREPARATORY SCHOOLS
STATEMENT OF CASH FLOWS – PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Fund - Building Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Rental Operations	$ 273,347
Cash Paid to Vendors	(16,833)
Net Cash Provided by Operating Activities	256,514
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Repayment of Debt	(800,000)
Interfund Payable Related to Financing	894,928
Interest	(317,655)
Net Cash Used by Financing Activities	(222,727)
NET INCREASE IN CASH	33,787
Cash - July 1, 2020	1,425,880
CASH - JUNE 30, 2021	$ 1,459,667
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (73,032)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	76,400
Interest	256,336
Changes in Assets and Liabilities	
Accounts Receivable	(3,190)
Total Adjustments	329,546
Net Cash Provided by Operating Activities	$ 256,514

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Rocky Mountain Preparatory Schools (the School or RMPS) was formed to operate charter schools as provided in the Colorado Charter Schools Act. RMPS's mission is to provide educational, technical, and supporting services to the School. The School's support is derived primarily from state of Colorado public education monies, foundation contributions, and various government agency grants.

Reporting Entity

The financial reporting entity consists of the School and organizations for which the School is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. In addition, any legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the School.

RMPS manages several charter schools within the Denver Metro area. The Creekside, Southwest and Berkeley locations are component units of the Denver Public School District (DPS) (RMP – Denver) and the Fletcher location is a component unit of Aurora Public Schools (APS) (RMP – Aurora). RMPS also includes the Network Support Team (NST) which provides supporting services to the School through management fees paid by the School. The financial activities of NST have been allocated to each charter school based upon enrollment.

The following organization is included in the School's and RMP – Denver's reporting entity:

- The Building Corporation – The purpose of the Corporation is to provide a mechanism to issue and pay debt on behalf of the School and RMP – Denver. The Corporation is considered to be part of the School and RMP – Denver for financial reporting purposes because its resources are entirely for the direct benefit of the School and RMP – Denver and is blended into the School's and RMP – Denver's financial statements as an internal service fund. The Building Corporation does not issue separate financial statements.

Accounting Policies

As required by the state of Colorado, the School accounts for financial transactions in accordance with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Measurement Focus and Financial Statement Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School as a whole. All of the School's activities as a charter school are considered governmental in nature per the state of Colorado; therefore, the School does not report any business-type activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Financial Statement Presentation (Continued)

Government-Wide Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the cash flows occur. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds (see Notes 2 and 3).

Governmental Fund Financial Statements

The School's general fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they measurable. Revenues are considered to be available if they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of revenues related to private grants, which are included in revenue if received within six months after year-end. Expenditures generally are recorded when a liability is incurred under accrual accounting. The School accounts for all of their operating activities in its general fund.

When both restricted and unrestricted resources are available for use, it is the School's policy to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed, assigned, and then unassigned fund balances.

Internal Service Fund Financial Statements

The Internal Service Fund is used to account for activity of the Building Corporation for the School and RMP - Denver.

Cash and Cash Equivalents

The School defines their cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less. Cash is restricted in the financial statements to comply with the provisions of the TABOR amendment.

The financial institution holding the School's cash accounts participates in the FDIC's Transaction Account Guarantee Program. Interest-bearing transaction accounts were subject to the $250,000 limit on FDIC insurance per covered institution.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

The School's investment policies conform to state statute for governmental entities. All accounts established at financial institutions should, in the aggregate, total less than $250,000 so as to provide maximum insurance coverage provided by the FDIC. If, however, deposits exceed the $250,000 insurance coverage level, the excess must be (1) fully collateralized at face value with government securities, (2) separately segregated in the School's name, and (3) held at a Federal Reserve Bank or another depository.

Under the provisions of GASB 40, *Deposit and Investment Risk Disclosures*, deposits are not deemed exposed to custodial credit risk if they are collateralized with securities held by the pledging financial institutions under Colorado Public Deposit Protection Act (PDPA), as discussed below. Custodial credit risk is the risk that in the event of bank failure, the deposits may not be returned.

Cash held at charter schools is governed by state statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items. In the governmental fund balance sheet, there is a nonspendable fund balance equal to the amount of prepaid items, as these amounts are not available for expenditure.

Capital Assets

Capital assets are those purchased or acquired with an original cost of $5,000 or more and are reported at acquisition cost or estimated acquisition cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all capital assets is provided on a straight-line basis over the estimated useful lives of the capital assets. Leasehold improvements are depreciated over 15 years and buildings are depreciated over 40 years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial section, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Revenues

Revenue resulting from exchange transactions in which each party gives and receives essentially equal value is recorded under the accrual basis when the exchange takes place.

Nonexchange transactions are those in which the School receives value without directly giving equal value in return, and includes private grants and contributions and state revenue. Under the accrual basis, this revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted, matching requirements under which the School must provide local resources to be used for a specific purpose and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are recorded as unearned revenue.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances

Fund balance presented in the governmental fund financial statements represent the difference between assets and liabilities. Accounting standards require that the fund balance be classified into the following categories based upon the type of restrictions imposed on the use of funds:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. This includes TABOR reserve for emergencies (see Note 12).
- Committed – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the entity's highest level of decision-making authority.
- Assigned – This classification includes amounts intended to be used by the entity for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – This classification is the residual amount for the School's general fund and includes all spendable amounts not contained in the other classifications.

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. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

The net position is the residual of assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The School maintains the following classifications of net position:

- Net Investment in Capital Assets – Capital assets, net of accumulated depreciation, reduced by any borrowings used for the acquisition, construction or improvement of those assets.
- Restricted – Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the School or by the passage of time. This includes TABOR reserve for emergencies (see Note 12).
- Unrestricted: All other categories of net position.

When an expense is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to $225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the School by the State of Colorado is normally recorded in the fund financial statements. However, the payment was paused in 20-21 due to the COVID pandemic.

Budgets and Budgetary Accounting

The School adopts an annual budget for the General Fund. The Board or management can modify the budget by line item within the total fund's appropriation. Formal budgetary integration is employed as a management control device during the year for the General Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Use of Estimates

The preparation of financial statements in conformity and in accordance with the generally accepted financial principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual amounts could differ from those estimates.

NOTE 2 EXPLANATION OF DIFFERENCES BETWEEN THE BALANCE SHEET AND THE STATEMENT OF NET POSITION

Total fund balance of the School's general fund differs from net position of governmental activities primarily because of the long-term economic resources measurement focus of the statement of net position versus the current financial resources measurement focus of the general fund balance sheet.

The differences are described below:

	RMP - Denver	RMP - Aurora	Total
Fund Balance - June 30, 2021	$ 11,994,591	$ 4,484,241	$ 16,478,832
Capital assets in governmental activities are not financial resources and, therefore, are not reported as assets in the general fund.	155,573	-	155,573
Long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the general fund.	(212,520)	(87,480)	(300,000)
Net Position in Internal Service Funds	1,066,872	-	1,066,872
In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods.	45,850	3,606,122	3,651,972
Long-term net pension and OPEB liabilities are not due due and payable in the current period and, therefore, are not reported as liabilities in the general fund.	(5,900,200)	(9,184,881)	(15,085,081)
Net Position - June 30, 2021	$ 7,150,166	$ (1,181,998)	$ 5,968,168

NOTE 3 EXPLANATION OF DIFFERENCES BETWEEN STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE STATEMENT OF ACTIVITIES

The net change in fund balance for the general fund differs from the change in net position for governmental activities primarily because of the long-term economic resources measurement focus of the statement of activities versus the current financial resources measurement focus of the general fund statement of revenues, expenditures, and changes in fund balance.

NOTE 3 EXPLANATION OF DIFFERENCES BETWEEN STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE STATEMENT OF ACTIVITIES (CONTINUED)

The differences are described below:

	RMP - Denver	RMP - Aurora	Total
Net Change in Fund Balance - Year Ended June 30, 2021	$ 1,753,581	$ 1,358,854	$ 3,112,435
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense (depreciation).	46,883	-	46,883
Repayment of long-term debt is not reported as debt serice in governemental funds, but the forgiveness of debt reduces long-term liabilities in the statement of position and is recorded as revenue.	1,912,826	787,376	2,700,202
Internal Service Funds Change in Net Position	(73,032)	-	(73,032)
In governmental funds, pension and OPEB costs are recognized when the employer contribution is made, but in the statement of activities, pension costs are recognized on the accrual basis.	(732,518)	(1,028,505)	(1,761,023)
Change in Net Position - Year Ended June 30, 2021	$ 2,907,740	$ 1,117,725	$ 4,025,465

NOTE 4 CASH AND EQUIVALENTS

Reserved Cash

Cash in the amount of $846,013 as of June 30, 2021, is reserved to comply with provisions of the TABOR amendment.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable primarily consist of funds due from various governmental units. Management believes all of these amounts are collectible, therefore no provisions for uncollectible accounts were recorded. As of June 30, 2021, all amounts are considered collectible within one year.

NOTE 6 CAPITAL ASSETS AND DEPRECIATION

Capital assets and depreciation consisted of the following:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Capital Assets Not Being Depreciated:				
Land	$ 3,940,000	$ -	$ -	$ 3,940,000
Capital Assets Being Depreciated:				
Facilities Improvements	2,087,185	60,720	-	2,147,905
Less: Accumulated Depreciation	(246,762)	(90,237)	-	(336,999)
Total Capital Assets being Depreciated, Net	1,840,423	(29,517)	-	1,810,906
Total Capital Assets, Net	$ 5,780,423	$ (29,517)	$ -	$ 5,750,906

Depreciation expense was $90,237 for the year ended June 30, 2021. Depreciation expense of $13,837 was program expense in the general fund and $76,400 was program expense in the building fund.

NOTE 7 RISK MANAGEMENT

The School is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, students, and visitors and natural disasters. Management's policy is to minimize these risks through the purchase of commercial insurance. Settled claims have not exceeded the commercial insurance coverage since inception.

NOTE 8 EMPLOYEE BENEFIT PLANS

The School participates in the Denver Public Schools Division Trust Fund (DPS Division) and the School Division Trust Fund (School Division) cost-sharing multi-employer defined benefit pension funds 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 DPS Division and the Schools Divisions have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions Some, but not all, of these changes were in effect as of June 30, 2021.

Plan Description

Eligible employees of the School is provided with pensions through the Denver Public Schools Division Trust Fund (DPS Division) and the School Division Trust Fund (School Division) cost-sharing multi-employer defined benefit pension plans 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 that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

Benefits provided as of December 31, 2020. 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 DPS Division Benefit Structure is the greater of the:

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

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

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

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Benefits Provided (Continued)

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, 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 an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the School Division. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent 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 retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Contributions

Eligible employees of the School are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 10% of their PERA-includable salary period of July 1, 2020 through June 30, 2021 are required to contribute to the DPS Division at a rate set by Colorado Statute. The employer contribution requirements are summarized in the table below:

	7/1/20 to 12/31/2020	1/1/21 to 6/30/2021
Employer Contribution Rate[1]	10.40%	10.90%
Amount of Employee Contribution Apportioned to the DPS Health Care Trust Fund as Specified in C.R.S. 24-51-208(1)(f)[1]	(1.02)%	(1.02)%
PCOP Offset as Specified in C.R.S. 24-51-412[1]	(12.75)%	(12.09)%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. 24-51-411[1]	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-4111	5.50%	5.50%
Total Employer Contribution Rate to the DPS[1]	7.13%	7.79%

[1] Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42)

As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a non-employer contribution for financial reporting purposes.

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division for the year ended June 30, 2021 from the NST and Creekside, Southwest, and Berkeley locations were $380,218, $189,517, and $130,959, respectively.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Contributions

Eligible employees and the School is required to contribute to the School Division at a rate set by Colorado Statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	6/30/2021
Employer Contribution Rate[1]	10.90%
Amount of Employee Contribution Apportioned to the DPS Health Care Trust Fund as Specified in C.R.S. 24-51-208(1)(f)[1]	(1.02)%
Amount Apportioned	9.88%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. 24-51-411[1]	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. 24-51-411[1]	5.50%
Total Employer Contribution Rate to the School Division[1]	19.88%

[1] Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42)

As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the State Division Trust Fund based on the proportionate amount of annual payroll of the State Division Trust Fund to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a non-employer contribution for financial reporting purposes.

Employer contributions are recognized by the School Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the School Division from the Fletcher location were $615,467 for the year ended June 30, 2021.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

The net pension liability for the DPS Division and the School Division was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The School proportion of the net pension liability was based on the School contributions to the plans for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the plans and is considered to meet the definition of a special funding situation.

At June 30, 2021, the NST and Creekside location reported a total liability of $3,046,608 for its proportionate share of the net pension liability, the Southwest location reported a total liability of $1,518,561, the Berkeley location reported a total liability of $1,049,348, and the Fletcher location reported a total liability of $8,862,895.

At June 30, 2021, the School reported a total liability of $14,477,411 for its proportionate share of the net pension liability that reflected a no reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

	RMP - Denver	RMP - Aurora	Total
School's Proportionate Share of the Net Pension Liability (Assets)	$ 5,614,517	$ 8,862,895	$ 14,477,412
State's Proportionate Share of the Net Pension Liability (Assets)	-	-	-
Total	$ 5,614,517	$ 8,862,895	$ 14,477,412

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

For the year ended June 30, 2021, the School recognized pension expense for DPS Division and the School Division for support from the State as a nonemployer contributing entity as follows:

	RMP - Denver	RMP - Aurora	Total
Pension Expense	$ 505,503	$ 730,479	$ 1,235,982
Revenue from Support Provided by the State	$ -	$ -	$ -

At December 31, 2020, the NST and Creekside location's proportion was 0.677% representing an increase of .231%, the Southwest location's proportion was 0.338% representing an increase of .139%, the Berkeley location's proportion was 0.233% representing an increase of .091%, and the Fletcher location's proportion was 0.059% representing an increase of .022%.

At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	NST and Creekside RMP - Denver		Southwest RMP - Denver		Berkeley RMP - Denver		Fletcher RMP - Aurora	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 450,821	$ -	$ 224,709	$ -	$ 155,277	$ -	$ 486,972	$ -
Changes of Assumptions	637,736	-	317,875	-	219,657	-	852,583	1,489,778
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	3,031,100	-	1,510,831	-	1,044,007	-	1,950,925
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	1,710,367	437,588	1,077,109	117,943	1,033,636	-	5,206,451	-
Contribution Subsequent to the Measurement Date	230,346	-	105,706	-	77,033	-	324,547	-
Total	$ 3,029,270	$ 3,468,688	$ 1,725,399	$ 1,628,774	$ 1,485,603	$ 1,044,007	$ 6,870,553	$ 3,440,703

$230,346 for the NST and Creekside location, $105,706 for the Southwest location, $77,033 for the Berkeley location, and $324,547 for the Fletcher location were reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, and will therefore be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	NST/Creekside RMP - Denver	Southwest RMP - Denver	Berkeley RMP - Denver	Fletcher RMP - Aurora
2022	$ (159,834)	$ 64,913	$ 268,664	$ 1,149,332
2023	255,080	249,629	329,813	1,915,648
2024	(289,114)	(86,414)	(70,000)	348,093
2025	(475,896)	(237,209)	(163,914)	(307,770)
2026	-	-	-	-
Thereafter	-	-	-	-

DPS Division Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% to 9.70%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (Automatic)	1.25%, compounded annually
PERA Benefit Structure Hired After 12/31/06	Financed by the Annual Increase Reserve

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

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

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Actuarial Assumptions (Continued)

The actuarial assumptions used in the December 31, 2019, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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 PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.80% to 11.50%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (Automatic)	1.25%, compounded annually
PERA Benefit Structure Hired After 12/31/06 (ad hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality 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 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent 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 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Actuarial Assumptions (Continued)

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019. The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

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

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

* The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Actuarial Assumptions (Continued)

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

School Division Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% to 9.70%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (Automatic)	1.25%, compounded annually
PERA Benefit Structure Hired After 12/31/06 (ad hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

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

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Actuarial Assumptions (Continued)

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 PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

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% to 11.00%
Investment Rate of Return	7.25%, net of pension plan investment expenses, including inflation
Discount Rate	7.25%
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (Automatic)	1.25%, compounded annually
PERA Benefit Structure Hired After 12/31/06 (ad hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality 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 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent 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 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019. The mortality tables described above are generational mortality tables on a benefit-weighted basis.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Actuarial Assumptions (Continued)

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

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

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

* The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions 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 0.5% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions for the Trust Fund are reduced by an amount equal to the principal payments plus interest necessary each year to finance PCOPs issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020, for the State‘s 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.5% to 1.25% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

DPS Division Discount Rate (Continued)

Based on the above assumptions and methods, the projection test indicates the DPS Division's fiduciary net position was projected to be available to make all projected future payments of its 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 total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate of 7.25%. There was no change in the discount rate from the prior measurement date.

School Division Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions 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 0.5% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions for the Trust Fund are reduced by an amount equal to the principal payments plus interest necessary each year to finance PCOPs issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

School Division Discount Rate (Continued

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25% for both the DPS Division and School Division, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

NST and Creekside - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability (Asset)	$ 6,837,351	$ 3,046,608	$ (81,583)

Southwest - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability (Asset)	$ 3,408,031	$ 1,518,561	$ (40,665)

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Continued)

Berkeley - RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability (Asset)	$ 2,355,000	$ 1,049,349	$ (28,100)

Fletcher - RMP - Aurora	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Increase (8.25)%
Proportionate Share of the Net Pension Liability	$ 12,089,715	$ 8,862,895	$ 6,173,891

Pension Plan Fiduciary Net Position

Detailed information about the plan'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.

Other Post-Employment Benefits – Health Care Trust Funds

Summary of Significant Accounting Policies

RMPS participates in the Health Care Trust Fund (HCTF) and the Denver Public Schools Health Care Trust Fund (DPS HCTF), cost-sharing multiple-employer defined benefit OPEB funds 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 and DPS HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the OPEB Plans

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

General Information About the OPEB Plans (Continued)

Benefits provided. The HCTF and DPS HCTF provide 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 basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% 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.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

General Information About the OPEB Plans (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF and DPS HCTF in the period in which the compensation becomes payable to the member and the RMPS schools is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF and DPS HCTF from RMP – Denver and RMP – Aurora were $100,240 and $31,962, respectively, for the year ended June 30, 2021.

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

At June 30, 2020, RMP – Denver and RMP – Aurora reported liabilities of $285,683 and $321,986, respectively, for its proportionate share of the net OPEB liabilities. The net OPEB liability for the HCTF and DPS HCTF were measured as of December 31, 2019, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liabilities to December 31, 2020. The RMP – Denver and RMP - Aurora proportions of the net OPEB liabilities were based on their contributions to the HCTF and DPS HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF and DPS HCTF.

At December 31, 2020, the RMP – Denver and RMP – Aurora proportions were 1.248% and 0.034%, respectively, which was an increase of 0.113% and 0.010%, respectively, from its proportion measured as of December 31, 2019.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

For the year ended June 30, 2021, RMP – Denver and RMP – Aurora recognized OPEB expense of $7,026 and $26,269, respectively. At June 30, 2021, RMP – Denver and RMP – Aurora reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	RMP - Aurora	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 855	$ 70,788
Changes of Assumptions	2,406	19,744
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	13,157
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	260,048	-
Contribution Subsequent to the Measurement Date	16,652	-
Total	$ 279,961	$ 103,689

	RMP - Denver	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 110,108
Changes of Assumptions	26	18,982
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	49,219
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	48,356	-
Contribution Subsequent to the Measurement Date	76,974	-
Total	$ 125,356	$ 178,309

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

$93,626 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, 2021. 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 Ending June 30,	RMP - Aurora
2022	$ 45,263
2023	47,104
2024	34,106
2025	18,538
2026	13,679
Thereafter	930

Year Ending June 30,	RMP - Denver
2022	$ (28,934)
2023	(24,041)
2024	(31,013)
2025	(24,105)
2026	(8,219)
Thereafter	(13,615)

Actuarial assumptions. The total OPEB liabilities in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% in aggregate
Investment Rate of Return	7.25%
Discount Rate	7.25%
Health Care Cost Trend Rates:	
PERA Benefit Structure:	
Service-Based Premium Subsidy	0.00%
PERACare Medicare Plans	8.10% in 2020 gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50%, for 2020, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-Based Premium Subsidy	0.00%
PERACare Medicare Plans	N/A
Medicare Part A Premiums	N/A

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	$ 588	$ 227	$ 550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is $458 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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029	4.50%	4.50%

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

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

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93%t factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3-80%-11.50%

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculation for the determination of the total pension liability of the DPS Division as shown below were applied, as applicable, in the roll forward calculation for the DPS HCTF.

The 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 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent 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 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

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

The mortality tables described above are generational mortality tables on a head-count weighted basis.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

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

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

Sensitivity of the proportionate share of the net OPEB liabilities to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liabilities 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:

RMP - Aurora	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 313,664	$ 321,986	$ 331,674

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

RMP - Denver	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 285,669	$ 285,683	$ 285,706

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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

RMP - Aurora	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Decrease (8.25)%
Proportionate Share of the Net Pension Liability	$ 368,841	$ 321,986	$ 281,952

RMP - Denver	1% Decrease (6.25)%	Current Discount Rate (7.25)%	1% Decrease (8.25)%
Proportionate Share of the Net Pension Liability	$ 364,078	$ 285,683	$ 218,716

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

Taxable Pension Certificates of Participation (PCOPs)

The District issued Taxable Pension Certificates of Participation (PCOP) on July 17, 1997 to fully fund the unfunded actuarial accrued liability (UAAL) of the plan. Full funding of the UAAL reduced the employer contribution rate from the full funding rate of 15.75% to the normal cost rate of 4.98%. This rate is based upon actuarially determined contribution requirements, the approval and recommendation of the plan's board and approval of the District's Board of Education. DPS – Denver contributed 9.60%, 9.60%, and 9.60% of covered payroll for the fiscal years ended June 30, 2021, 2020, and 2019, respectively, to the District to cover its obligation relating to the PCOP. During the fiscal years ended June 30, 2021, 2020, and 2019, DPS – Denver made contributions totaling $813,130, $704,679, and $497,337 to the District toward its PCOP obligation.

NOTE 8 EMPLOYEE BENEFIT PLANS (CONTINUED)

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description - Employees of the School that are eligible 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 Annual Report which includes additional information on the Voluntary Investment Program. 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. In addition, the School has agreed to match employee contributions up to 1 percent of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2021, the School recognized pension expense and a liability of $7,429 and $-0-, respectively, for the Voluntary Investment Program.

NOTE 9 LONG-TERM DEBT

Following is a summary of the School's long-term debt transactions for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Repayments	Loan Forgiveness	Balance June 30, 2021	Due Within One Year
Direct Borrowings:						
CSGF Facility Fund III LLC	$ 600,000	$ -	$ (300,000)	$ -	$ 300,000	$ -
Low Income Investment Fund	4,250,000	-	-	-	4,250,000	98,062
Colorado Facility Solutions	1,000,000	-	(500,000)	-	500,000	-
CSGF Loan	300,000	-	-	-	300,000	300,000
PPP Loan	2,700,202	-	-	(2,700,202)	-	-
Total Long Term Debt from Direct Borrowings	$ 8,850,202	$ -	$ (800,000)	$ (2,700,202)	$ 5,350,000	$ 398,062

CSGF Facility Fund III LLC

RMP – Denver obtained (via RMP Berkeley Facility LLC) a loan of $1,600,000 to support the acquisition of a facility project to be occupied by a future charter school. $1,000,000 of this loan was refinanced with the proceeds from the loan from Colorado Facility Solutions, described below. The loan bears an interest rate of 2.75% per annum and requires 2 equal payments of principal and interest on January 1, 2021 and January 1, 2023.

NOTE 9 LONG-TERM DEBT (CONTINUED)

CSGF Facility Fund III LLC (Continued)

If an event of default occurs, CSGF Facility Fund III LLC may, by written notice to the School, declare the note, and any and all other indebtedness of the School to CSGF Facility Fund III LLC, immediately due and payable, whether or not the note or the other indebtedness shall be otherwise due and payable and whether or not CSGF Facility Fund III LLC shall have initiated any other action for the collection of the Note; whereupon the note and such other indebtedness shall become due and payable, as to the principal, interest, and any other amounts payable, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived by the School. In addition, CSGF Facility Fund III LLC may pursue any and all remedies available to it at law or in equity for the collection of the note and enforcement of the provisions in the loan agreement.

Low Income Investment Fund

RMP – Denver obtained (via RMP Berkeley Facility LLC) a loan of $4,250,000 to support the acquisition of a facility project to be occupied by a future charter school. The loan bears an interest rate of 5.24% per annum through February 28, 2022 and 5.99% thereafter. The loan requires monthly interest payments through March 1, 2022, and then amortizes the outstanding principal up to the maturity date of March 1, 2044. If an event of default occurs, lender may, by written notice to School, declare the note and any and all other indebtedness of School to the lender to be immediately due and payable. The lender shall have such other remedies in respect of the collateral as are specified in the mortgage and the assignment of leases and rents.

Colorado Facility Solutions

RMPS obtained (via RMP Berkeley Facility LLC) a loan of $1,000,000 to support the acquisition of a facility project to be occupied by a future charter school. The loan bears an interest rate of 2.75% per annum and requires 2 equal payments of principal and interest on January 1, 2021 and January 1, 2023. If an event of default occurs, Colorado Facility Solutions may, by written notice to the School, declare the note, and any and all other indebtedness of the School to Colorado Facility Solutions, immediately due and payable, whether or not the note or the other indebtedness shall be otherwise due and payable and whether or not Colorado Facility Solutions shall have initiated any other action for the collection of the Note; whereupon the note and such other indebtedness shall become due and payable, as to the principal, interest, and any other amounts payable, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived by the School. In addition, Colorado Facility Solutions may pursue any and all remedies available to it at law or in equity for the collection of the note and enforcement of the provisions in the loan agreement.

NOTE 9 LONG-TERM DEBT (CONTINUED)

CSGF Loan

RMPS obtained a loan of $300,000 to support all of the charter schools managed and/or operated by RMPS. The CSGF loan bears an interest rate of 0.0% per annum and requires one payment of principal on November 20, 2021. If an event of default occurs, Charter Fund Inc. may, by written notice to the School, declare the note, and any and all other indebtedness of the School to Charter Fund Inc., immediately due and payable, whether or not the note or the other indebtedness shall be otherwise due and payable and whether or not Charter Fund Inc. shall have initiated any other action for the collection of the Note; whereupon the note and such other indebtedness shall become due and payable, as to the principal, interest, and any other amounts payable, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived by the School. In addition, Charter Fund Inc. may pursue any and all remedies available to it at law or in equity for the collection of the note and enforcement of the provisions in the loan agreement.

Future maturities of long-term debt are as follows:

	Long Term Debt Through Direct Borrowings		
Year Ended June 30,	Principal	Interest	Total
2022	$ 398,062	$ 276,575	$ 674,637
2023	903,936	262,451	1,166,387
2024	110,162	256,225	366,387
2025	116,760	235,877	352,637
2026	123,754	228,883	352,637
Thereafter	3,697,326	2,297,500	5,994,826
Total	$ 5,350,000	$ 3,557,511	$ 8,907,511

NOTE 10 NST MANAGEMENT FEES

The charter schools have adopted and approved the payment of management fees paid to the NST of approximately 12% of estimated revenues. For the year ended June 30, 2021, the NST recorded $2,915,913 in management income received from the schools. The fees are paid to account for the services provided in the areas of operations, finance and accounting, marketing, staff recruitment, human resources, student recruitment and enrollment.

NOTE 11 INTERFUND RECEIVABLES/PAYABLES

Interfund activity has been eliminated in the Government-wide statements. The general fund paid the long-term debt payments of the building fund during the year. The following transactions are reported in the fund financial statements:

Interfund Receivables/Payables	Interfund Receivables	Interfund Payables
Fund		
General Fund	$ 894,928	$ -
Building Fund		894,928
Total	$ 894,928	$ 894,928

NOTE 12 COMMITMENT AND CONTINGENCIES

Facilities Use Agreements

The School entered into several facility use agreements with Districts for use of a District school building for the 2020-2021 school year. The District will charge the School per pupil to cover these costs. The cost per student will be recalculated by the District each year. The School paid $1,461,461 under the terms of these agreements for the year ended June 30, 2021.

Federal and State Programs

The School participate in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, The School may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

PPP Loan Forgiveness

During the year, the principal amount of $2,700,202, along with accrued interest, was forgiven by the financial institution. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the School's financial position.

NOTE 12 COMMITMENT AND CONTINGENCIES (CONTINUED)

COVID-19 Pandemic

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to RMPS, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the RMPS is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as this is ongoing and/or still developing.

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2021, the reserve of $846,013 was recorded as a restriction of fund balance in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

ROCKY MOUNTAIN PREPARATORY SCHOOLS
GENERAL FUND BALANCE SHEET BY LOCATION
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Rocky Mountain Preparatory Creekside	Rocky Mountain Preparatory Southwest	Rocky Mountain Preparatory Berkeley	Total DPS	Rocky Mountain Preparatory Fletcher (APS)	Total
ASSETS						
CURRENT ASSETS						
Cash	$ 7,397,036	$ 3,212,112	$ (173,447)	$ 10,435,701	$ 3,464,152	$ 13,899,853
Cash Held for TABOR	251,113	209,822	138,676	599,611	246,402	846,013
Interfund Receivable	-	-	894,928	894,928	-	894,928
Prepaid Items	4,136	3,012	2,138	9,286	3,622	12,908
Accounts Receivable	200,935	151,653	152,315	504,903	974,674	1,479,577
Total Current Assets	7,853,220	3,576,599	1,014,610	12,444,429	4,688,850	17,133,279
Total Assets	$ 7,853,220	$ 3,576,599	$ 1,014,610	$ 12,444,429	$ 4,688,850	$ 17,133,279
LIABILITIES AND FUND BALANCES						
CURRENT LIABILITIES						
Accounts Payable	$ 73,320	$ 133,739	$ 241,971	$ 449,030	$ 204,028	$ 653,058
Unearned Revenues	-	472	336	808	581	1,389
Total Current Liabilities	73,320	134,211	242,307	449,838	204,609	654,447
Total Liabilities	73,320	134,211	242,307	449,838	204,609	654,447
FUND BALANCES						
Nonspendable	4,136	3,012	2,138	9,286	3,622	12,908
Restricted for Emergency Reserve - TABOR	251,113	209,822	138,676	599,611	246,402	846,013
Unassigned	7,524,651	3,229,554	631,489	11,385,694	4,234,217	15,619,911
Total Fund Balances	7,779,900	3,442,388	772,303	11,994,591	4,484,241	16,478,832
Total Liabilities and Fund Balances	$ 7,853,220	$ 3,576,599	$ 1,014,610	$ 12,444,429	$ 4,688,850	$ 17,133,279

ROCKY MOUNTAIN PREPARATORY SCHOOLS
GENERAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE BY LOCATION
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Rocky Mountain Preparatory Creekside	Rocky Mountain Preparatory Southwest	Rocky Mountain Preparatory Berkeley	Total DPS	Rocky Mountain Preparatory Fletcher (APS)	Total
REVENUES						
General Revenues:						
Per Pupil Revenue and Preschool Funding	$ 4,903,906	$ 3,908,413	$ 2,785,186	$ 11,597,505	$ 4,552,711	$ 16,150,216
Mill Levy Override	1,293,978	1,141,427	626,447	3,061,852	2,318,261	5,380,113
Program Revenues:						
Federal Revenue	1,104,976	947,035	481,264	2,533,275	931,921	3,465,196
Other State	765,078	346,283	132,769	1,244,130	444,434	1,688,564
Private Grants and Contributions	435,160	352,535	256,120	1,043,815	418,963	1,462,778
Investment Income	4,329	3,384	2,408	10,121	5,326	15,447
NST Management Fee	883,466	690,653	491,517	2,065,636	850,277	2,915,913
All Other Local Revenues	77,870	61,276	45,120	184,266	50,345	234,611
Total Revenues	9,468,763	7,451,006	4,820,831	21,740,600	9,572,238	31,312,838
EXPENDITURES						
Program Expenses	5,695,716	4,906,904	3,488,549	14,091,169	6,202,668	20,293,837
Supporting Services	2,613,996	2,087,154	1,133,980	5,835,130	2,010,716	7,845,846
Capital Outlay	60,720	-	-	60,720	-	60,720
Total Expenditures	8,370,432	6,994,058	4,622,529	19,987,019	8,213,384	28,200,403
CHANGE IN FUND BALANCE	1,098,331	456,948	198,302	1,753,581	1,358,854	3,112,435
Fund Balance July 1, 2020	6,681,569	2,985,440	574,001	10,241,010	3,125,387	13,366,397
FUND BALANCE JUNE 30, 2021	$ 7,779,900	$ 3,442,388	$ 772,303	$ 11,994,591	$ 4,484,241	$ 16,478,832

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – RMP – DENVER
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 10,521,534	$ 11,130,080	$ 11,597,505	$ 467,425
Mill Levy Override	1,778,906	2,074,505	3,061,852	987,347
Grants and Contributions	3,013,919	3,065,647	4,821,220	1,755,573
All Other Local Revenues	2,123,263	2,287,664	2,260,023	(27,641)
Total Revenues	17,437,622	18,557,896	21,740,600	3,182,704
EXPENDITURES				
Payroll	11,831,894	12,231,204	12,329,037	97,833
Books, Supplies, and Equipment	1,765,024	1,892,536	1,457,053	(435,483)
Services and Other Operating Expenses	6,183,035	6,048,309	6,140,209	91,900
Capital Outlay	-	-	60,720	60,720
Total Expenditures	19,779,953	20,172,049	19,987,019	(185,030)
CHANGE IN FUND BALANCE	$ (2,342,331)	$ (1,614,153)	1,753,581	$ 3,367,734
Fund Balance - July 1, 2020			10,241,010	
FUND BALANCE - JUNE 30, 2021			$ 11,994,591	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – RMP – AURORA
YEAR ENDED JUNE 30, 2021

(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 4,339,117	$ 5,191,022	$ 4,552,711	$ (638,311)
Mill Levy Override	1,269,421	1,276,689	2,318,261	1,041,572
Grants and Contributions	329,307	446,002	1,795,318	1,349,316
All Other Local Revenues	1,274,307	1,341,980	905,948	(436,032)
Total Revenues	7,212,152	8,255,693	9,572,238	1,316,545
EXPENDITURES				
Payroll	4,802,943	5,376,161	5,404,975	28,814
Books, Supplies, and Equipment	654,976	607,464	581,438	(26,026)
Services and Other Operating Expenses	2,535,493	2,460,369	2,226,971	(233,398)
Total Expenditures	7,993,412	8,443,994	8,213,384	(230,610)
CHANGE IN FUND BALANCE	$ (781,260)	$ (188,301)	1,358,854	$ 1,547,155
Fund Balance - July 1, 2020			3,125,387	
FUND BALANCE - JUNE 30, 2021			$ 4,484,241	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – NST
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Grants and Contributions	$ -	$ -	$ 1,382,769	$ 1,382,769
All Other Local Revenues	2,507,920	2,739,994	5,803,051	3,063,057
Total Revenues	2,507,920	2,739,994	7,185,820	4,445,826
EXPENDITURES				
Payroll	3,095,742	3,095,742	3,436,303	340,561
Books, Supplies, and Equipment	360,000	540,000	260,052	(279,948)
Services and Other Operating Expenses	510,000	110,000	561,023	451,023
Total Expenditures	3,965,742	3,745,742	4,257,378	511,636
CHANGE IN FUND BALANCE	$ (1,457,822)	$ (1,005,748)	2,928,442	$ 3,934,190
Fund Balance - July 1, 2020			6,217,100	
FUND BALANCE - JUNE 30, 2021			$ 9,145,542	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET TO ACTUAL – CREEKSIDE
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Between Final Budget and Actual
	Original	Final		
REVENUES				
Per Pupil Revenue and Preschool Funding	$ 4,532,938	$ 4,654,873	$ 4,903,906	$ 249,033
Mill Levy Override	1,126,665	1,311,359	1,293,978	(17,381)
Grants and Contributions	934,647	937,236	2,305,214	1,367,978
All Other Local Revenues	1,106,502	1,176,816	965,665	(211,151)
Total Revenues	7,700,752	8,080,284	9,468,763	1,388,479
EXPENDITURES				
Payroll	4,944,678	5,108,057	4,941,732	(166,325)
Books, Supplies, and Equipment	659,073	713,610	695,766	(17,844)
Services and Other Operating Expenses	2,717,191	2,636,435	2,672,214	35,779
Capital Outlay	-	-	60,720	60,720
Total Expenditures	8,320,942	8,458,102	8,370,432	(87,670)
CHANGE IN FUND BALANCE	$ (620,190)	$ (377,818)	1,098,331	$ 1,476,149
Fund Balance - July 1, 2020			6,681,569	
FUND BALANCE - JUNE 30, 2021			$ 7,779,900	

ROCKY MOUNTAIN PREPARATORY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

There were no findings or questioned costs for the prior year.