OMAR D. BLAIR CHARTER SCHOOL

A Component Unit of

Denver Public Schools

FINANCIAL STATEMENTS

JUNE 30, 2021

Contents

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
Omar D. Blair Charter School
Denver, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Omar D. Blair Charter School (the School), a component unit of Denver Public Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the School as of June 30, 2021 and the respective changes in financial position 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 on pages i through vi, budgetary comparison information on page 37, schedule of the School's proportionate share of the net pension liability on page 38, schedule of the School's contributions to the pension plan on page 39, schedule of the School's proportionate share of the net OPEB liability on page 40 and the schedule of the School's contributions to the OPEB plan on page 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

RubinBrown LLP

October 13, 2021

Omar D. Blair
Management's Discussion and Analysis
Fiscal Year Ending June 30, 2021

As management of Omar D. Blair (ODB or the School), we offer readers of Omar D. Blair's basic financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

As of June 30, 2021, net position increased by $1,068,094 to $1,190,983. Omar D. Blair's governmental fund reported an ending fund balance of $4,082,651, an increase of $902,557 from the prior year.

The operations of the School are funded primarily by tax revenue received under the Colorado School Finance Act in Per Pupil Revenue (PPR). Tax revenue for the year from PPR was $5,604,615.

Overview of Financial Statements

This 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 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 the School's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how net position changed during the 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 the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year-end).

The government-wide statement of activities distinguishes functions/programs of the School supported primarily by Per Pupil Revenue or other revenues passed through from the School's authorizer (Denver Public Schools). The governmental activities of ODB include instruction and supporting services.

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. The School keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements.

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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains one governmental fund and adopts an annually appropriated budget for the fund. A budgetary comparison schedule is included to demonstrate that spending did not exceed the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial position. For the fiscal year ended June 30, 2021, ODB's net position was $1,190,983. This position includes a net pension liability in the amount of $2,048,049, representing the School's proportionate share of the Denver Public Schools Division pension liability, administered by the Public Employees' Retirement Association of Colorado (PERA). The School reports this net pension liability, and associated deferred inflows and outflows of resources, as required by GASB (Governmental Accounting Standards Board) 68. The School's net position also includes a net OPEB (Other Post-Employment Benefits) liability in the amount of $104,211, representing the School's proportionate share of the defined benefit Health Care Trust Fund, administered by PERA. The School reports this net OPEB liability, and associated deferred inflows and outflows of resources, as requirement by GASB 75. More information regarding the net pension and OPEB liabilities may be found in the notes to the financial statements.

Of the School's total net position, $106,280 is invested in capital assets and $245,000 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

Omar D. Blair’s Net Position

	2020-2021	2019-2020
ASSETS		
Cash and Cash Equivalents	$ 4,078,701	$ 3,483,530
Accounts Receivable	506,102	183,157
Capital Assets, Net of Accumulated Depreciation	106,280	117,883
TOTAL ASSETS	4,691,083	3,784,570
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	1,683,900	574,181
OPEB, Net of Accumulated Amortization	28,929	30,847
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,712,829	605,028
LIABILITIES		
Accounts Payable	5,001	27,543
Accrued Expenses	465,376	422,995
Deferred Revenue	31,775	36,055
Noncurrent Liabilities		
Net Pension Liability	2,048,049	2,085,384
Net OPEB Liability	104,211	168,265
TOTAL LIABILITIES	2,654,412	2,740,242
DEFERRED INFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	2,484,413	1,480,653
OPEB, Net of Accumulated Amortization	74,104	45,814
TOTAL DEFERRED INFLOWS OF RESOURCES	2,558,517	1,526,467
NET POSITION		
Investment in Capital Assets	106,280	117,883
Restricted for Emergencies	245,000	245,000
Unrestricted	839,703	(239,994)
TOTAL NET POSITION	$ 1,190,983	$ 122,889

Omar D. Blair’s Change in Net Position

	2020-2021	2019-2020
REVENUES		
Per Pupil Revenue	$ 5,604,615	$ 6,240,182
Mill Levy Override	1,474,139	1,262,313
Operating Grants and Contributions	1,685,280	995,242
Capital Grants and Contributions	101,207	99,549
Other	18,865	546
TOTAL REVENUE	8,884,105	8,597,832
EXPENSES		
Instructional	5,194,578	4,838,212
Supporting Services	2,621,433	2,637,844
TOTAL EXPENSES	7,816,011	7,476,056
CHANGE IN NET POSITION	1,068,094	1,121,776
NET POSITION, Beginning	122,889	(998,887)
NET POSITION, Ending	$ 1,190,983	$ 122,889

Financial Analysis of the Government's Fund

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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, unassigned fund balance may serve as a useful measure of the School's net resources available for spending 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 $4,082,651, an increase of $902,557 from the prior year.

General Fund Budgetary Highlights

ODB recognized $348,964 more revenue than expected and spent $277,733 less than planned, when compared to the final budget. There were budget amendments during the year, which reflected changes in revenues and expenditures. Revenues and expenditures were adjusted to align with actual student counts and updated resource assumptions.

Capital Assets & Long-Term Debt

The School has invested in capital assets for equipment, curriculum, furniture and fixtures, and leasehold improvements. More information regarding capital assets may be found in Note 3 to the financial statements. Depreciation expenses for capital assets are booked under the Facilities program of the School's operations.

The School has no long-term obligations.

Economic Factors and Next Year's Budget

The primary factor driving the budget for Omar D. Blair is student enrollment. Enrollment for the 2020-2021 school year was 669.00 funded students. Enrollment projected for 2021-2022 is 671.00 funded students. This factor was considered when preparing ODB's budget for 2021-2022.

Requests for Information

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

Omar D. Blair
4905 Cathay Street
Denver, CO 80249

OMAR D. BLAIR CHARTER SCHOOL

GOVERNMENTAL FUND BALANCE SHEET/ STATEMENT OF NET POSITION
June 30, 2021

Assets And Deferred Outflows Of Resources

	General Fund	Adjustments	Statement Of Net Position
Current Assets			
Cash and cash equivalents	$ 4,078,701	$ —	$ 4,078,701
Accounts receivable	506,102	—	506,102
Total Current Assets	4,584,803	—	4,584,803
Noncurrent Assets			
Capital assets, net	—	106,280	106,280
Total Assets	4,584,803	106,280	4,691,083
Deferred Outflows Of Resources			
Deferred pension outflows	—	1,683,900	1,683,900
Deferred OPEB outflows	—	28,929	28,929
Total Deferred Outflows Of Resources	—	1,712,829	1,712,829
Total Assets And Deferred Outflows Of Resources	$ 4,584,803	1,819,109	6,403,912

Liabilities, Deferred Inflows Of Resources And Fund Balance/Net Position

	General Fund	Adjustments	Statement Of Net Position
Liabilities			
Accounts payable	$ 5,001	—	5,001
Accrued expenses	465,376	—	465,376
Deferred revenue	31,775	—	31,775
Net pension liability	—	2,048,049	2,048,049
Net OPEB liability	—	104,211	104,211
Total Liabilities	502,152	2,152,260	2,654,412
Deferred Inflows Of Resources			
Deferred pension inflows	—	2,484,413	2,484,413
Deferred OPEB inflows	—	74,104	74,104
Total Deferred Inflows Of Resources	—	2,558,517	2,558,517
Fund Balance			
Restricted for emergencies	245,000	(245,000)	—
Unassigned	3,837,651	(3,837,651)	—
Total Fund Balance	4,082,651	(4,082,651)	—
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	$ 4,584,803		
Net Position			
Net investment in capital assets		106,280	106,280
Restricted - TABOR amendment		245,000	245,000
Unrestricted		839,703	839,703
Total Net Position		$ 1,190,983	$ 1,190,983

OMAR D. BLAIR CHARTER SCHOOL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021

	General Fund	Adjustments	Statement Of Activities
Expenditures/Expenses			
Instructional	$ 5,191,395	$ (115,216)	$ 5,076,179
Facilities	886,992	(8,083)	878,909
Technology	245,954	(5,458)	240,496
Administrative	1,657,207	(36,780)	1,620,427
Total Expenditures/Expenses	7,981,548	(165,537)	7,816,011
Program Revenues			
Operating grants and contributions	1,685,279	—	1,685,279
Capital grants and contributions	101,207	—	101,207
Total Program Revenues	1,786,486	—	1,786,486
Net Program Expense	6,195,062	(165,537)	6,029,525
General Revenues			
Per pupil operating	5,604,615	—	5,604,615
Mill levy override	1,474,139	—	1,474,139
Other	18,865	—	18,865
Total General Revenues	7,097,619	—	7,097,619
Excess (Deficiency) Of Revenues Over (Under) Expenditures	902,557	(902,557)	—
Change In Net Position	—	1,068,094	1,068,094
Fund Balance/Net Position - Beginning Of Year	3,180,094	(3,057,205)	122,889
Fund Balance/Net Position - End Of Year	$ 4,082,651	$ (2,891,668)	$ 1,190,983

1. Summary Of Significant Accounting Policies

Reporting Entity

The Omar D. Blair Charter School (the School) is a public school of choice operating in partnership with the Denver Public Schools (DPS) and G&G Consulting Group, LLC. The School offers strong academic programs, centered on a rich and challenging curriculum. A special emphasis is ensuring that all students master the fundamentals of reading and mathematics in the primary grades. The School offers a comprehensive education program designed to work for students of all ethnic, cultural and economic backgrounds. The School serves kindergarten through eighth grade.

The School's Board of Directors is approved by the authorizing body and is authorized to manage the School and the property and affairs of the School.

The School is considered a component unit of DPS and is includable in DPS' basic financial statements. The School is deemed to be fiscally dependent upon DPS because DPS provides the majority of support to the School in the form of per pupil operating revenue.

Component units are legally separate organizations for which an entity is financially accountable. The School is financially accountable for an organization if the School appoints a voting majority of the organization's governing board and (1) the School is able to significantly influence the programs or services performed or provided by the organization or (2) the School is legally entitled to or can otherwise access the organization's resources; the School is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the School is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the School in that the School approves the budget, levies their taxes or issues their debt.

The School is not financially accountable for any other organization, and no other entities are included in the School's reporting entity.

Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the activities of the School. The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include operating grants and contributions, charges for services and capital contributions and grants that are restricted to use in the operational or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program are reported separately as general revenues. The School does not allocate indirect expenses.

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

Measurement Focus, Basis Of Accounting And Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recognized at the time the liability is incurred.

The governmental fund financial statements are reported using the current financial resources measurement focus and accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

For this purpose, the School considers revenues to be available if they are collectible within 60 days of the current fiscal year. Expenditures are recorded the same as under the accrual basis, except for payment of principal and interest, which are recorded when due.

The School presents the following major governmental fund:

> The General Fund is the primary operating fund. It accounts for all general operating financial resources of the School. There are no resources required to be accounted for in another fund.

Governmental accounting standards require the classification of net position into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- *Net Investment In Capital Assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

- *Restricted* - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed through constitutional provisions or enabling legislation.

- *Unrestricted* - This is the component of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the School’s policy to use restricted resources first. The School has not adopted fund balance policies; therefore, the School will follow the guidance in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and apply resources in the following order:

- *Nonspendable* - This includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

- *Restricted* - This includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

- *Committed* - This includes amounts that can only be used for specific purposes determined by a formal action of the Board of Directors, which is the highest level of decision-making authority for the School. Commitments may be established, modified or rescinded only through approved resolutions.

- *Assigned* - includes amounts intended for a specific purpose, but do not meet the definition of restricted or committed. The School has delegated the authority to the Superintendent, or designee, to assign funds and amounts to be used for specific purposes.

- *Unassigned* - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund

Adjustments

The adjustment columns in the financial statements reconcile the governmental fund to the government-wide presentation. Amounts reported for governmental activities in the statement of net position are different because:

Total Governmental Fund Balance		$ 4,082,651
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Capital asset cost	$ 685,929	
Less: Accumulated depreciation	(579,649)	106,280
Pension and other postemployment benefits (OPEB) plan accounts, such as deferred outflows/inflows and net pension and OPEB liabilities, are not receivable or payable in the current period and, therefore, not reported in the funds.		
Net pension liability		(2,048,049)
Deferred outflows of resources related to pensions		1,683,900
Deferred inflows of resources related to pensions		(2,484,413)
Net OPEB liability		(104,211)
Deferred outflows of resources related to OPEB plans		28,929
Deferred inflows of resources related to OPEB plans		(74,104)
Total Net Position		$ 1,190,983

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

Change In Fund Balance	$	902,557
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Depreciation expense		(11,603)
Changes in the net pension and OPEB liability and amortization of deferred outflows and inflows related to the pension and OPEB plans do not use current financial resources and, therefore, are not reported as expenses in the governmental funds.		
Pension benefit		143,294
OPEB benefit		33,846
Change In Net Position	$	1,068,094

Cash And Cash Equivalents

The School considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Capital Assets

Capital assets are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years. Donated capital assets, if any, are recorded at their acquisition value as of the date received. All assets with a useful life of more than 1 year and a unit cost greater than $5,000 are capitalized.

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then. The School has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68), and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. The School has recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 75.

Pensions

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

Use Of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds. All annual appropriations lapse at fiscal year end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

2. Cash And Cash Equivalents

Accounts established at financial institutions have insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. 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 statutes. The state regulatory commissioners regulate the eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by 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 equal to at least 102% of the uninsured deposits. The School does not have a formal deposit policy but does follow state statutes.

Under the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment of GASB Statement 3,* deposits are not deemed exposed to custodial credit risk if they are collateralized with securities held by the pledging financial institutions. Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. As of June 30, 2021, $250,000 was fully insured by FDIC, and $3,885,165 was collateralized through PDPA.

At June 30, 2021, the School had the following balances:

	Book Balance	Bank Balance
Deposits	$ 4,078,701	$ 4,135,165
Total Cash And Cash Equivalents	$ 4,078,701	$ 4,135,165

At June 30, 2021, the School did not have any investments. In addition, the School does not have a formal investment policy.

3. Capital Assets

Changes in the School's capital assets are as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets Being Depreciated				
Computer equipment	$ 147,772	$ —	$ —	$ 147,772
Curriculum	271,892	—	—	271,892
Furniture and fixtures	11,701	—	—	11,701
Leasehold improvements	174,039	—	—	174,039
Other equipment	80,525	—	—	80,525
Total Capital Assets Being Depreciated	685,929	—	—	685,929
Accumulated depreciation	(568,046)	(11,603)	—	(579,649)
Total Capital Assets Being Depreciated, Net	117,883	(11,603)	—	106,280
Total Capital Assets, Net	$ 117,883	$ (11,603)	$ —	$ 106,280

The depreciation of $11,603 is primarily related to facilities expense.

4. Operating Lease

The School's operations are housed in a school facility owned by DPS and leased to the School's charter board under a Facility Use Agreement (the FUA). Under the FUA, DPS charges the School an annually adjusted fee per pupil. The adjusted per pupil fee for the year ended June 30, 2021 was $489. The total expense incurred for facility usage for the year ended June 30, 2021 was $398,711.

5. Concentration Of Risk

The School's primary funding comes through DPS as per pupil revenue, which is based on a pupil count. For the fiscal year ending June 30, 2021, this funding accounts for approximately 63% of the School's revenues.

6. Defined Benefit Pension Plan

Summary Of Significant Accounting Policies

Pensions - The School participates in the DPS DTF, a single-employer defined benefit pension plan administered by 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 DTF 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.

The Colorado General Assembly passed significant pension reform through Senate Bill 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* (SB 18-200). The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

General Information About The Pension Plan

Plan Description - Eligible employees of the School are provided with pensions through the DPS Division, a single-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 IRC. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

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 benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit

- The amount of $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 PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit

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

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

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

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% unless adjusted by the automatic adjustment provision (the 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% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the DPS Division. The AAP may raise or lower the aforementioned annual increase 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 5 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.

Contributions Provisions As Of June 30, 2021 - Eligible employees of the School, and the State of Colorado (the State) 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. Employer contribution requirements are summarized in the table below:

	July 1, 2020 Through December 31, 2020	**January 1, 2021 Through June 30, 2021**
Employer contribution rate	**10.90%**	10.90%
Amount of employer contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)[1]	**-1.02%**	-1.02%
Pension certificate of participation offset as specified in C.R.S § 24-51-412	**-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. § 24-51-411[1]	**5.50%**	5.50%
Total Employer Contribution Rate To The DPS DTF[1]	**7.13%**	7.79%

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

As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) 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. House Bill (HB) 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020 for the State‘s 2020 - 2021 fiscal year.

Employer contributions are recognized by the DPS DTF 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 DTF. Employer contributions recognized by the DPS DTF from the School were $273,702 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pension

The net pension liability for the DPS 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's proportion of the net pension liability was based on the School's contributions to the DPS Division 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 0%. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State 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 DPS Division and is considered to meet the definition of a special funding situation.

At June 30, 2021, the School reported a liability of $2,048,049 for its proportionate share of the net pension liability that reflected a reduction of support from the State as a nonemployer-contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer-contributing entity and the total portion of the net pension liability that was associated with the School were as follows:

The School's proportionate share of the net pension liability	$ 2,048,049
The State's proportionate share of the net pension liability as a nonemployer-contributing entity associated with the School	—
Total	$ 2,048,049

At December 31, 2020, the School's proportion was 0.4552%, which was an increase of 0.1387% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the School recognized a pension expense of $130,842. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	$ 303,060	$ —
Changes of assumptions or other inputs	428,711	—
Net difference between projected and actual earnings on pension plan investments	—	2,037,625
Changes in proportion and differences between the School contributions and proportionate share of contributions	807,981	446,788
The School's contributions subsequent to the measurement date	144,148	—
Total	$ 1,683,900	$ 2,484,413

The amount of $144,148 reported as deferred outflows of resources related to the School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension benefit as follows:

For The Year Ended June 30,	Amounts Reported As Collective Deferred Outflows And Inflows Of Resources Recognized In Collective Pension Expense (Benefit)
2022	$ (364,088)
2023	(3,911)
2024	(256,738)
2025	(319,924)
Total	$ (944,661)

Actuarial Assumptions - The total pension liability 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 - 9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007, and DPS benefit structure (automatic)	1.25% compounded annually
PERA benefit structure hired after December 31, 2006 (ad hoc, substantively automatic)*	Financed by AIR

*Post-retirement benefit increases are provided by AIR, accounted separately within each division trust fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

Post-retirement nondisabled 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% 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

The mortality assumption for disabled retirees 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 periods January 1, 2012 through December 31, 2015, as well as the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board of Trustees (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% - 11.50%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06*	Financed by AIR

*Post-retirement benefit increases are provided by AIR, accounted separately within each division trust fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

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

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

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

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

The 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% per year to 2.30% per year.

- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses.

- Wage inflation assumption decreased from 3.50% per year to 3.00% per year.

Several factors were considered in evaluating the long-term rate of return assumption for the DPS DTF, 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 by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate Of Return
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

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

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 also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of 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 DPS DTF are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation issued in 1997 and 2008 and refinanced thereafter.

- 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 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020 - 2021 fiscal year.

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

- The AIR balance was excluded from the initial fiduciary net position as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

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

Based on the above assumptions and methods, the DPS DTF'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 rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity Of The School's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate - The following presents the School's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25% as of the measurement date, as well as if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share Of The Net Pension Liability (Asset)	$ 4,596,337	$ 2,048,049	$ (54,844)

Pension Plan Fiduciary Net Position - Detailed information about the DPS DTF's fiduciary net position is available in PERA's Annual Report, which can be obtained at www.copera.org/investments/pera-financial-reports.

7. Defined Benefit OPEB Plan

Summary Of Significant Accounting Policies

OPEB - The School participates in the DPS HCTF, a single-employer defined benefit OPEB fund administered by 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 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 Plan

Plan Description - Eligible employees of the School are provided with OPEB through the DPS HCTF, a multiple-employer defined benefit OPEB plan administered by PERA. The DPS HCTF is established under Title 24, Article 51, Part 12 of C.R.S., as amended. Title 24, Article 51, Part 12 of C.R.S., as amended, sets forth a framework that grants authority to PERA's Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program (PERACare), including the administration of the premium subsidies. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA's Annual Report can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The DPS 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 DPS Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the Health Care Trust Fund (the HCTF) and the 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 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.

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 C.R.S., as amended, certain contributions are apportioned to the DPS HCTF. PERA-reporting agencies of the DPS DTF are required to contribute at a rate of 1.02% of PERA-includable salary into the DPS HCTF.

Employer contributions are recognized by the DPS 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 DPS HCTF from the School were $37,408 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, 2021, the School reported a liability of $104,211 for its proportionate share of the net OPEB liability. The net OPEB liability for the DPS HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2020. The School's proportion of the net OPEB liability was based on the School's contributions to the DPS HCTF for the calendar year 2020 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2020, the School's proportion was 0.4552%, which was a decrease of 0.0016% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the School recognized OPEB expense of $3,279. At June 30, 2021, 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	$ —	$ 40,165
Changes of assumptions or other inputs	9	6,924
Net difference between projected and actual earnings on pension plan investments	—	17,954
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,386	9,061
School's contributions subsequent to the measurement date	18,534	—
Total	$ 28,929	$ 74,104

The amount $18,534 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For The Year Ended June 30,	**Amounts Reported As Collective Deferred Outflows And Inflows Of Resources Recognized In Collective OPEB Expense (Benefit)**
2022	$ (13,504)
2023	(11,728)
2024	(14,101)
2025	(11,326)
2026	(7,169)
Thereafter	(5,881)
Total	$ (63,709)

Actuarial Assumptions. The total OPEB liability 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
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, 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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for the 2020 PERA benefit structure:

Medicare Plan	Costs For Members Without Medicare Part A	Premiums For Members Without Medicare Part A	Montly 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 (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 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, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
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%
Thereafter	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability used in the December 31, 2019 valuation for the DPS Division as shown below are applied, as applicable, in the determination of the total OPEB liability for the DPS HCTF. Affiliated employers of the DPS Division participate in the 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 nondisabled 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% 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.

The mortality assumption for disabled retirees 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.

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%.

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 nondisabled 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 nondisabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

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

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

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

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

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% per year to 2.30% per year.

- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses.

- Wage inflation assumption decreased from 3.50% per year to 3.00% per year.

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

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

Asset Class	**Target Allocation**	**10-Year Expected Geometric Real Rate Of Return**
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

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

Sensitivity Of The School's Proportionate Share Of The Net OPEB Liability To Changes In The Health Care Cost Trend Rates - The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
Initial PERACare Medicare trend rate	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%
Net OPEB Liability	$ 104,206	$ 104,211	$ 104,220

Discount Rate - The discount rate used to measure the total OPEB 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:

- 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 3.00%.

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

- Estimated transfers of dollars into the DPS 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 end of the month.

Based on the above assumptions and methods, the 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%.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share Of The Net OPEB Liability	$ 132,808	$ 104,211	$ 79,783

OPEB Plan Fiduciary Net Position - Detailed information about the DPS HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

8. Risks And Uncertainties

The School is exposed to various risks of loss related to torts; thefts of, damage to or destruction of assets; errors or omissions; injuries to employees; natural disasters or environmental liabilities due to the nature of its operations. The School maintains commercial insurance for these risks. Amounts settled did not exceed insurance coverage in the last three years.

On March 11, 2020, the World Health Organization declared the novel strain of the coronavirus, known as COVID-19, a global pandemic and recommended containment and mitigation measures worldwide. As of the date of this filing, the School's operations remain substantially open, subject to relevant regulations in the State and other local regulations. The School cannot reasonably estimate the length or severity of the pandemic, or the extent to which the disruption may materially impact its financial position, result of operations and cash flows in future fiscal periods at this time.

9. Tax Spending And Debt Limitations

Article X, Section 20, of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State and all local governments.

The School is a nonprofit entity that operates within the auspices of DPS. DPS calculates and withholds TABOR emergency reserve funds (as described below) from the School.

TABOR requires local governments to establish emergency reserves. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. In compliance with TABOR, 3% of fiscal year 2021 General Fund expenditures, $245,000, have been restricted.

The School's management believes it is assisting DPS in compliance with the provisions of TABOR, as DPS is the governmental unit responsible for compliance. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Required Supplementary Information

OMAR D. BLAIR CHARTER SCHOOL

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For The Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Per pupil operating	$ 5,660,155	$ 5,510,279	$ 5,604,615	$ 94,336
Mill levy override	1,171,907	1,386,395	1,474,139	87,744
Capital funding	71,869	70,400	101,207	30,807
Grant income	499,326	1,282,075	1,685,279	403,204
Other	468,679	285,993	18,865	(267,128)
Total Revenues	7,871,936	8,535,142	8,884,105	348,963
Expenditures				
Instructional	4,668,024	5,205,864	5,191,395	14,469
Facilities	678,609	718,547	886,992	(168,445)
Technology	157,000	233,000	245,954	(12,954)
Administrative	2,340,092	2,101,870	1,657,207	444,663
Total Expenditures	7,843,725	8,259,281	7,981,548	277,733
Net Changes In Fund Balance	$ 28,211	$ 275,861	$ 902,557	$ 626,696

Notes: The basis of budgeting is the same as GAAP. This schedule is presented on a GAAP basis.

OMAR D. BLAIR CHARTER SCHOOL

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - DPS DTF

Last Eight Calendar Years

	For The Year Ended December 31,							
	2020	2019	2018	2017	2016	2015	2014	2013
School's proportion of the net pension liability	**0.4552%**	0.3165%	0.3142%	0.4475%	0.4469%	0.4236%	0.4208%	0.4474%
School's proportionate share of the net pension liability	**$ 2,048,049**	$ 2,085,384	$ 3,213,900	$ 4,011,526	$ 4,895,847	$ 3,446,472	$ 2,628,018	$ 2,326,717
State's proportionate share of the net pension liability associated with the School	—	924,198	1,665,103	—	—	—	—	—
Total	**$ 2,048,049**	$ 3,009,582	$ 4,879,003	$ 4,011,526	$ 4,895,847	$ 3,446,472	$ 2,628,018	$ 2,326,717
School's covered payroll	**$ 3,504,463**	$ 3,454,105	$ 3,360,838	$ 3,056,959	$ 2,865,520	$ 2,454,897	$ 2,650,961	$ 2,779,634
School's proportionate share of the net pension liability as a percentage of its covered payroll	**58.44%**	60.37%	95.63%	131.23%	170.85%	140.39%	99.13%	83.71%
Plan fiduciary net position as a percentage of the total pension liability	**90.14%**	84.73%	75.69%	79.51%	74.05%	79.25%	83.94%	86.29%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School is presenting information for those years for which information is available.

OMAR D. BLAIR CHARTER SCHOOL

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS TO THE PENSION PLAN - DPS DTF

Last Eight Fiscal Years

	For The Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	**$ 273,702**	$ 228,722	$ 185,554	$ 145,385	$ 90,578	$ 54,865	$ 49,539	$ 82,901
Contributions in relation to the contractually required contribution	**(273,702)**	(228,722)	(185,554)	(145,385)	(90,578)	(54,865)	(49,539)	(82,901)
Contribution Deficiency	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —
School's covered payroll	**$ 3,584,821**	$ 3,424,105	$ 3,484,105	$ 3,237,571	$ 2,876,347	$ 2,866,540	$ 2,564,231	$ 2,761,187
Contributions as a percentage of covered payroll	**7.64%**	6.68%	5.33%	4.49%	3.15%	1.91%	1.93%	3.00%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School is presenting information for those years for which information is available.

OMAR D. BLAIR CHARTER SCHOOL

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - DPS HCTF
Last Four Calendar Years
For The Year Ended December 31,

	2020	2019	2018	2017
School's proportion of the net OPEB liability	**0.4552%**	0.4568%	0.4798%	0.4463%
School's proportionate share of the net OPEB liability	**$ 104,211**	$ 168,265	$ 206,329	$ 227,412
School's covered payroll	**$ 3,504,463**	$ 3,454,105	$ 3,360,838	$ 3,056,959
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	**3.0%**	4.9%	6.1%	7.4%
Plan fiduciary net position as a percentage of the total OPEB liability	**65.43%**	46.98%	34.72%	30.45%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School is presenting information for those years for which information is available.

OMAR D. BLAIR CHARTER SCHOOL

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS TO THE OPEB PLAN - DPS HCTF

Last Four Fiscal Years

For The Year Ended June 30,

	2021	2020	2019	2018
Contractually required contribution	**$ 37,408**	$ 36,151	$ 32,014	$ 36,436
Contributions in relation to the contractually required contribution	**(37,408)**	(36,151)	(32,014)	(36,436)
Contribution Deficiency	**$ —**	$ —	$ —	$ —
School's covered payroll	**$ 3,584,821**	$ 3,424,105	$ 3,484,105	$ 3,237,571
Contributions as a percentage of covered payroll	**1.04%**	1.06%	0.92%	1.13%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School is presenting information for those years for which information is available.

1. Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds. All annual appropriations lapse at fiscal year end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

2. Expenditures/Expenses In Excess Of Appropriation

Colorado's budget law requires that expenditures and transfers for a department or fund cannot exceed the appropriations for that department or fund. Appropriations for a department or fund may be increased, provided unanticipated resources offset them.

The budget is controlled at the category line item level within each division within each fund. However, the legal level of appropriation is at the fund level. If the division expenditures exceed the division budget by more than $500, then the expenditures are deemed to be in excess of the appropriations. In the current year, no fund expenditures exceeded budget on the overall fund level.