LITTLETON PREPARATORY CHARTER SCHOOL
A COMPONENT UNIT OF ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

LITTLETON PREPARATORY CHARTER SCHOOL
ROSTER OF SCHOOL OFFICIALS
YEAR ENDED JUNE 30, 2022

GOVERNING BOARD

J.D. McCrumb, President

Katherine Stekr, Vice President

Lisa Larance, Treasurer

Kristin Kemp, Secretary

Jill Davidson, Member

ADMINISTRATION

Kim Ash, Principal, Director of Academics

Lisa Lira, Director of Operations

LITTLETON PREPARATORY CHARTER SCHOOL
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT

Governing Board
Littleton Preparatory Charter School
Littleton, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Littleton Preparatory Charter School (the School), a component unit of Arapahoe County School District Number Six, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the School adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Governing Board
Littleton Preparatory Charter School

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
October 21, 2022

As management of Littleton Preparatory Charter School (the School), we offer readers of the School financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2022.

Financial Highlights

The School's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $4,916,585. This is largely due to the implementation of accounting pronouncement GASB Statement No. 68 during fiscal year 2015 (see Note 7 of the Financial Statements).

At the close of the fiscal year, the School's governmental funds reported a combined ending fund balance of $3,272,332.

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

Government-wide Financial Statements

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

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

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

The government-wide statement of activities distinguishes functions/programs of the School supported primarily by per pupil revenue (PPR) or property taxes passed through from Arapahoe County School District Number Six (the District). The governmental activities of the School include instruction and supporting services expenses.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other governmental units or charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School are included as one category: governmental funds.

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

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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains three individual governmental funds, the General Fund, Building Corporation Fund, and Operations and Technology Fund. They are presented separately in the fund financial statements as they are classified as major funds.

The School adopts an annual appropriated budget for its General Fund and Operations and Technology Fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The Littleton Preparatory Charter School Building Corporation (the Building Corporation Fund) is a nonprofit finance organization whose sole purpose is to acquire and lease facilities to the School for governmental use. The Building Corporation provides services entirely to the School. Due to this relationship, the Building Corporation is reported as if it were part of or blended with the School's operations as a Special Revenue Fund.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information is provided in pages 14-45.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $4,916,585 due to the implementation of accounting pronouncement GASB Statement No. 68 during fiscal year 2015 and GASB Statement No. 75 during fiscal year 2018.

Condensed Statement of Net Position

	June 30, 2022	June 30, 2021
ASSETS		
Current and Other Assets	$ 3,615,323	$ 3,192,008
Capital Assets	6,600,936	6,699,307
Total Assets	10,216,259	9,891,315
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	25,976	18,840
Related to Pension	1,430,042	2,313,669
Total Deferred Outflow of Resources	1,456,018	2,332,509
LIABILITIES		
Current Liabilities	369,261	375,395
Noncurrent Liabilities	12,931,723	15,861,484
Total Liabilities	13,300,984	16,236,879
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB	115,815	121,946
Related to Pension	3,172,063	3,918,884
Total Deferred Inflow of Resources	3,287,878	4,040,830
NET POSITION		
Net Investment in Capital Assets	671,196	613,008
Restricted	815,855	654,114
Unrestricted	(6,403,636)	(9,321,007)
Total Net Position	$ (4,916,585)	$ (8,053,885)

$815,855 of the School's net position is restricted for emergencies, debt service, capital projects and repair and replacement of the building. The School's overall net position increased $3,137,300 during this fiscal year, which is largely due to net pension liability reported as required by GASB Statement No. 68 and the related pension income recorded for the year ended June 30, 2022. Additional information on the pension liability and the OPEB liability can be found in Notes 7 and 8 to the School's financial statements.

Condensed Statement of Activities

	Years Ended June 30, 2022	Years Ended June 30, 2021
Program Revenue:		
Charges for Services	$ 157,138	$ 178,871
Operating Grants and Contributions	316,809	284,476
Capital Grants and Contributions	159,285	161,871
Total Program Revenue	633,232	625,218
General Revenue:		
Per Pupil Revenue	4,471,373	4,192,618
District Mill Levy	1,130,338	969,890
Investment Income	7,124	3,881
Other	-	95,497
Total General Revenue	5,608,835	5,261,886
Total Revenue	6,242,067	5,887,104
Expenses:		
Current:		
Instructional	1,950,144	3,001,187
Supporting Services	841,087	1,281,238
Interest on Long-Term Debt	313,536	320,947
Total Expenses	3,104,767	4,603,372
Change in Net Position	3,137,300	1,283,732
Net Position - Beginning of Year	(8,053,885)	(9,337,617)
Net Position - End of Year	$ (4,916,585)	$ (8,053,885)

Program and general revenues increased $354,963 from fiscal year 2021 to fiscal year 2022 due to an increase in per pupil funding of $770.39 per student. In fiscal year 2021, no PERA on-behalf payment from the State was made. In 2022, Other Revenues includes a PERA on-half payment from the State of $76,465. District mill levy revenues increased approximately $160,000 from fiscal year 2021 to fiscal year 2022. Over the same period, instructional expenses, supporting services, and interest expenses decreased $1,498,605 in total due primarily to a decrease in instructional expenses.

Financial Analysis of the Government's Funds

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

Governmental Funds: The focus of the School's governmental funds 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.

Total revenues of the General Fund were $5,680,314 during fiscal year 2022 with $4,471,373 (79%) related to Per Pupil Revenue (PPR). During the current year of operations, the School reported a student count of 519.5 PPR increased by $770.39 per student from fiscal year 2021 to fiscal year 2022. Mill Levy Overrides continue to be received through the District as a component of local revenue. Earnings on investments and student fees were received in support of the general operation of the School. Field trip and community service activities were processed through the School's General Fund with minimal impact to ending fund balance. Total revenue increased 4% overall from the prior year.

Total expenditures of the General Fund were $5,399,653 for fiscal year 2022. Salaries and benefits were $4,392,919 and purchased services and other expenditures were $1,006,734. Total expenditures increased by $113,800 from prior-year expenditures.

During fiscal year 2013, the School established and began reporting the Building Corporation Fund, to account for activity related to acquisition, financing and construction of the School's new facility. The fund's fiscal year 2022 activity included primarily debt service interest on bonds of $319,125 and principal of $155,000.

During fiscal year 2021, the School established and began reporting the Operations and Technology Fund, to account for activity related to ongoing building maintenance, capital improvements, and technology expenditures. The fund's fiscal year 2022 activity included expenditures related to school building maintenance.

General Fund Budgetary Highlights

The School approves a budget no later than June, based on enrollment projections for the following school year and submits it to the District for approval. Actual revenues were greater than budgeted revenues by $539,326. Actual expenditures were over than budgeted by $128,804. See the notes to the required supplementary information for additional information.

Capital Asset and Debt Administration

Capital assets: At June 30, 2022, the School's capital assets, net of accumulated depreciation and amortization is $6,600,936, which represents a decrease of $98,371 compared to June 30, 2021, due primarily to current year depreciation expense offset by current year addition to capital assets.

Long-term debt: At June 30, 2022, the School's long-term debt is $6,409,990 which represents a decrease of $163,496 from the prior year, due to amortization of the loan premium and payment of principal.

Additional information on capital assets and long-term debt can be found in Notes 3 and 5, respectively, to the School's financial statements.

Economic Factors and Next Year's Budget

The primary aspect driving the budget for the School is the future of the Colorado state budget and related Per Pupil Revenue for K-12 education. The School has been conservative when preparing its three year budget, in anticipation of unpredictable state funding. The School continues to monitor the state legislature and economic news, and is confident in its preparation for potential funding challenges in the years to come.

Requests for Information

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

Littleton Preparatory Charter School
5301 S. Bannock St.
Littleton, CO 80120

LITTLETON PREPARATORY CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and Investments	$ 2,835,482
Restricted Cash and Investments	765,450
Accounts Receivable	14,391
Capital Assets, Not Depreciated	870,000
Capital Assets, Depreciated, Net of Accumulated Depreciation	5,730,936
Total Assets	10,216,259
DEFERRED OUTFLOWS OF RESOURCES	
Related to OPEB	25,976
Related to Pension	1,430,042
Total Deferred Outflows of Resources	1,456,018
LIABILITIES	
Accounts Payable	15,818
Accrued Salaries and Benefits	300,145
Unearned Revenue	27,028
Accrued Interest	26,270
Noncurrent Liabilities:	
Due in One Year	168,589
Due in More Than One Year	6,241,401
Net OPEB Liability	274,105
Net Pension Liability	6,247,628
Total Liabilities	13,300,984
DEFERRED INFLOWS OF RESOURCES	
Related to OPEB	115,815
Related to Pension	3,172,063
Total Deferred Inflows of Resources	3,287,878
NET POSITION	
Net Investment in Capital Assets	671,196
Restricted:	
TABOR	167,400
Debt Service	98,283
Capital Projects	390,172
Repair and Replacement	160,000
Unrestricted	(6,403,636)
Total Net Position	$ (4,916,585)

See accompanying Notes to Basic Financial Statements.

LITTLETON PREPARATORY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
Instructional	$ 1,950,144	$ -	$ 316,809	$ -	$ (1,633,335)
Supporting Services	841,087	157,138	-	159,285	(524,664)
Interest on Long-Term Debt	313,536	-	-	-	(313,536)
Total Government Activities	$ 3,104,767	$ 157,138	$ 316,809	$ 159,285	(2,471,535)
		General Revenues:			
		Per Pupil Revenue			4,471,373
		District Mill Levy			1,130,338
		Investment Income			7,124
		Total General Revenues			5,608,835
		CHANGE IN NET POSITION			3,137,300
		Net Position - Beginning of Year			(8,053,885)
		NET POSITION - END OF YEAR			$ (4,916,585)

See accompanying Notes to Basic Financial Statements.

LITTLETON PREPARATORY CHARTER SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Building Corporation Fund	Operations and Technology Fund	Total Governmental Funds
ASSETS				
Cash and Investments	$ 2,437,134	$ -	$ 398,348	$ 2,835,482
Restricted Cash and Investments	-	765,450	-	765,450
Accounts Receivable	14,391	-	-	14,391
Total Assets	$ 2,451,525	$ 765,450	$ 398,348	$ 3,615,323
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 7,642	$ -	$ 8,176	$ 15,818
Accrued Salaries and Benefits	300,145	-	-	300,145
Unearned Revenue	27,028	-	-	27,028
Total Liabilities	334,815	-	8,176	342,991
FUND BALANCES				
Restricted:				
TABOR	167,400	-	-	167,400
Debt Service	-	605,450	-	605,450
Capital Projects	-	-	390,172	390,172
Repair and Replacement	-	160,000	-	160,000
Assigned:				
Working Capital	537,080	-	-	537,080
Unassigned	1,412,230	-	-	1,412,230
Total Fund Balances	2,116,710	765,450	390,172	3,272,332
Total Liabilities and Fund Balances	$ 2,451,525	$ 765,450	$ 398,348	$ 3,615,323

Amounts reported to governmental activities in the statement of net position are different because:

Total Fund Balances of Governmental Funds	$ 3,272,332
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	6,600,936
Long-term liabilities, including loans payable, are not due and payable in the current period, and therefore, are not reported in the governmental funds.	
Revenue Bonds Payable	(6,305,000)
Premium on Bonds Payable	(101,475)
Leases Payable	(3,515)
Accrued Interest Payable	(26,270)
Net OPEB Liability	(274,105)
Net Pension Liability	(6,247,628)
Deferred pension outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to OPEB	25,976
Related to Pension	1,430,042
Deferred pension inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to OPEB	(115,815)
Related to Pension	(3,172,063)
Net Position of Governmental Activities	$ (4,916,585)

See accompanying Notes to Basic Financial Statements.

LITTLETON PREPARATORY CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Building Corporation Fund	Operations and Technology Fund	Total Governmental Funds
REVENUES				
Per Pupil Revenue	$ 4,471,373	$ -	$ -	$ 4,471,373
District Mill Levy	569,628	-	560,710	1,130,338
Charges for Services	157,138	-	-	157,138
Intergovernmental Revenue	159,285	-	-	159,285
Other Revenue	316,809	481,792	-	798,601
Investment Income	6,081	338	705	7,124
Total Revenues	5,680,314	482,130	561,415	6,723,859
EXPENDITURES				
Current:				
Instructional	3,578,314	-	-	3,578,314
Supporting Services	1,803,926	5,975	394,609	2,204,510
Capital Outlay	13,859	-	20,695	34,554
Debt Service:				
Principal	3,422	155,000	-	158,422
Interest	132	319,125	-	319,257
Total Expenditures	5,399,653	480,100	415,304	6,295,057
NET CHANGE IN FUND BALANCES	280,661	2,030	146,111	428,802
Fund Balances - Beginning of Year	1,836,049	763,420	244,061	2,843,530
FUND BALANCES - END OF YEAR	$ 2,116,710	$ 765,450	$ 390,172	$ 3,272,332

See accompanying Notes to Basic Financial Statements.

LITTLETON PREPARATORY CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

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

Net Change in Fund Balances of Governmental Funds	$ 428,802
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities:	
Capital Outlay	77,432
Depreciation and Amortization Expense	(182,740)
The issuance of long-term debt provides current financial resources to funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal Payments on debt and leases	158,422
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:	
Amortization of Premium	5,074
Interest payable on debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.	646
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:	
Change in OPEB	40,768
Change in Pension	2,608,896
Change in Net Position of Governmental Activities	$ 3,137,300

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Littleton Preparatory Charter School (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Arapahoe County School District Number Six (the District). The School began operations in the fall of 1998.

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

Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes:

> The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the exercise of financial accountability over such agencies by the governmental unit's elected officials. Financial accountability is derived from the governmental unit's power and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Financial accountability implies that a governmental unit is dependent on another and the dependent unit should be reported as part of the other.

The School's charter was granted by the District and the majority of the School's funding is provided by the District. The School has been determined to be a component unit of the District.

Blended Component Unit

The Littleton Preparatory Charter School Building Corporation (the Building Corporation Fund) is a nonprofit finance organization whose sole purpose is to acquire and lease facilities to the School for governmental use. The Building Corporation provides services entirely to the School. Due to the above relationships, the Building Corporation is reported as if it were part of or blended with the School's operations as a special revenue fund. No separate financial statements for the Building Corporation have been issued.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included as program revenues are reported instead as general revenues.

Fund Financial Statements

The accounts of the School are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

Major Governmental 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.

Building Corporation Fund – This is a special revenue fund. This fund is used to account for the activity of the Building Corporation. The primary source of revenue is from investment income.

Operations and Technology Fund – This is a special revenue fund. This fund is used to account for ongoing building maintenance, capital improvements, and technology expenditures. The primary source of revenue is from property taxes.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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. With this measurement focus, operating statements present increases and decreases in net current assets and fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

All governmental funds use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. “Measureable” means the amount of the transaction can be determined and “available” means collectible within the current period, or soon thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 30 days after year-end; 90 days for grants.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts and an unearned revenue is established when receipts exceed the related expenditures.

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position

Investments – Investments are reported at amortized cost.

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 acquisition cost if purchased or constructed. Donated capital assets are recorded at 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building	50 Years
Building Improvements	10 to 25 Years
Equipment	5 to 20 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates to the effective interest method and issuance costs are expensed. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

Leases – The School determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position.

Lease assets represent the School's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the School's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the School has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Net Pension and OPEB Liabilities – The School's governmental activities report a net pension and OPEB liability as of June 30, 2022. The School is required to report its proportionate share of PERA's unfunded Pension and OPEB Liabilities. See Notes 7 and 8 for additional information.

On – Behalf Payments – GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures/expenses by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

Defined Benefit Pension Plan – The School participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-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 pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. See Note 8 for additional information.

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources expense until then. See Notes 7 and 8 for deferred pension and deferred OPEB outflows of resources.

Deferred Inflows of Resources – In addition to liabilities, the School's financial statements will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. See Notes 7 and 8 for the deferred pension and deferred OPEB inflows of resources.

Net Position – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

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:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

- 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 did not have any nonspendable resources as of June 30, 2022.

- 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. Restricted balances relate to Emergency Reserves and capital projects in the General Fund and required debt restrictions in the Building Corporation Fund and remaining fund balance of the Operations and Technology Fund.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Governing Board.

  These amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action (i.e. 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, 2022.

- Assigned – This classification includes amounts that are subject to a purpose constraint that represents an intended use but does not meet the criteria to be classified as restricted or committed. The purpose of this assignment must be narrower than the purpose of the General Fund. The School had assigned resources of $537,080 as of June 30, 2022.

- Unassigned – This classification includes the residual fund balance for the General Fund.

When both restricted and unrestricted resources are available, the School would typically use restricted fund balances first, followed by committed then assigned, then unassigned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases.* This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The School adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the School reporting a right-to-use asset and a lease liability disclosed in Note 3 and Note 5.

NOTE 2 CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2022 as follows:

Cash Held by the District	$ 2,835,482
Investment	765,450
Total	$ 3,600,932

Cash and investments are reported in the financial statements at June 30, 2022 as follows:

Cash and Investments	$ 2,835,482
Restricted Cash and Investments	765,450
Total	$ 3,600,932

Deposits

The School's deposits are governed by Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all uninsured public deposits as a group is to be maintained by another institution or held in trust. The fair value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

At June 30, 2022, the School's cash held by the District includes equity in pooled cash maintained by the District, all of which was covered by federal depository insurance or collateralized under PDPA.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

Investments at June 30, 2022 consist of the following:

	Maturity	Value
Morgan Stanley Government Liquidity Fund #8352	Less Than One Year	$ 765,450

Fair Value of Investments – As of June 30, 2022, the School had invested $765,450 in the Morgan Stanley Government Liquidity Fund #8352, a money market mutual fund which, complies with the Rule 2a-7 definition of a government money market fund. The Fund is rated AAAm by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

Interest Rate Risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The School does not have a policy over credit risk. State law limits investments for school districts to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings without limitation. Other investment instruments including bank obligation, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institutions have assets in excess of $1 billion or the highest credit rating from one or more of a nationally recognized rating agency. The School's investment at June 30, 2022 was rated AAAm by Standard & Poors.

Concentration of Credit Risk – State statutes do not generally limit the amount the School may invest in one issuer. The School does not have a policy over concentration of credit risk.

Restricted Cash and Investments

Cash and investments of $765,450 have been restricted by the Building Corporation for debt service and repair and replacement.

NOTE 3 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 is summarized below.

	Balance (1) June 30, 2021	Additions	Disposals	Balance June 30, 2022
Governmental Activities				
Capital Assets, Not Depreciated:				
Land	$ 870,000	$ -	$ -	$ 870,000
Total Capital Assets, Not Depreciated	870,000	-	-	870,000
Capital Assets, Being Depreciated:				
Building	6,651,990	-	-	6,651,990
Building Improvements	210,595	-	-	210,595
Equipment	80,311	77,432	-	157,743
Total Capital Assets, Being Depreciated	6,942,896	77,432	-	7,020,328
Lease Assets, Being Amortized:				
Equipment	6,937	-	-	6,937
Total Lease Assets, Being Amortized	6,937	-	-	6,937
Less Capital Asset Accumulated Depreciation:				
Building	(1,040,666)	(153,119)	-	(1,193,785)
Building Improvements	(40,424)	(10,530)	-	(50,954)
Equipment	(32,499)	(16,220)	-	(48,719)
Total Capital Asset Accumulated Depreciation	(1,113,589)	(179,869)	-	(1,293,458)
Total Lease Asset Accumulated Amortization	-	(2,871)	-	(2,871)
Total Capital Assets, Being Depreciated, Net	5,829,307	(102,437)	-	5,726,870
Total Lease Assets, Being Amortized, Net	6,937	(2,871)	-	4,066
Total Assets	$ 6,706,244	$ (105,308)	$ -	$ 6,600,936

(1) The beginning balance of this footnote was restated due to the implementation of GASB Statement No. 87. Note that there was no restatement of overall net position, however, due to the offset of the leased asset with the lease liability.

Depreciation expense of $182,740 was charged to supporting services ($62,132) and to instruction ($120,608) for the year ended June 30, 2022.

NOTE 4 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a 12-month period from August to July, but are earned during a school year of nine months. The salaries and benefits earned, but unpaid, as of June 30, 2022, were $300,145 in 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, 2022:

	Balance (1) June 30, 2021	Additions	Retirements	Balance June 30, 2022	Current	Long-Term
Revenue Bonds	$ 6,460,000	$ -	$ (155,000)	$ 6,305,000	$ 160,000	$ 6,145,000
Bond Premium	106,549	-	(5,074)	101,475	5,074	96,401
Leases Payable	6,937	-	(3,422)	3,515	3,515	-
Total	$ 6,573,486	$ -	$ (163,496)	$ 6,409,990	$ 168,589	$ 6,241,401

(1) The beginning balance of this footnote was restated due to the implementation of GASB Statement No. 87. Note that there was no restatement of overall net position, however, due to the offset of the leased asset with the lease liability.

On January 31, 2013, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $7,340,000 Charter School Revenue Bonds, Series 2013. Proceeds of the Series 2013 Bonds were used by the Building Corporation to acquire and remodel the School's building. The School is obligated under a lease agreement to make monthly lease payments to the Building Corporation for using the building. The Building Corporation is required to make semi-annual loan payments to the Trustee for payment of the bonds. Bond interest payments are due semi-annually on December 1 and June 1, with interest accruing at a rate of 5.00%. Principal payments are due annually on December 1, beginning 2014 through 2043.

Annual debt service requirements to maturity for the long-term debt transactions are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 160,000	$ 311,250	$ 471,250
2024	170,000	303,000	473,000
2025	180,000	294,250	474,250
2026	190,000	285,000	475,000
2027	200,000	275,250	475,250
2028-2032	1,155,000	1,212,375	2,367,375
2033-2037	1,460,000	886,750	2,346,750
2038-2042	1,870,000	472,500	2,342,500
2043	920,000	23,000	943,000
Total	$ 6,305,000	$ 4,063,375	$ 10,368,375

Lease:
In 2018, the School entered into a lease agreement for copier equipment with a lease term of five years. The carrying amount of the capital asset under this agreement is $4,066, including $2,871 of depreciation for the year ended June 30, 2022.

NOTE 5 LONG-TERM DEBT (CONTINUED)

The principal and interest requirements to maturity of the lease are as follows:

	Governmental Activities		
	Principal	Interest	Total
2023	$ 3,515	$ 39	$ 3,554
Total Minimum Lease Payments	$ 3,515	$ 39	$ 3,554

NOTE 6 INTRA-ENTITY LEASE

The School leases its building from the Building Corporation. The lease requires monthly payments, which approximate the Building Corporation's required payments on the bonds (see Note 5). Rent expenditure was $481,792 for the year ended June 30, 2022 and is included in supporting services expenditures in the General Fund. The future minimum lease payment schedule is as follows:

Year Ending June 30,	Governmental Activities
2023	$ 471,250
2024	473,000
2025	474,250
2026	475,000
2027	475,250
2028-2032	2,367,375
2033-2037	2,346,750
2038-2042	2,342,500
2043	943,000
Total	$ 10,368,375

NOTE 7 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

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

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided as of December 31, 2021

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% 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.

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

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

In all cases the service retirement benefit is limited to 100% 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% 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.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided as of December 31, 2021 (Continued)

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

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

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

Contributions provisions as of June 30, 2022: Eligible employees of Littleton Preparatory Charter School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided as of December 31, 2021 (Continued)

	January 1, 2021 Through December 31, 2022
Employer Contribution Rate	10.90 %
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	9.88%
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 LGDTF[1]	19.88 %

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were $616,694 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF, based on the 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. In addition to the $225 million direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of $380 million, upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2021 and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the School reported a liability of $6,247,628 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

School's Proportionate Share of the Net Pension Liability	$ 6,247,628
State's Proportionate Share of the Net Pension Liability	716,211
Total	$ 6,963,839

At December 31, 2021, the School's proportion was 0.0536%, which was an increase of 0.0072% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized pension income of $2,276,157 and revenue of $76,465 for support from the State as a nonemployer contributing entity. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	Outflows of Resources	Inflows of Resources
Difference Between Expected and Actual Experience	$ 239,184	$ -
Changes of Assumptions or Other Inputs	476,960	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,348,922
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	381,159	823,141
Contributions Subsequent to the Measurement Date	332,739	-
Total	$ 1,430,042	$ 3,172,063

$332,739 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	$ (265,021)
2024	(853,401)
2025	(671,229)
2026	(285,109)
2027	-
Thereafter	-

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Actuarial Assumptions
Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to 1/1/07 and DPS Benefit Structure (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06	Financed by the AIR

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Postretirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

Postretirement 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.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared 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.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

Discount Rate

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

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

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate (Continued)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

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

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

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate (Continued)

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

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

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

	One Percent Decrease (6.25%)	Current Discount Rate (7.25%)	One Percent Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 9,195,997	$ 6,247,628	$ 3,787,324

Pension Plan Fiduciary Net Position

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

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan Description

Eligible employees of the Littleton Preparatory Charter School are provided with OPEB through the Health Care Trust Fund (HCTF) – a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. 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 annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Benefits Provided

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

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

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

PERA Benefit Structure

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

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

PERA Benefit Structure (Continued)

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

DPS Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School were $31,038 for the year ended June 30, 2022.

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

At June 30, 2022, the Littleton Preparatory Charter School reported a liability of $274,105 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The School's proportion of the net OPEB liability was based on their contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the School's proportion was 0.031740%, which was a decrease of 0.0000597% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the School recognized OPEB income of $25,286. At June 30, 2022, 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
Difference between Expected and Actual Experience	$ 418	$ 64,994
Changes of Assumptions or other Inputs	5,675	14,869
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	16,967
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	4,401	18,985
Contributions Subsequent to the Measurement Date	15,482	-
Total	$ 25,976	$ 115,815

$15,482 reported as deferred outflows of resources related to OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2023. 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,	Amount
2023	$ (29,022)
2024	(30,613)
2025	(28,625)
2026	(15,021)
2027	(1,848)
Thereafter	(192)

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Actuarial Assumptions

The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial Cost Method	Entry Age			
Price Inflation	2.30%			
Real Wage Growth	0.70%			
Wage Inflation	3.00%			
Salary Increases, Including Wage Inflation:				
Members Other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%			
Discount Rate	7.25%			
Health Care Cost Trend Rates:				
Service-Based Premium Subsidy	0.00%			
PERACare Medicare Plans	4.50% in 2021, 6.00% in 2022, Gradually Decreasing to 4.50% in 2029			
Medicare Part A Premiums	3.75% for 2021, Gradually Increasing to 4.50% in 2029			
DPS Benefit Structure:				
Service-Based Premium Subsidy	0.00%			
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.

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 in the December 31, 2020, valuation, the following monthly costs/premiums are assumed for 2021 for the PERA Benefit Structure.

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Actuarial Assumptions (Continued)

	Initial Costs for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	$ 663	$ 230	$ 591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is $471 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50 %	3.75 %
2022	6.00	3.75
2023	5.80	4.00
2024	5.60	4.00
2025	5.40	4.00
2026	5.10	4.25
2027	4.90	4.25
2028	4.70	4.25
2029+	4.50	4.50

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Actuarial Assumptions (Continued)

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

Postretirement nondisabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

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

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

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

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

- 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 2021 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 PERA Board’s actuary, as discussed above.

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

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30-Yr 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 nominal rate of return assumption of 7.25%.

Sensitivity of the Littleton Preparatory Charter School's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents The School's proportionate share of the net OPEB liability, as well as what The Littleton Preparatory Charter School's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Actuarial Assumptions (Continued)

	One Percent Decrease in Trend Rates	Current Trend Rates	One Percent Increase in Trend Rates
Initial PERACare Medicare Trend Rate	3.50 %	4.50 %	5.50 %
Ultimate PERACare Medicare Trend Rate	3.50	4.50	5.50
Initial Medicare Part A Trend Rate	2.75	3.75	4.75
Ultimate Medicare Part A Trend Rate	3.50	4.50	5.50
Proportionate Share of the Net OPEB Liability	$ 266,234	$ 274,105	$ 283,224

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

Discount Rate (Continued)

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

Sensitivity of The Littleton Preparatory Charter School's proportionate share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Littleton Preparatory Charter School's proportionate share of the net OPEB liability, as well as what the School's 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 discount rate:

	One Percent Decrease (6.25%)	Current Discount Rate (7.25%)	One Percent Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 318,344	$ 274,105	$ 236,317

OPEB Plan Fiduciary Net Position

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

NOTE 9 COMMITMENTS AND CONTINGENCIES

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.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increased based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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. 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, 2022, the reserve of $167,400 was recorded as a restriction of fund balance in the General Fund.

NOTE 11 RISK MANAGEMENT

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 participates in the District's risk management programs for workers' compensation claims, liability and property coverage. Settled claims have not exceeded coverage for the past three years.

LITTLETON PREPARATORY CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Per Pupil Revenue	$ 4,190,736	$ 4,471,373	$ 280,637
District Mill Levy	523,251	569,628	46,377
Charges for Services	228,000	157,138	(70,862)
Intergovernmental Revenue	165,000	159,285	(5,715)
Other Revenue	29,000	316,809	287,809
Investment Income	5,000	6,081	1,081
Total Revenues	5,140,987	5,680,314	539,327
EXPENDITURES			
Salaries and Benefits	4,145,107	4,392,919	(247,812)
Purchased Services and Other	1,125,722	992,875	132,847
Capital Outlay	-	13,859	(13,859)
Total Expenditures	5,270,829	5,399,653	(128,824)
NET CHANGE IN FUND BALANCES	(129,842)	280,661	410,503
Fund Balances - Beginning of Year	1,681,734	1,836,049	154,315
FUND BALANCES - END OF YEAR	$ 1,551,892	$ 2,116,710	$ 564,818

See accompanying Notes to Required Supplementary Information.

LITTLETON PREPARATORY CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – OPERATIONS AND TECHNOLOGY FUND
YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
District Mill Levy	$ 509,803	560,710	$ 50,907
Investment Income	-	705	705
Total Revenues	509,803	561,415	51,612
EXPENDITURES			
Salaries and Benefits	191,676	191,136	540
Purchased Services and Other	235,286	203,473	31,813
Capital Outlay	-	20,695	(20,695)
Total Expenditures	426,962	415,304	11,658
NET CHANGE IN FUND BALANCES	82,841	146,111	63,270
Fund Balances - Beginning of Year	59,033	244,061	-
FUND BALANCES - END OF YEAR	$ 141,874	$ 390,172	$ 248,298

See accompanying Notes to Required Supplementary Information.

NOTE 1 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget was adopted for the General Fund and the Operations and Technology Fund for fiscal year 2021, on a basis consistent with generally accepted accounting principles. A budget was not adopted for the Building Corporation Fund for fiscal year 2021.

School management submits to the Governing Board (the Board) a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board prior to June 30.

Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year-end.

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1.00%, resulting from the 2020 AAP assessment, effective July 1, 2022.

- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.

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

- Salary scale assumptions were revised to align with the 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 assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

- The preretirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The postretirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

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

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

- The postretirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%
- The price inflation assumption was lowered from 3.50% to 2.80%
- The wage inflation assumption was lowered from 4.25% to 3.90%

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.

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

- Salary scale assumptions were revised to align with the 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 assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

- The preretirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The postretirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

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

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

- The postretirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The postretirement nondisabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The postretirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

  - 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.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

LITTLETON PREPARATORY CHARTER SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN YEARS

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
School's Proportion of the Net Pension Liability	0.0536859280%	0.0464242265%	0.0486596646%	0.0502919236%	0.0585455692%	0.0581739819%	0.0562788929%	0.0562278382%	0.0567314879%
School's Proportionate Share of the Net Pension Liability	$ 6,247,628	$ 8,993,329	$ 7,269,648	$ 8,905,218	$ 18,907,777	$ 17,320,645	$ 8,607,459	$ 7,620,760	$ 7,236,086
State's Proportionate Share of the Net Pension Liability associated with the School **	716,211	-	922,062	1,217,665	-	-	-	-	-
Total	$ 6,963,839	$ 8,993,329	$ 8,191,711	$ 10,122,883	$ 18,907,777	$ 17,320,645	$ 8,607,459	$ 7,620,760	$ 7,236,086
School's Covered Payroll	3,102,081	3,230,047	2,843,473	2,708,988	2,700,638	2,612,453	2,379,564	2,352,749	2,220,810
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	201.4%	278.4%	255.7%	328.7%	700.1%	663.0%	361.7%	323.9%	325.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.90%	67.00%	64.52%	57.01%	43.96%	43.1%	59.2%	62.8%	64.1%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.
**HB 20-1379 suspended the direct distribution scheduled for July 1, 2020 in fiscal year 2021.

LITTLETON PREPARATORY CHARTER SCHOOL
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 616,694	$ 582,027	$ 572,735	$ 522,693	$ 500,795	$ 507,823	$ 435,056	$ 399,710	$ 371,230	$ 318,790
Contributions in Relation to the Contractually Required Contribution	616,694	582,027	572,735	522,693	500,795	507,823	435,056	399,710	371,230	318,790
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 3,042,949	$ 2,931,173	$ 2,955,287	$ 2,732,322	$ 2,651,411	$ 2,761,941	$ 2,451,885	$ 2,367,360	$ 2,322,013	$ 2,111,876
Contributions as a Percentage of Covered Payroll	20.30%	19.90%	19.38%	19.13%	18.88%	18.38%	17.74%	16.88%	15.99%	15.10%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30.

This schedule is presented to illustrate the requirement to show information for 10 years.

LITTLETON PREPARATORY CHARTER SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST TEN YEARS

Fiscal Year	2022	2021	2020	2019	2018	2017
Plan Measurement Date	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
School's Proportion (Percentage) of the Collective Net OPEB Liability	0.03178748%	0.03174052%	0.03179970%	0.03207073%	0.03326537%	0.03308579%
School's Proportionate Share of the Collective Net OPEB Liability	$ 274,105	$ 301,606	$ 357,428	$ 436,336	$ 431,774	$ 428,720
Covered payroll	$ 3,042,949	$ 2,979,063	$ 2,843,473	$ 2,708,988	$ 2,700,638	$ 2,612,453
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	9.01%	10.12%	12.57%	16.11%	15.99%	16.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

Notes to Schedule:

The amounts presented for each fiscal year were determined as of December 31.

The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

LITTLETON PREPARATORY CHARTER SCHOOL
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 31,038	$ 29,859	$ 30,144	$ 27,870	$ 27,044	$ 28,172	$ 25,009	$ 24,147	$ 23,685	$ 21,541
Contributions in Relation to the Contractually Required Contribution	31,038	29,859	30,144	27,870	27,044	28,172	25,009	24,147	23,685	21,541
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 3,042,949	$ 2,927,349	$ 2,955,287	$ 2,732,322	$ 2,651,411	$ 2,761,941	$ 2,451,885	$ 2,367,360	$ 2,322,013	$ 2,111,876
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30.

This schedule is presented to illustrate the requirement to show information for 10 years.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Governing Board
Littleton Preparatory Charter School
Littleton, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Littleton Preparatory Charter School, a component unit of Arapahoe County School District Number Six, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Littleton Preparatory Charter School's basic financial statements, and have issued our report thereon dated October 21, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Littleton Preparatory Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Littleton Preparatory Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Littleton Preparatory Charter School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Governing Board
Littleton Preparatory Charter School

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Littleton Preparatory Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
October 21, 2022