COPERNI 2 CHARTER SCHOOL

BASIC FINANCIAL STATEMENTS

June 30, 2020

TABLE OF CONTENTS

JOHN CUTLER & ASSOCIATES

Board of Directors
Coperni 2 Charter School
Colorado Springs, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and the major fund of the Coperni 2 Charter School, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the School, 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coperni 2 Charter School as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, schedule of the school's proportionate share, and schedule of the school's contributions on pages 37-41 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 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.

John Cutler & Associates, LLC

October 12, 2020

Third Future Schools
dba Coperni 2
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2020

As management of Third Future Schools dba Coperni 2 (TFS/C2), we offer readers of TFS/C2's financial statements this narrative overview and analysis of the financial activities of the TFS/C2 for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative.

Financial Highlights

The year ending June 30, 2020 represented the third year of school operations bringing with it per pupil revenue of $1,620,353. Net position amounted to $(1,734,471) as of June 30, 2020.

The financial results of the TFS/C2 under a government-wide accounting presentation are materially impacted by GASB 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB State No 27*, and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Under GASB 68 and 75, TFS/C2 must report liabilities for its proportionate share of the entire underfunded status of these respective plans.

Excluding the impact of GASB 68 and GASB 75, the liabilities of TFS/C2 exceeded its assets at the close of the most recent financial year by $(430,644). However, due to GASB 68 and GASB 75, the liabilities and deferred inflows of resources of TFS/C2 exceeded the assets and deferred outflows of resources resulting in a deficit net position of $(1,734,471).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to TFS/C2's basic financial statements. The School'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 board overview of TFS/C2's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of TFS/C2's assets, deferred outflows of resources, liabilities, and deferred inflows or resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of TFS/C2 is improving or deteriorating.

The statement of activities presents information showing how TFS/C2's 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 related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flow changes in future fiscal periods.

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. TFS/C2, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, TFS/C2 maintains one governmental fund – its General Fund – which reports all activity, including that of the Building Corporation.

TFS/C2 adopts an annual budget for its general fund. A budgetary comparison had been provided for the general fund in the financial statements to demonstrate compliance with the budget.

Notes to the Financial Statements

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the budgetary information for the school.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The School's basic services are accounted for in a governmental fund. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the School's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

TFS/C2 adopts an annual budget on a fund basis. The budgetary comparison statements are not included in the basic financial statements but are part of the supplemental statements and schedules that follow the notes. The budget is a legally adopted document that incorporates input from the faculty, management, and the Board of Directors of the School in determining what activities will be pursued and what services will be provided by the School during the year. It also authorizes the School to obtain funds from identified sources to finance these current period activities. The budgetary statement provided demonstrates how well the School has complied with the budget ordinance and whether or not the School has succeeded in providing the services as planned when the budget was adopted

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indictor of TFS/C2's financial position. As of June 30, 2020, TFS/C2's net position was $(1,734,471). TFS/C2 had unrestricted net position deficit of $(1,786,971) as of June 30, 2020 which is significantly impacted by GASBs 68 and 75 as previously discussed. Following is a condensed statement of net position as of June 30, 2020:

Third Future Schools
dba Coperni 2
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2020

ASSETS	2020	2019
Cash and Investments	$ 311,859	$ 166,648
Accounts Receivable	139,230	181,883
Prepaid Expenses	5,708	-
Deposits	70,813	70,313
Capital Assets, Not Depreciated	-	-
Capital Assets, Net of Accumulated Depreciation	-	-
Total Assets:	527,610	418,844
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB Liability	115,328	152,291
Related to Pensions	3,077,088	5,485,950
Total Deferred Outflows of Resources:	3,192,416	5,638,241
LIABILITIES		
Accounts Payable	12,202	4,069
Accrued Salary and Benefits Liability	105,826	36,196
Due from Other Schools	431,514	130,646
Unearned Revenues	105,836	-
Interest Payable	-	-
Noncurrent Liabilities		
Due in One Year	129,829	20,112
Due in More than One Year	173,047	54,888
Net OPEB Liability	129,664	169,109
Net Pension Liability	2,638,799	3,385,986
Total Liabilities:	3,726,717	3,801,006
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB Liability	34,103	257
Related to Pensions	1,693,677	2,105,719
Total Deferred Inflows of Resources:	1,727,780	2,105,976
NET POSITION		
Investment in Capital Assets	-	-
Restricted for Emergencies (Tabor)	52,500	56,750
Unrestricted	(1,786,971)	83,353
Total Net Position:	**$ (1,734,471)**	**$ 140,103**

TFS/C2's primary source of revenue during the year was per pupil revenue. TFS/C2 incurred expenses related to instruction, support services, and long-term debt during the fiscal year-end June 30, 2020.

Condensed Statement of Activities

	2020	2019
REVENUES		
General Revenues	$ 1,766,730	$ 1,893,241
State and Federal Sources	262,852	548,199
TOTAL REVENUES	2,029,582	2,441,440
EXPENDITURES		
Current		
Instructional	2,118,134	1,157,783
Supporting Services	1,786,022	1,215,216
TOTAL EXPENDITURES	3,904,156	2,372,999
Change in Fund Balance	(1,874,574)	68,441
Fund Balance, Beginning,	140,103	71,662
Fund Balance, Ending	$ (1,734,471)	$ 140,103

Financial Analysis of the School's Funds

As noted earlier, TFS/C2 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the TFS/C2's general fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing TFS/C2's financing requirements. Specifically, unreserved fund balance can be 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, unassigned fund balance of the General Fund was $(251,081), and total fund balance of $(127,768). The School is required by statute to keep an emergency reserve, which was $52,500 as of June 30, 2020. TFS/C2 did not meet this requirement.

Long-term Debt. The balance of TFS/C2's long term debt is $302,876 as of June 30, 2020. More details can be found in note 5 of the footnotes to the financial statements.

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Economic Factors and Next Year's Budget

The primary factor driving the budget will be student enrollment. The Funded Pupil Count (FPC) projected for the 2020-2021 school year is 200, which is an increase of 4 in FPC from the 2019-2020 school year. This is a major factor in preparing TFS/C2's budget for the fiscal year 2020-2021.

Requests for Information

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Angela Perea, Director of Finance at 431 Sable Blvd, Aurora, CO 80011.

BASIC FINANCIAL STATEMENTS

COPERNI 2 CHARTER SCHOOL

STATEMENT OF NET POSITION
As of June 30, 2020

	Governmental Activities	
	2020	2019
ASSETS		
Cash and Investments	$ 311,859	$ 166,648
Accounts Receivable	139,230	181,883
Prepaid Expenses	5,708	
Deposits	70,813	70,313
TOTAL ASSETS	527,610	418,844
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB Liability	115,328	142,291
Related to Pensions	3,077,088	5,485,950
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,192,416	5,628,241
LIABILITIES		
Accounts Payable	12,202	4,069
Due to Other Schools	431,514	130,646
Accrued Salaries and Benefits	105,826	36,196
Unearned Revenues	105,836	-
Noncurrent Liabilities		
Due in One Year	129,829	20,112
Due in More than One Year	173,047	54,888
OPEB Liability	129,664	169,109
Net Pension Liability	2,638,799	3,385,986
TOTAL LIABILITIES	3,726,717	3,801,006
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB Liability	34,103	257
Related to Pensions	1,693,677	2,105,719
TOTAL DEFERRED INFLOWS OF RESOURCES	1,727,780	2,105,976
NET POSITION		
Restricted for Emergencies	52,500	56,750
Resticted for PPP Expenses	247,988	-
Unrestricted	(2,034,959)	83,353
TOTAL NET POSITION	$ (1,734,471)	$ 140,103

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

COPERNI 2 CHARTER SCHOOL

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
					Governmental Activities	
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2020	2019
PRIMARY GOVERNMENT						
Governmental Activities						
Instructional	$ 2,118,134	$ -	$ 169,406	$ -	$ (1,948,728)	$ (703,030)
Supporting Services	1,786,022	-	24,987	68,459	(1,692,576)	(1,121,770)
Interest on Long-Term Debt	-	-	-	-	-	-
Total Governmantal Activities	$ 3,904,156	$ -	$ 194,393	$ 68,459	(3,641,304)	(1,824,800)
GENERAL REVENUES						
Per Pupil Revenue					1,620,353	1,808,007
Mill Levy Override					78,424	75,079
Unrestricted State Aid					11,314	2,379
Other					56,639	7,776
TOTAL GENERAL REVENUES					1,766,730	1,893,241
CHANGE IN NET POSITION					(1,874,574)	68,441
NET POSITION, Beginning					140,103	71,662
NET POSITION, Ending					$ (1,734,471)	$ 140,103

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

COPERNI 2 CHARTER SCHOOL

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	GENERAL FUND	
	2020	2019
ASSETS		
Cash and Investments	$ 311,859	$ 166,648
Accounts Receivable	139,230	181,883
Deposits	70,813	70,313
Prepaid Expnses	5,708	
TOTAL ASSETS	$ 527,610	$ 418,844
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 12,202	$ 4,069
Due to Other Schools	431,514	130,646
Accrued Salaries	105,826	36,196
Unearned Revenues	105,836	-
TOTAL LIABILITIES	655,378	170,911
FUND BALANCES		
Nonspendable	70,813	70,313
Restricted for Emergencies	52,500	56,750
Resticted for PPP Expenditures	247,988	-
Unassigned	(499,069)	120,870
TOTAL FUND BALANCES	(127,768)	247,933
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term liabilities and assets and liabilities related to pensions and OPEB are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability ($2,638,799), OPEB liability ($129,664), deferred outflows related to pensions and OPEB $3,192,416, deferred inflows related to pensions and OPEB ($1,727,780), and notes payable ($322,987).	(1,606,703)	(107,830)
Net position of governmental activities	$ (1,734,471)	$ 140,103

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

COPERNI 2 CHARTER SCHOOL

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	GENERAL FUND	
	2020	2019
REVENUES		
Local Sources	$ 1,755,416	$ 1,890,862
State and Federal Sources	262,852	548,199
TOTAL REVENUES	2,018,268	2,439,061
EXPENDITURES		
Current		
Instruction	1,130,755	1,130,755
Supporting Services	1,491,090	1,207,035
Debt Service		
Principal	20,112	-
TOTAL EXPENDITURES	2,641,957	2,337,790
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(623,689)	101,271
OTHER FINANCING (USES)		
Proceeds from Debt Issuance	247,988	75,000
NET CHANGE IN FUND BALANCE	(375,701)	176,271
FUND BALANCES, Beginning	247,933	71,662
FUND BALANCES, Ending	$ (127,768)	$ 247,933

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

COPERNI 2 CHARTER SCHOOL

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds	$	(375,701)
Issuance and repayment of long-term debt are evenues and expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		(247,988)
Deferred Charges related to pension and OPEB are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.		(1,270,997)
Change in net position of governmental activities	$	(1,874,574)

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

Coperni 2 Charter School (the "School") was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school. The School was originally authorized under the name of Monarch Classical School of the Arts. under a contract with the Colorado Charter School Institute (the "Institute") pursuant to the Colorado Charter School Institute Act. In December 2018, the School signed a merger agreement with Monarch Classical School of the Arts. Per this agreement, the School would assume charter contract with the Institute and would continue operations under the name of Coperni 2.

The accounting policies of the School conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Reporting Entity

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

Based upon the application of these criteria, no other organizations are included in the School's reporting entity.

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 of the activities of the School. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by 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, are restricted to meeting the operational or capital requirements of a particular function or segment.

Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

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

NOTE 1: ***<u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>*** (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 period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for 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 funds:

> *General Fund* – This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Assets, Liabilities and Fund Balance/Net Position

Investments – Investments are recorded at fair value.

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than $5,000 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 estimated acquisition value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: buildings, 25-50 years; land improvements, 15 years; equipment, 5-10 years.

The School does not report any capital assets as of June 30, 2020.

Long-term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Unearned Revenues – Unearned revenues include tuition revenues that have been collected but the corresponding expenditure that have not been incurred.

Net Position – The government-wide fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third party limitations on their use.

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

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

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The School reports Deposits and Prepaid Expenses as nonspendable resources as of June 30, 2020.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The school has also restricted funds that are to only be used for authorized PPP expenditures.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School did not have any committed resources as of June 30, 2020.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The School would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned

NOTE 1: ***<u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>*** (Continued)

Deferred Outflows/Inflows of Resources

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

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

NOTE 2: ***<u>STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY</u>***

Budgets and Budgetary Accounting

A budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles. School management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year end.

NOTE 3: ***<u>CASH AND INVESTMENTS</u>***

Deposits

<u>Custodial Credit Risk – Deposits</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2020, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories.

NOTE 3: *CASH AND INVESTMENTS* (Continued)

Deposits (Continued)

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The School has no policy regarding custodial credit risk for deposits.

At June 30, 2020, the School had deposits with financial institutions with a carrying amount of $311,859. The bank balances with the financial institutions were $311,818. Of this amount, $250,000 was covered federal depository insurance and $61,818 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

NOTE 4: *ACCRUED SALARIES AND BENEFITS*

Salaries and retirement 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, as of June 30, 2020, were $105,826. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

NOTE 5: *LONG-TERM DEBT*

Following is a summary of the School's long-term debt transactions for the year ended June 30, 2020:

	Balance June 30, 2018	Additions	Payments	Balance June 30, 2020	Due In One Year
Note Payable – CSI	$ 75,000	$ -	$ 20,112	$ 54,888	$ 25,891
Note Payable - PPP	-	247,988	-	247,988	103,938
Total	**$ 75,000**	**$ 247,988**	**$ 20,112**	**$ 302,876**	**$ 129,829**

NOTE 5: ***LONG-TERM DEBT*** (Continued)

Note Payable - CSI

In January 2019, the Charter School Institute authorized an Assistance Fund loan to the School in the amount of $75,000 to cover the necessary expenses related to the School's operations. The loan will be zero interest and is repayable in monthly installments over a three-year time period starting in July 2019.

Notes Payable – PPP

The Academy received a loan in the amount of $247,988 through the Small Business Administration's Paycheck Protection Program under Division A, Title I of the Coronavirus Aid Relief and Economic Security Act. ("CARES Act").

The full amount of this loan is expected to be forgiven during the year ended June 30, 2021 and is recorded as short-term loan payable as of June 30, 2020. To the extent the loan amount is not forgiven under the Paycheck Protection Program of the CARES Act, the School must make equal monthly payments of principal and interest, beginning on November 15, 2020 until the maturity date, which is two years from the date of the Note. This Note may be prepaid in part or in full, at any time, without penalty.

Future debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2021	$ 129,829	$ 1,350	$ 131,179
2022	173,047	1,350	174,397
Total	**$ 302,876**	**$ 2,700**	**$**

NOTE 6: ***DEFINED BENEFIT PENSION PLAN***

Summary of Significant Accounting Policies

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

NOTE 6: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

Summary of Significant Accounting Policies (Continued)

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 (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2019. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

NOTE 6: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

General Information about the Pension Plan (Continued)

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 percent 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 also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

As of December 31, 2019, 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, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413.

Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

NOTE 6: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

General Information about the Pension Plan (Continued)

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, 2020: Eligible employees of, the Academy 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 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

	July 1, 2019 Through June 30, 2020
Employer contribution rate	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	**19.38%**

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

As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, $225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

NOTE 6: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from The Academy were $220,863 for the year ended June 30, 2020.

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

The net pension liability for the SCHDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The Academy's proportion of the net pension liability was based on the Academy's contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2020, the Academy reported a liability of $2,638,799 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 Academy 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 Academy were as follows:

The School's proportionate share of the net pension liability	$ 2,638,799
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School.	$ 423,929
Total	**$ 3,062,728**

At December 31, 2019, the Academy's proportion was 0.0176 percent, which was a decrease of 0.00146 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Academy recognized pension expense of $1,481,810and expense of $11,314 for support from the State as a nonemployer contributing entity. At June 30, 2020, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 6: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 143,816	N/A
Changes of assumptions or other inputs	$ 75,334	$ 1,196,934
Net difference between projected and actual earnings on pension plan investments	N/A	$ 312,592
Changes in proportion and differences between contributions recognized and proportionate share of contributions	$ 2,748,201	$ 184,151
Contributions subsequent to the measurement date	$ 109,737	N/A
Total	**$ 3,077,088**	**$ 1,693,677**

$389,443 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2021	$ 947,775
2022	$ 462,183
2023	($ 29,949)
2024	($ 106,335)

NOTE 6: ***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 total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)[1]	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)[1]	Financed by the Annual Increase Reserve

[1] For 2019, the annual increase was 0.00 percent.

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

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

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

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

NOTE 6: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

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

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

The actuarial assumptions used in the December 31, 2018, 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 the PERA Board during the November 18, 2016, Board meeting.

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

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

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

NOTE 6: *DEFINED BENEFIT PENSION PLAN* (Continued)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	**100.00%**	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

NOTE 6: *DEFINED BENEFIT PENSION PLAN* (Continued)

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

- 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 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent 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 provides an annual direct distribution of $225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

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

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

- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.

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

NOTE 6: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

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

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

There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	**$ 3,499,613**	**$ 2,638,799**	**$ 1,916,071**

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

NOTE 7: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN***

Summary of Significant Accounting Policies

OPEB. The Academy participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 7: *DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN* (Continued)

General Information about the OPEB Plan

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

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

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

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

NOTE 7: *DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN* (Continued)

General Information about the OPEB Plan (Continued)

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

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

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 percent 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.

NOTE 7: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Academy were $11,624 for the year ended June 30, 2020.

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

At June 30, 2020, the Academy reported a liability of $129,664 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The Academy's proportion of the net OPEB liability was based on the Academy's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the Academy's proportion was 0.01153 percent, which was a decrease of 0.00009% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Academy recognized OPEB expense of $32,989. At June 30, 2020, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 7: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN***
(Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 430	$ 21,788
Changes of assumptions or other inputs	$ 1,076	N/A
Net difference between projected and actual earnings on OPEB plan investments	N/A	$ 2,164
Changes in proportion and differences between contributions recognized and proportionate share of contributions	$ 108,046	$ 10,151
Contributions subsequent to the measurement date	$ 5,776	N/A
Total	**$ 115,328**	**$ 34,103**

$20,497 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended, June 30,	
2021	$ 20,138
2022	$ 20,138
2023	$ 20,765
2024	$ 19,941
2025	($ 5,154)
Thereafter	($ 379)

NOTE 7: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

NOTE 7: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

The actuarial assumptions used in the December 31, 2018, 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 the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$601	$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is $437 per month.

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

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$562
Kaiser Permanente Medicare Advantage HMO	571

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

NOTE 7: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

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, 2018, 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
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

NOTE 7: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

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

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

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

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

NOTE 7: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.

- The morbidity assumptions were updated to reflect the assumed standard aging factors.

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

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

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

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

NOTE 7: *DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN* (Continued)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	**100.00%**	

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

Sensitivity of the Academy'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	4.60%	5.60%	6.60%
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	**$ 126,584**	**$ 129,664**	**$ 133,224**

NOTE 7: ***<u>DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN</u>*** (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

- 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.

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

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

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

NOTE 7: ***<u>DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN</u>*** (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	**$ 146,612**	**$ 129,664**	**$ 115,171**

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

NOTE 8: ***<u>RISK MANAGEMENT</u>***

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School carries commercial insurance for these risks of loss. Settled claims have not exceeded any coverages in the last year.

NOTE 9: ***<u>COMMITMENTS AND CONTINGENCIES</u>***

Building Lease and Purchase Option

In June 2018, the School entered into a lease agreement with an option to purchase with the Charter School Development Corporation – Property Corporation (the "CSDC") for the School's building. In January 2019, the lease was amended to reduce the base monthly rent through June 30, 2019. Effective July 1, 2019 monthly lease payments range from $35,417 to $48,771.

The original lease term began on August 1, 2018 and will conclude on June 30, 2028 and the School shall have the option to renew the lease for two additional five-year periods.

This lease carries a purchase option for the purchase of the property. Per the amended lease agreement, the purchase option price shall be $5,793,133 plus any unpaid rent or rent deferrals.

NOTE 9: *COMMITMENTS AND CONTINGENCIES* (Continued)

Building Lease and Purchase Option (Continued)

Estimated future lease payments are as follows:

Year Ended June 30,	
2021	$ 503,393
2022	588,339
2023	604,710
2024	616,987
2025-2029	2,335,892
Total	**$ 4,649,321**

Lease expense for the year ended June 30, 2019 was $425,000.

Claims and Judgments

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

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2020, the reserve of $52,500 was recorded as a restriction of fund balance in the General Fund.

NOTE 10: ***SUBSEQUENT EVENTS***

Potential subsequent events were considered through October 12, 2020. It was determined that the following event is required to be disclosed through this date.

Covid-19

As a result of the coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the School. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

COPERNI 2 CHARTER SCHOOL

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020 ORIGINAL BUDGET	2020 FINAL BUDGET	2020 ACTUAL	2020 VARIANCE Positive (Negative)	2019 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$ 2,509,290	$ 1,620,355	$ 1,620,353	$ (2)	$ 1,808,007
Mill Levy Override	-	-	78,424	78,424	75,079
Other	170,000	527,075	56,639	(470,436)	7,776
State and Federal Sources					
Grants and Donations	278,340	296,075	262,852	(33,223)	548,199
TOTAL REVENUES	2,957,630	2,443,505	2,018,268	(425,237)	2,439,061
EXPENDITURES					
Current					
Salaries	1,439,000	1,216,939	1,059,836	157,103	1,038,242
Employee Benefits	461,058	433,087	555,684	(122,597)	298,051
Purchased Services	939,483	853,415	846,104	7,311	652,813
Supplies and Materials	115,900	118,416	132,191	(13,775)	223,370
Property	15,000	4,130	20,272	(16,142)	121,850
Other	11,099	8,525	7,758	767	3,464
Debt Service					
Principal	20,112	20,112	20,112	-	-
TOTAL EXPENDITURES	3,001,652	2,634,512	2,641,957	12,667	2,337,790
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,022)	(191,007)	(623,689)	(432,682)	101,271
OTHER FINANCING (USES)					
Proceeds from Debt Issuance	-	-	247,988	247,988	75,000
NET CHANGE IN FUND BALANCE	(44,022)	(191,007)	(375,701)	(184,694)	176,271
FUND BALANCE (DEFICIT), Beginning	162,739	247,933	247,933	-	71,662
FUND BALANCE (DEFICIT), Ending	$ 118,717	$ 56,926	$ (127,768)	$ (184,694)	$ 247,933

See the accompanying independent auditors' report.

COPERNI 2 CHARTER SCHOOL

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
SCHOOL DIVISION TRUST FUND

Years Ended December 31,

	2018	2019
School's proportionate share of the Net Pension Liability	0.019%	0.018%
School's proportionate share of the Net Pension Liability	$ 3,385,986	$ 2,638,799
State of Colorado's Proportionate Share of the Net Pension Liability associated with the School	$ 462,986	$ 423,929
Total portion of the Net Pension Liability associated with the School	$ 3,848,972	$ 3,062,728
School's covered payroll	$ 525,625	$ 1,037,270
School's proportionate share of the Net Pension Liability as a percentage of its covered payroll	732.3%	295.3%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	64.52%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COPERNI 2 CHARTER SCHOOL

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
SCHOOL DIVISION TRUST FUND

Years Ended June 30,

	2019	2020
Statutorily required contributions	$ 189,253	$ 220,863
Contributions in relation to the Statutorily required contributions	189,253	220,863
Contribution deficiency (excess)	$ -	$ -
School's covered payroll	$ 989,299	$ 1,139,645
Contributions as a percentage of covered payroll	19.13%	19.38%

Notes:
The School did not have any employees participating in the plan prior to 2018.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COPERNI 2 CHARTER SCHOOL

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
HEALTH CARE TRUST FUND

Years Ended December 31,

	2018	2019
School's proportionate share of the Net OPEB Liability	0.012%	0.012%
School's proportionate share of the Net OPEB Liability	$ 169,109	$ 129,664
School's covered payroll	$ 525,625	$ 1,037,270
School's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	32.17%	12.50%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	24.49%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COPERNI 2 CHARTER SCHOOL

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	2019	2020
Statutorily required contributions	$ 10,091	$ 11,624
Contributions in relation to the Statutorily required contributions	10,091	11,624
Contribution deficiency (excess)	$ -	$ -
School's covered payroll	$ 989,299	$ 1,139,645
Contributions as a percentage of covered payroll	1.02%	1.02%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.