Mesa Valley Community School

(A Component Unit of Mesa County Valley School District 51)

Financial Statements

with Independent Auditor's Report

June 30, 2023

HINKLE & COMPANY PC
Strategic Business Advisors

Mesa Valley Community School

(A Component Unit of Mesa County Valley School District 51)

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June 30, 2023

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditors' Report

Board of Directors
Mesa Valley Community School
Grand Junction, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Mesa Valley Community School (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents, such as management's discussion and analysis and budgetary comparison information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Hinkle & Company, pc

Englewood, Colorado
October 10, 2023

Management's Discussion and Analysis

Mesa Valley Community School

June 30, 2023

As management of the Mesa Valley Community School (MVCS), we offer readers of MVCS's financial statements this narrative overview and analysis of the financial activities of MVCS for the fiscal year ended June 30, 2023.

Financial Highlights

The liabilities and deferred inflows of MVCS exceeded its assets and deferred outflows at the close of the most recent fiscal year by $(1,195,023). In addition to this amount, $105,000 of net position is restricted for emergencies (TABOR).

At the end of the current fiscal year, fund balance for the governmental fund was $ 618,033.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to MVCS's basic financial statements. MVCS's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The *statement of net position* presents information on all of MVCS's assets and deferred outflows, and liabilities and deferred inflows, with the difference between these items reported as net position.

The *statement of activities* presents information showing how the government'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 only result in cash flows in future fiscal periods (e.g., earned but unused paid time off).

Both of the government-wide financial statements focus on the governmental activities of MVCS. The governmental activities include instructional services, student services, general administration services, school administration services, and maintenance. The government-wide financial statements can be found on pages 6 and 7 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MVCS, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of MVCS are governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

MVCS maintained one governmental fund.

MVCS adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget on page 39.

The basic general fund financial statements can be found on pages 6 through 8 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 9 through 34 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of MVCS, the liabilities and deferred inflows of MVCS exceeded its assets and deferred outflows at the close of the most recent fiscal year by $ (1,195,023).

MVCS's Net Position

	Governmental Activities	
	2021-2022	2022-2023
Current assets	$ 882,042	$1,666,781
Noncurrent assets	4,092,544	3,490,315
Total assets	4,974,586	5,157,096
Deferred Outflows of Resources		
Deferred outflows related to pension	585,470	927,384
Deferred outflows related to OPEB	47,105	41,042
Total assets and deferred outflows of resources	5,607,161	6,125,522

Current liabilities	297,598	357,504
Long-term liabilities	5,655,960	6,145,609
Total liabilities	5,953,558	6,503,113
Deferred Inflows of Resources		
Deferred inflows related to pension	1,486,329	759,243
Deferred inflows related to OPEB	52,126	58,189
	1,538,455	817,432
Total liabilities and deferred inflows of resources	7,492,013	7,320,545
Net position:		
Net Investment in Capital Asset	1,625,957	1,921,401
Restricted	100,439	105,000
Unrestricted	(3,611,248)	(3,221,424)
Total net position	(1,884,852)	(1,195,023)
Total liabilities, deferred inflows of resources and net position	$5,607,161	$6,125,522

Governmental activities. Governmental activities decreased MVCS's net position by $623,197. Key elements of this change are as follows:

MVCS's Change in Net Position

	Governmental Activities	
	2021-2022	2022-2023
Revenues:		
Charges for services	$ 152,674	$81,870
Operating grants	632,999	597,016
Capital grants	108,395	145,808
Grants/Contributions unrestricted		111
Local Grants/Other		2,291
State equalization, general	3,171,233	2,319,950
Property tax revenue	267,186	186,449
Interest income	1268	12,440
Total revenues	4,333,755	3,345,935
Expenses:		
Instructional services	1,984,100	1,944,023
Student support	1,602,748	1,339,264
School administration	84,519	
Business support	128,584	
Operations/maintenance	45,521	
Interest on Long Term Debt	109,932	109,675
Principal on Long Term Debt		95,000

Total expenses	3,955,404	3,487,962
Change in net position	378,351	623,197
Net position – beginning	(2,263,203)	(1,884,852)
Restatement		66,232
Net position-beginning of year as restatement		(1, 818,220)
Net position – ending	$(1,884,852)	$(1,195,023)

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

At the end of the current fiscal year, MVCS's governmental fund reported an ending fund balance of $618,033.

Unassigned fund balance is $ 372,844 Restricted fund balances of $105,000 must be set aside for emergencies (TABOR). Nonspendable fund balance of $140,189 are non-spendable funds held by others (School District 51) associated with the COP/lease and repair and replacement fund.

General Fund Budgetary Highlights

Amendments were made to the General Fund budget as shown on the Budget and Actual Statement on page 39. Actual revenues were slightly lower than budgeted because student count was slightly lower than planned. Total expenditures were under budget by $259,002 due to carry over of ESSR III expenditures to the 2023-2024 year.

Long-term debt. MVCS has a Certificate of Participation with MVCSD 51, beginning in 2018, for a term of 20 years. COP funds were used to purchase the property and building at which the school is located.

Economic Factors and Next Year's Budget

This was the ninth year in operation as a District Charter School and operations were at 98% estimated enrollment capacity. Next year, for the 2023-2024 year budget, it is anticipated to operate at about 96% of enrollment capacity.

Requests for Information

This financial report is designed to provide a general overview of MVCS's finances for stakeholders and to fulfill the requirements of financial transparency. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mesa Valley Community School Director by telephone at (970) 254-7202.

Basic Financial Statements

Mesa Valley Community School

(A Component Unit of Mesa County Valley District 51)

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Cash	$ 644,955
Accounts Receivable	181,451
Funds Held by Others	140,189
Capital Assets, *Net of Accumulated Depreciation*	
Not Being Depreciated	700,186
Being Depreciated, *Net of Depreciation*	3,490,315
Total Assets	5,157,096
Deferred Outflows of Resources	
Pensions, *Net of Accumulated Amortization*	927,384
OPEB, *Net of Accumulated Amortization*	41,042
Total Deferred Outflows of Resources	968,426
Liabilities	
Accounts Payable	187,623
Accrued Liabilities	-
Accrued Salaries and Benefits	160,939
Accrued Interest	8,942
Noncurrent Liabilities	
Long Term Debt	100,000
Due Within One Year	2,243,427
Net Pension Liability	3,679,260
Net OPEB Liability	122,922
Total Liabilities	6,503,113
Deferred Inflows of Resources	
Pensions, *Net of Accumulated Amortization*	759,243
OPEB, *Net of Accumulated Amortization*	58,189
Total Deferred Inflows of Resources	817,432
Net Position	
Net Investment in Capital Assets	1,921,401
Restricted for:	
Emergencies	105,000
Unrestricted	(3,221,424)
Total Net Position	$ (1,195,023)

See Notes to the Financial Statements.

Mesa Valley Community School

(A Component Unit of Mesa County Valley School District 51)

Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Primary Government					
Governmental Activities					
Instruction	$ 1,542,345	$ 81,870	$ 186,898	$ -	$ (1,273,577)
Supporting Services	1,105,413	-	444,771	145,808	(514,834)
Interest on Long-Term Debt	109,633	-	-	-	(109,633)
Total Primary Government	$ 2,757,391	$ 81,870	$ 631,669	$ 145,808	(1,898,044)
General Revenues					
Per Pupil Revenue					2,319,950
Mill Levy Funding					186,449
Grants and Contributions not Restricted to Specific Programs					111
Interest Income					12,440
Other					2,291
Total General Revenues					2,521,241
Change in Net Position					623,197
Net Position, *Beginning of Year* as previously stated					(1,884,852)
Restatement					66,632
Net Position, *Beginning of Year as restatement*					(1,818,220)
Net Position, *End of Year*					$ (1,195,023)

See Notes to the Financial Statements.

Mesa Valley Community School

(A Component Unit of Mesa County Valley School District 51)

Balance Sheet

Governmental Fund

June 30, 2023

		General
Assets		
Cash	$	644,955
Accounts Receivable		181,451
Funds Held by Others		140,189
Total Assets	$	966,595
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$	184,127
Due to Mesa County Valley School District		3,496
Accrued Salaries and Benefits		160,939
Unearned Revenues		-
Total Liabilities		348,562
Fund Balance		
Nonspendable		
Funds Held by Others		140,189
Restricted for:		
Emergencies		105,000
Unrestricted, Unassigned		372,844
Total Fund Balance		618,033
Total Liabilities and Fund Balance	$	966,595

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

Total Fund Balance of the Governmental Fund	$	618,033
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		4,190,501
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.		
Loan payable		(2,269,100)
Accrued Interest		(8,942)
Compensated Absences		(74,327)
Net pension liability		(3,679,260)
Pension-related deferred outflows of resources		927,384
Pension-related deferred inflows of resources		(759,243)
Net OPEB liability		(122,922)
OPEB-related deferred outflows of resources		41,042
OPEB-related deferred inflows of resources		(58,189)
Total Net Position of Governmental Activities	$	(1,195,023)

Mesa Valley Community School

(A Component Unit of Mesa County Valley School District 51)
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2023

	General
Revenues	
Local Sources	$ 283,161
State Sources	2,618,003
Federal Sources	444,771
Total Revenues	3,345,935
Expenditures	
Instruction	1,944,023
Supporting Services	1,339,264
Debt Service	
Principal	95,000
Interest	109,675
Total Expenditures	3,487,962
Net Change in Fund Balance	(142,027)
Fund Balance, *Beginning of Year as previously stated*	693,428
Restatement	66,632
Fund Balance, *Beginning of Year*	760,060
Fund Balance, *End of Year*	$ 618,033

See Notes to the Financial Statements.

Mesa Valley Community School

(A Component Unit of Mesa County Valley School District 51)

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

For the Year Ended June 30, 2022

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of the Governmental Fund	$ (142,027)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.	
Capital Outlay	410,402
Depreciation Expense	(209,958)
Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	
Debt Principal Repayment	95,000
Change in Accrued Interest	42
Change in Compensated Absences	17,492
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following:	
Net pension liability	(629,266)
Pension-related deferred outflows of resources	341,914
Pension-related deferred inflows of resources	727,086
Net OPEB liability	24,638
OPEB-related deferred outflows of resources	(6,063)
OPEB-related deferred inflows of resources	(6,063)
Change in Net Position of Governmental Activities	$ 623,197

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Mesa Valley Community School (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Mesa County Valley School District 51 (the District).

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

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The School reports the following major governmental fund:

> *General Fund* - This fund is the general operating fund of the School. It is currently used to account for all financial activities of the School.

Assets, Liabilities and Net Position/Fund Balance

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Deposits - The School has provided a security deposit for an operating lease (See Note 7).

Capital Assets - Capital assets are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance *(Continued)*

Capital assets are amortized or depreciated using the straight-line method over the life of the related lease agreement or the estimated useful lives, as follows:

Equipment	10 years
Leasehold Improvements	10 years

Accrued Salaries and Benefits - Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability of the General Fund.

Unearned Revenues - Unearned revenues include grants received before eligibility requirements established by the provider have been met.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs are reported as current expenses or expenditures.

Pensions - The School participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP), and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance *(Continued)*

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Board of Directors is authorized to establish a fund balance commitment through passage of a resolution and may assign fund balances to a specific purpose through an informal action.

The School has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the School uses restricted fund balance first, followed by committed, assigned and unassigned balances.

Risk Management

The School is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; injuries to employees; and natural disasters. The School carries commercial insurance for these risks of loss.

Subsequent Events

The School has evaluated subsequent events through October 10, 2023, the date the financial statements were available to be issued.

Note 2: Cash and Investments

The School's cash at June 30, 2023, consisted of the following:

Bank Deposits	$ 490,114
CSAFE Deposits	154,841
Total	$ 644,955

Note 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2023, the School had bank deposits of $1,363,549 collateralized with securities held by the financial institution's agent but not in the School's name.

Investments

The School is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the School may invest in a single issuer, except for corporate securities.

The School has no investments at June 30, 2023.

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2023, is summarized below.

Governmental Activities	**Balance 6/30/22**	**Additions**	**Deletions**	**Balance 6/30/23**
Capital Assets, *Not Being Depreciated*	$	$	$	$
Land	492,117	-	-	492,117
Construction in Progress	-	208,069	-	208,069
Total Capital Assets, Not Being Depreciated	492,117	208,069	-	700,186
Capital Assets, *Being Depreciated*				
Building	1,865,980	-	-	1,865,980
Building Improvements	2,196,998	202,333	-	2,399,331
	4,062,978	202,333	-	4,265,311
Accumulated Depreciation	(565,038)	(209,958)	-	(774,996)
Total Capital Assets, *Being Depreciated*	3,497,940	(7,625)	-	3,490,315
Total Capital Assets, *net*	$ 3,990,057	$ 200,444	$ -	$ 4,190,501

Depreciation expense was charged to the instructional services program.

Note 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2023:

	Balance 6/30/22	**Additions**	**Payments**	**Balance 6/30/23**	**Due Within One Year**
Governmental Activities					
Lease Payable	$ 2,364,100	$ -	$ (95,000)	$ 2,269,100	$ 100,000
Compensated Absences	91,819	-	(17,492)	74,327	-
	$ 2,455,919	$ -	$ (112,492)	$ 2,343,427	$ 100,000

Note 4: Long-Term Debt (Continued)

In February 2019, the School entered into a long-term lease with the District for the lease/purchase of land and a building. The District issued Certificates of Participation (COP) in the amount of $2,680,000 for the purchase of the land and building, with was then leased to the School. The lease term is for 20 years with interest from 4% to 5%, after which the property will belong to the School. The lease payable also resulted in a premium of $123,604 that is being amortized over the life of the lease.

Future debt service requirements for the loan are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 100,000	$ 104,800	$ 204,800
2025	105,000	99,675	204,675
2026	110,000	94,300	204,300
2027	115,000	88,675	203,675
2028	120,000	82,800	202,800
2029 - 2033	700,000	315,000	1,015,000
2034 - 2038	880,000	131,800	1,011,800
2039	139,100	4,000	143,100
Total	$ 2,269,100	$ 921,050	$ 3,190,150

The long-term lease requires the School to pay the District a semi-annual lease payment equal to the corresponding Certificate of Participation debt service the District used to fund the acquisition of the land and building covered under the School's capital lease. The School pays into an account held by the District a monthly amount dictated by the District to allow the necessary funds to cover the required lease payments on the due dates. As of June 30, 2023, the School had $96,023 held by the District in this account.

Additionally, the long-term lease requires the School to fund a reserve and replacement account to be held by the District. As of June 30, 2023, the School had $44,166 held by the District in this account.

Note 5: Defined Benefit Pension Plan

General Information

Plan Description - Eligible employees of the School are provided with pensions through the SCHDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Note 5: Defined Benefit Pension Plan

General Information *(Continued)*

Benefits provided as of December 31, 2022 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

Note 5: Defined Benefit Pension Plan (Continued)

General Information *(Continued)*

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum of 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) in place under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of June 30, 2023 - Eligible employees of the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 01, 2022 through June 30, 2023. The School's contribution rate was 20.38% of covered salaries for July 01, 2022 through June 30, 2023. However, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 6). Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were $312,152, for the year ended June 30, 2023.

Note 5: Defined Benefit Pension Plan (Continued)

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

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployee contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to ERA in the amount of $380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately $14.5 million (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed July 1, 2023.

The net pension liability for the SCHDTF was measured at December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TPL to December 31, 2022. The School proportion of the net pension liability was based on the School contributions to the SCHDTF for the calendar year, 2022 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

At June 30, 2023, the School reported a liability of $3,679,260, for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

School Proportionate share of net pension liability	$ 4,751,436
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the School	(1,072,176)
Proportionate share of the net pension liability	$ 3,679,260

At December 31, 2022, the School's proportion was 0.0202052087%, which was a decrease of 0.0262086255% from its proportion measured at December 31, 2021.

Note 5: Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2023, the School recognized pension expense of $432,659 and expense of $833,811 for support from the State as a nonemployer contributing entity. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 34,821	$ -
Changes of assumptions and other inputs	65,171	-
Net difference between projected and actual earnings on plan investments	494,260	-
Changes in proportion	185,397	759,243
Contributions subsequent to the measurement date	147,735	-
Total	$ 927,384	$ 759,243

$147,735 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2024	$ (138,072)
2025	(218,128)
2026	89,116
2027	287,490
Total	$ 20,406

Note 5: Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions - The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-employment benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by AIR

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

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

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

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

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

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

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

Note 5: Defined Benefit Pension Plan (Continued)

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

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

Note 5: Defined Benefit Pension Plan (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future 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, required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

Note 5: Defined Benefit Pension Plan (Continued)

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

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

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 4,814,886	$ 3,679,260	$ 2,730,897

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

Note 6: Postemployment Healthcare Benefits

General Information

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

Note 6: Postemployment Healthcare Benefits (Continued)

General Information *(Continued)*

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

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

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

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

Note 6: Postemployment Healthcare Benefits (Continued)

General Information *(Continued)*

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School was $14,878, for the year ended June 30, 2023.

Note 6: Postemployment Healthcare Benefits (Continued)

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

At June 30, 2023, the School reported a liability of $142,503 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured at December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers to the HCTF.

At December 31, 2022, the School's proportion was 0.0150551345%, which was a decrease of 0.0020571071% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the School recognized OPEB expense of $68,675. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15	$ 29,726
Changes of assumptions and other inputs	1,974	13,567
Net difference between projected and actual earnings on plan investments	7,506	-
Changes in proportion	24,153	14,896
Contributions subsequent to the measurement date	7,394	-
Total	$ 41,042	$ 58,189

Note 6: Postemployment Healthcare Benefits (Continued)

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

$7,394 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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,		
2024	$	(4,716)
2025		(6,849)
2026		(3,947)
2027		(1,878)
2028		(5,745)
Thereafter		(1,406)
Total	$	(24,541)

Actuarial Assumptions - The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA Benefit Structure	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
4.50% for 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029	
Medicare Part A premiums:	
3.75% for 2021, gradually increasing to 4.50% in 2029	
DPS Benefit Structure	
Service-based premium subsidy	0.0%
PERACare Medicare plans	N/A
Medicare Part A premiums:	N/A

Note 6: Postemployment Healthcare Benefits (Continued)

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

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Note 6: Postemployment Healthcare Benefits (Continued)

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation 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 TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Note 6: Postemployment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

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

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

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

Note 6: Postemployment Healthcare Benefits (Continued)

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were adopted by the PERA's Board during the November 20, 2020, Board meeting.

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

Note 6: Postemployment Healthcare Benefits (Continued)

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

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

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, as presented previously (See Note 5).

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Note 6: Postemployment Healthcare Benefits (Continued)

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

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 142,503	$ 122,922	$ 106,174

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability using the current healthcare cost trend rates applicable to the PERA benefit structure, ranging from 3.00% to 7.25%, as well as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	$ 119,443	$ 122,922	$ 126,708

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

Note 7: Commitments and Contingencies

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by revenues received from other governmental entities. Expenditures financed by these revenues are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the School may be required to reimburse the other government. At June 30, 2023, significant amounts of related expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment. In accordance with the Amendment, the School has established an emergency reserve representing 3% of qualifying expenditures. At June 30, 2023, the reserve was reported as restricted fund balance in the General Fund, in the amount of $105,000.

Note 8: Restatement

The June 30, 2022 financial statements have been restated to reflect the funds held on deposit by the district in relation to the monthly payment required to cover the semi-annual long-term lease payments. The beginning fund balance and net position have been restated by $66,632 to reflect the balance of the funds held by the District as of June 30, 2022.

Required Supplementary Information

Mesa Valley Community School

(A Component Unit of Mesa County Valley School District 51)

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability and Contributions

Public Employees' Retirement Association of Colorado School Division Trust Fund

June 30, 2023

Measurement Date	12/31/22	12/31/21	12/31/20	12/31/19
Proportionate Share of the Net Pension Liability				
School's Proportion of the Net Pension Liability	0.0202052870%	0.0262100000%	0.0278000000%	0.0225800000%
Net Pension Liability				
School's Proportionate Share	$ 3,679,260	$ 3,049,994	$ 4,203,340	$ 3,373,960
State's Proportionate Share	1,072,176	321,516	-	379,774
Total Proportionate Share of the Net Pension Liability	$ 4,751,436	$ 3,371,510	$ 4,203,340	$ 3,753,734
School's Covered-Employee Payroll	$ 1,559,743	$ 1,637,956	$ 1,466,577	$ 1,326,681
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	236%	186%	287%	254%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62%	75%	67%	65%

Reporting Date	6/30/23	6/30/22	6/30/21	6/30/20
School Contributions				
Statutorily Required Contribution	$ 312,152	$ 335,073	$ 308,818	$ 273,778
Contributions in Relation to the Statutorily Required Contribution	(312,152)	(335,073)	(308,818)	(273,778)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered-Employee Payroll	$ 1,458,652	$ 1,685,475	$ 1,553,406	$ 1,412,682
Contributions as a Percentage of Covered-Employee Payroll	21.40%	19.88%	19.88%	19.38%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Mesa Valley Community School
(A Component Unit of Mesa County Valley School District 51)
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2023
(Continued)

Measurement Date	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.0204100000%	0.0210500000%	0.0193900000%	0.0174700000%	0.0175500000%
School's Proportionate Share of the Net Pension Liability	$ 3,614,542	$ 6,805,300	$ 5,771,674	$ 2,671,203	$ 2,379,186
State's Proportionate Share	434,787	-	-	-	-
Total Proportionate Share of the Net Pension Liability	$ 4,049,329	$ 6,805,300	$ 5,771,674	$ 2,671,203	$ 2,379,186
School's Covered-Employee Payroll	$ 1,121,823	$ 970,795	$ 870,034	$ 750,060	$ 361,480
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	322%	701%	663%	356%	658%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57%	44%	43%	59%	63%

Reporting Date	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
School Contributions					
Statutorily Required Contribution	$ 239,544	$ 187,315	$ 172,908	$ 141,956	$ 123,772
Contributions in Relation to the Statutorily Required Contribution	(239,544)	(187,315)	(172,908)	(141,956)	(123,772)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered-Employee Payroll	$ 1,252,193	$ 992,131	$ 940,615	$ 800,685	$ 720,285
Contributions as a Percentage of Covered-Employee Payroll	19.13%	18.88%	18.38%	17.73%	17.18%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Mesa Valley Community School

(A Component Unit of Mesa County Valley District 51)

Required Supplementary Information

Schedule of Proportionate Share of the Net OPEB Liability and Contributions

Public Employees' Retirement Association of Colorado Health Care Trust Fund

June 30, 2023

Measurement Date	12/31/22	12/31/21	12/31/20
Proportionate Share of the Net OPEB Liability			
School's Proportion of the Net OPEB Liability	0.0150551345%	0.0171100000%	0.0160700000%
School's Proportionate Share of the Net OPEB Liability	$ 142,503	$ 147,560	$ 152,714
School's Covered Payroll	$ 1,559,743	$ 1,637,956	$ 1,466,577
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	9%	9%	10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	39%	33%

Reporting Date	6/30/23	6/30/22	6/30/21
School Contributions			
Statutorily Required Contribution	$ 14,878	$ 17,192	$ 15,845
Contributions in Relation to the Statutorily Required Contribution	(14,878)	(17,192)	(15,845)
Contribution Deficiency (Excess)	$ -	$ -	$ -
School's Covered Payroll	$ 1,458,652	$ 1,685,475	$ 1,553,406
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Mesa Valley Community School
(A Component Unit of Mesa County Valley District 51)
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2023
(Continued)

Measurement Date	12/31/19	12/31/18	12/31/17
Proportionate Share of the Net OPEB Liability			
School's Proportion of the Net OPEB Liability	0.0147500000%	0.0132700000%	0.0119600000%
School's Proportionate Share of the Net OPEB Liability	$ 165,842	$ 180,524	$ 155,404
School's Covered Payroll	$ 1,326,681	$ 1,121,823	$ 970,795
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	13%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24%	17%	18%

Reporting Date	6/30/20	6/30/19	6/30/18
School Contributions			
Statutorily Required Contribution	$ 14,409	$ 12,772	$ 10,120
Contributions in Relation to the Statutorily Required Contribution	(14,409)	(12,772)	(10,120)
Contribution Deficiency (Excess)	$ -	$ -	$ -
School's Covered Payroll	$ 1,412,682	$ 1,252,193	$ 992,131
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Mesa Valley Community School

(A Component Unit of Mesa County Valley District 51)

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Local Sources				
Student Fees	$ 135,000	$ 155,000	$ 81,870	$ (73,130)
Investment Income	-	-	12,440	12,440
Contributions	-	-	111	111
Other	-	15,000	2,291	(12,709)
Total Local Sources	135,000	170,000	96,712	(73,288)
State Sources				
Per Pupil Revenue	2,351,240	2,319,950	2,319,950	-
Mill Levy Funding	197,356	202,608	186,449	(16,159)
Capital Construction	80,600	137,073	145,808	8,735
Grants	33,929	46,916	152,245	105,329
Total State Sources	2,663,125	2,706,547	2,804,452	97,905
Federal Sources				
Grants	-	732,256	444,771	(287,485)
Total Revenues	2,798,125	3,608,803	3,345,935	(262,868)
Expenditures				
Salaries/Benefits	1,975,543	1,986,838	2,066,083	(79,245)
Purchased Services	252,757	1,048,843	959,848	88,995
Supplies	517,106	487,587	245,177	242,410
Property	17,020	15,021	8,487	6,534
Other	4,000	4,000	3,692	308
Debt Service				
Principal	95,000	95,000	95,000	-
Interest	109,675	109,675	109,675	-
Contingency	-	-	-	-
Total Expenditures	2,971,101	3,746,964	3,487,962	259,002
Net Change in Fund Balance	(172,976)	(138,161)	(142,027)	(3,866)
Fund Balance, *Beginning of Year*	913,882	693,428	760,060	-
Fund Balance, *End of Year*	$ 740,906	$ 555,267	$ 618,033	$ 62,766

Note 1: Schedule of Proportionate Share of the Net Pension Liability and Contributions

The Public Employees' Retirement Association of Colorado (PERA) School Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The School's contributions and related ratios represent cash contributions and any related accruals that coincide with the School's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended June 30, 2023, the total pension liability was determined by an actuarial valuation as of December 31, 2021. The following revised economic and demographic assumptions were effective as of December 31, 2021.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.3% per year. This assumption did not change from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from prior year.
- Wage inflation assumption of 3.0% per year. This assumption did not change from the prior year.
- Healthy and disabled mortality assumptions are based on the PubT-2010 Employee Tables.

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

Budgets are required by State statues for all funds and are adopted on a basis consistent with generally accepted accounting principles.

The School adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Prior to June 30, the budget is adopted by the Board of Directors.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All appropriations lapse at fiscal year-end.